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**FILED**  
 LOS ANGELES SUPERIOR COURT

AUG 14 2013

John Clarke, Executive Officer/Clerk  
 By Cher Mason, Deputy  
 CHER MASON

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
 FOR THE COUNTY OF LOS ANGELES  
 CENTRAL DISTRICT

IRONRIDGE GLOBAL IV, LTD.,  
 Plaintiff,  
 v.  
 L & L ENERGY, INC.,  
 Defendant.

Case No: BC513859  
 Assigned for All Purposes to:  
 Hon. Michael Johnson

**DECLARATION OF DICKSON V. LEE  
 IN SUPPORT OF JOINT EX PARTE  
 APPLICATION FOR ORDER  
 APPROVING STIPULATION FOR  
 SETTLEMENT OF CLAIMS**

Date: August 14, 2013  
 Time: 8:30 am  
 Dept: 56

Trial Date: None Set

08/14/2013

1 DECLARATION OF DICKSON V. LEE

2 I, Dickson V. Lee hereby declare:

3 1. I am the Founder, Chairman and Chief Exec. Officer of L & L Energy, Inc.  
4 ("LLEN"), the defendant in this action. I have personal knowledge of the facts set forth herein  
5 and, if called to testify as a witness, could and would testify truthfully and competently thereto.

6 2. I submit this declaration in support of the Joint Ex Parte Application For Order  
7 Approving Stipulation for Settlement of Claims, filed by LLEN and Ironridge Global IV, Ltd.  
8 ("Ironridge"). Ironridge and LLEN each fully support the application and ask that the Court grant  
9 it in its entirety.

10 3. LLEN is a Seattle, Washington based company in the business of producing,  
11 processing and selling coal. LLEN is a public company whose stock is traded on the on the  
12 NASDAQ Global Select Market ("NASDAQ-GS") as "LLEN." Ironridge is a creditor of LLEN,  
13 having purchased unpaid receivables from LLEN creditors pursuant to Receivable Purchase  
14 Agreements attached as exhibits to the First Amended Complaint. The amount currently owed to  
15 Ironridge by LLEN is \$4,983,075 plus attorney and agents fees, costs and expenses.

16 4. I acknowledge, on behalf of LLEN, that the claims owned by Ironridge are bona  
17 fide outstanding obligations of LLEN, for due and proper consideration provided to LLEN in  
18 good faith. Based upon Ironridge's ownership of the payables, LLEN acknowledges that it is  
19 obligated to pay Ironridge the full amount of the claims without counterclaim or right of offset.

20 5. LLEN has engaged in substantial settlement discussions with Ironridge concerning  
21 satisfaction of the claims. LLEN desires to satisfy Ironridge's claims in exchange for shares of  
22 LLEN common stock. As a result of those discussions and based upon LLEN's financial  
23 situation, in full and final settlement of the claims, LLEN has agreed to issue, and Ironridge  
24 has—subject to Court approval—agreed to accept a calculated number of shares of Common  
25 Stock, subject to an adjustment mechanism, ownership restrictions and other conditions. The full  
26 terms and conditions of the settlement are set forth in the Stipulation which is being submitted  
27 jointly herewith.

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1           6.       The number of shares to be issued by LLEN pursuant to the settlement will  
2 reasonably compensate Ironridge for the claims, because the current fair market value of the  
3 shares to be initially issued, based on the most recent closing sale price of the stock on the  
4 NASDAQ-GS, which represents a premium to the amount of the claims. In addition, the  
5 Stipulation provides for an adjustment mechanism, such that the shares will represent a premium  
6 to the volume weighted average price of the stock over a defined calculation period. This  
7 provides a measure of protection to Ironridge for price fluctuations in the stock.

8           7.       The trading of LLEN stock has fluctuated significantly in price, volume and  
9 liquidity over the past year. The trading chart attached hereto as Exhibit A shows the trading  
10 price of LLEN's stock and the volume of shares traded over the last calendar year. This  
11 settlement is contingent upon court approval and, given the volatility of the marketplace, a delay  
12 of days or weeks in obtaining approval may effectively preclude effectuation of a settlement,  
13 because of the likely continual variation in the company's stock price.

14           8.       It is my belief that the terms and conditions of the settlement of the claims, as set  
15 forth in the Stipulation are fair, reasonable and adequate to Ironridge. Further, the board of  
16 directors of LLEN has considered the proposed settlement and has resolved that its terms and  
17 conditions are fair to, and in the best interests of, LLEN and its stockholders. Accordingly,  
18 LLEN and I respectfully ask that the Court find that the terms and conditions of the issuance and  
19 exchange of LLEN stock for the claims are fair, and that the Court approve the Stipulation in its  
20 entirety and enter the proposed Order as requested.

21           9.       If this Court approves the Stipulation, LLEN intends to rely on exclusion from the  
22 definition of a "sale" of securities set forth in Section 25017(f)(3) of the California Corporations  
23 Code, and the securities registration exemption set forth in Section 3(a)(10) of the federal

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1 Securities Act of 1933, as amended.

2 I declare under the penalty of perjury pursuant to the laws of the State of California that the  
3 foregoing is true and correct and I executed this Declaration at Los Angeles, California.

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5 Dated: August 12, 2013



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Dickson V. Lee

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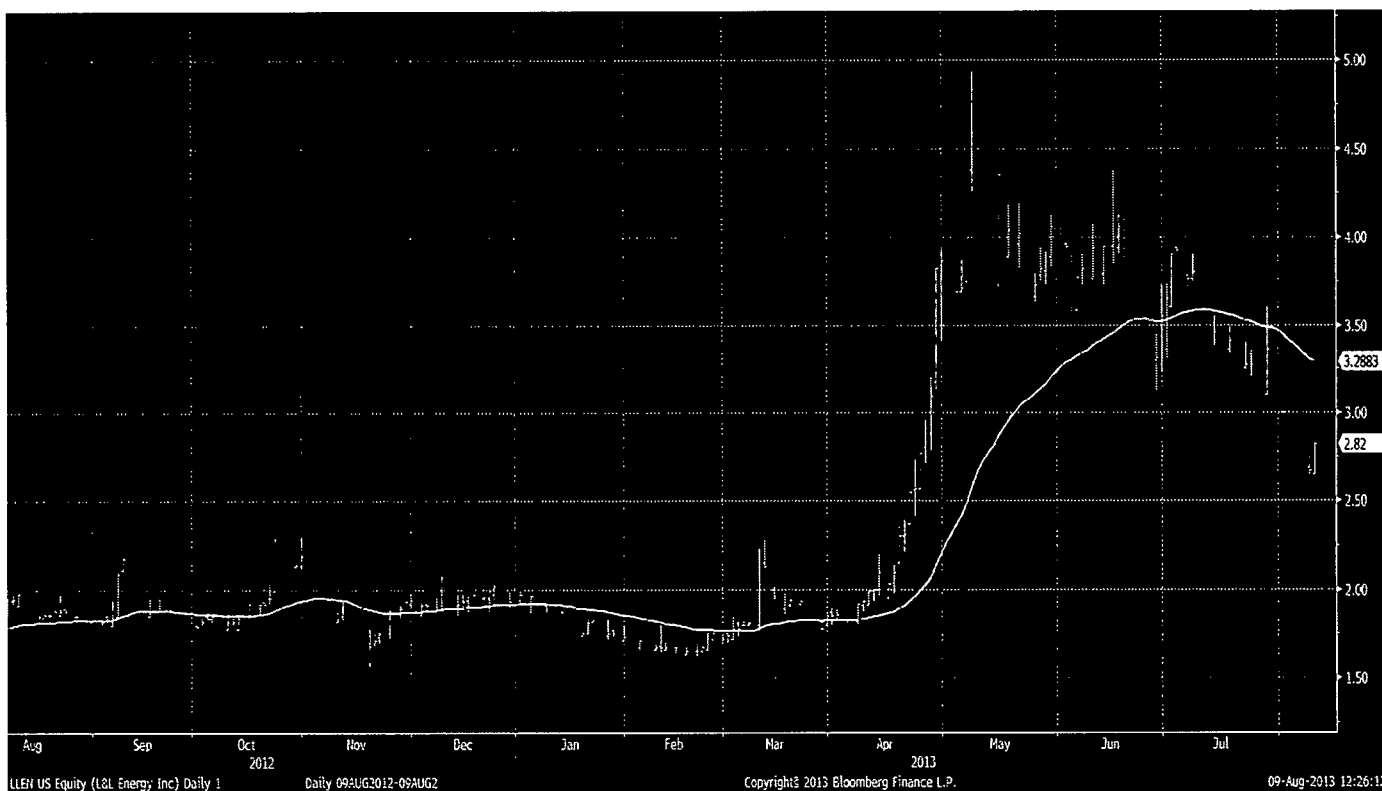
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**EXHIBIT A  
TRADING CHART**

# L & L Energy, Inc. (LLEN) Bloomberg Trading Chart

## August 9, 2012 to August 9, 2013



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