

1 preliminary approval of class action settlement to December 27, 2018. Following the November
2 15, 2018 hearing, Plaintiffs submitted additional materials. The Court provided a tentative ruling on
3 December 27, 2018. Following the December 27, 2018 hearing, Plaintiffs submitted a second set
4 of supplemental filings.

5 On the basis of the Amended Stipulation of Settlement (filed and signed on December 6,
6 2018), and the additional page of the Amended Stipulation of Settlement provided in the
7 Declaration of Ellen Gusikoff Stewart (filed December 10, 2018) (collectively "Settlement
8 Agreement"), and all the filings related to preliminary approval, it ordered as follows:

9 1. Capitalized terms or phrases used in this Order have the same meaning as in the
10 Settlement Agreement.

11 2. The Settlement Agreement preliminarily appears to be within the range of possible final
12 approval, such that notice should be provided to the settlement class. Preliminary approval of the
13 Settlement Agreement is granted. It appears that Class counsel will represent the interests of the
14 settlement class fairly and adequately in accordance with C.C.P. § 382 for settlement purposes.

15 3. The Court approves the appointment of Gilardi & Co. LLC as the Claims
16 Administrator, and approves the following schedule for the provision of notice:

17 (a) The Claims Administrator shall cause the Notice and the Proof of Claim
18 ("Claim Package"), substantially in the forms annexed here, to be mailed, by First-Class Mail,
19 postage prepaid, on or before January 22, 2019 ("Notice Date"), to all Class Members who can be
20 identified with reasonable effort, and to be posted on www.CyanSecuritiesLitigation.com
21 ("Website").

22 (b) The Claims Administrator shall cause the Summary Notice to be published
23 once in the national edition of *The Wall Street Journal*, and once over the *Business Wire*, on or
24 before February 4, 2019.

25 4. The Claims Administrator shall use the following additional procedures in notifying
26 potential Class Members of the Settlement:

1 (a) On the Notice Date, the Claims Administrator shall send the Claim Package
2 and appropriate cover letter to each entity included on a proprietary list of approximately 250
3 brokers, banks and other institutions that hold securities for the benefit of their clients (“Nominee
4 Holders”) maintained by the Claims Administrator. The cover letter will notify the Nominee
5 Holders of the proposed Settlement and inform them of their obligation to either provide the Claims
6 Administrator with names and addresses of their clients who may be Class Members or request
7 copies of the Claim Package to provide directly to their customers and clients who may be Class
8 Members.

9 (b) On the Notice Date, the Claims Administrator shall send a Claim Package
10 and appropriate cover letter to each financial institution registered with the U.S. Securities and
11 Exchange Commission as a potential Nominee Holder.

12 (c) Within six to 10 days from when names and addresses are received, the
13 Claims Administrator shall promptly mail the Claim Package to all potential Class Members
14 identified by Nominee Holders. Within the same timeframe, the Claims Administrator shall also
15 send copies of the Claim Package directly to Nominee Holders who indicate that they will directly
16 forward the documents to their customers and clients who may be Class Members.

17 (d) All name and address data obtained by the Claims Administrator shall be
18 reviewed to identify and eliminate exact duplicates and incomplete data prior to mailing. Addresses
19 shall be checked against the United States Postal Service’s National Change of Address database to
20 identify address changes and obtain current mailing addresses where available. Any Claim
21 Packages that are returned as undeliverable mail shall be reviewed to determine if an alternative or
22 updated address is available from the Postal Service, and shall be re-mailed to the updated or
23 alternative address within six to 12 days of identification of updated or alternative addresses. In
24 cases where no address is available from the Postal Service, the Claims Administrator shall attempt
25 to obtain updated or alternative address information from private databases, and shall re-mail the
26 Claim Package if such information is available.

1 (e) The Claims Administrator shall provide four supplemental notification letters
2 to any Nominee Holder who does not respond to the initial request for potential Class Member
3 names and addresses. The first such supplemental notification shall be sent no later than 14 days
4 after the Notice Date. The second such supplemental notification shall be sent no later than 14 days
5 following the first supplemental notification. The third supplemental notification shall be sent no
6 later than two weeks after the second supplemental notice. If necessary, the fourth supplemental
7 notification shall be sent approximately three weeks after the third supplemental notification, and in
8 any event prior to the claim filing deadline set forth herein.

9 (f) Not later than two business days after the Notice Date, the Claims
10 Administrator shall cause the Claim Package to be published by the Depository Trust Corporation
11 (“DTC”) on the DTC Legal Notice System.

12 (g) Not later than two business days after the Notice Date, the Claims
13 Administrator shall cause the Claim Package to be provided electronically to the approximately 450
14 institutions that monitor securities class actions for their investor clients and regularly act on their
15 behalf in these matters.

16 (h) On the Notice Date, the Claims Administrator shall establish and maintain a
17 toll-free number to accommodate potential Class Members’ inquiries throughout the notification
18 and claims processing period.

19 (i) In addition to the Claim Package, on the Notice Date the Claims
20 Administrator shall post the Amended Stipulation, the Notice, the Proof of Claim, this Order, and
21 the operative complaint on the Website. The Claims Administrator shall also post to the Website all
22 papers and orders in support of preliminary approval of the Settlement. In addition, the Claims
23 Administrator shall post to the Website all papers in support of final approval of the Settlement, the
24 Plan of Allocation and the request for an award of attorneys’ fees and expenses within two business
25 days after they are filed. The Website shall provide summary information regarding the case and
26 the Settlement and highlight important dates, including the date of the Settlement Fairness Hearing.
27 All posted documents shall be available for downloading from the Website.

1 (j) The forms for notice and other communications related to notice as appended
2 to this Order are approved.

3 5. Class Counsel shall, at least fourteen (14) calendar days before the Settlement
4 Fairness Hearing, file with the Court and serve on the Parties proof of compliance with the notice
5 procedures identified above.

6 6. The form and content of the Notice and the Summary Notice, and the method set
7 forth herein of notifying the Class of the Settlement and its terms and conditions, meet the
8 requirements of California law and due process, constitute the best notice practicable under the
9 circumstances, and shall constitute due and sufficient notice to all persons and entities entitled to
10 notice.

11 7. In order to be entitled to participate in the Net Settlement Fund, each Class Member
12 shall take the following actions and be subject to the following conditions:

13 (a) Within one hundred twenty (120) days after the Notice Date, each Person
14 claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a
15 completed Proof of Claim, substantially in a form contained in Exhibit 2 attached hereto and as
16 approved by the Court, signed under penalty of perjury. If mailed, it must be sent to the Claims
17 Administrator by First-Class Mail, postage prepaid and postmarked, or must be filled out and
18 submitted on the Internet at the Website, no later than May 24, 2019.

19 (b) Except as otherwise ordered by the Court, all Class Members who fail to
20 timely submit a Proof of Claim within such period, or such other period as may be ordered by the
21 Court, or otherwise allowed, shall be barred from receiving any payments pursuant to the Amended
22 Stipulation and the Settlement set forth therein, but will in all other respects be subject to and bound
23 by the provisions of the Amended Stipulation, the releases contained therein, and the Judgment.
24 Notwithstanding the foregoing, Class Counsel may, in their discretion, accept for processing late
25 submitted claims so long as the distribution of the Net Settlement Fund to Authorized Claimants is
26 not materially delayed, but shall incur no liability for declining to accept a late-submitted claim.

1 (c) As part of the Proof of Claim, each Class Member shall submit to the
2 jurisdiction of the Court with respect to the claim submitted.

3 8. Class Members shall be bound by all determinations and judgments in this Litigation,
4 whether favorable or unfavorable, unless they requested exclusion from the Class in response to the
5 Notice of Pendency of Class Action previously sent to the Class.

6 9. The Court will consider objections to the Settlement, the Plan of Allocation, the
7 payment of service awards to Class Representatives for their time and expenses in representing the
8 Class, and/or the award of attorneys' fees and expenses. Any person wishing to object must send a
9 written statement objecting to the Settlement, the Plan of Allocation, Class Counsel's application
10 for an award of attorneys' fees and expenses, and/or Class Representatives' request for service
11 awards for their time and expenses in representing the Class. This written statement must include:
12 (i) name of the case, *Beaver County Employees Retirement Fund, et al. v. Cyan, Inc., et al.*, Lead
13 Case No. CGC-14-538355, (ii) the full name, address and telephone number of the person
14 objecting, (iii) in clear and concise terms, the legal and factual arguments supporting the objection,
15 and (iv) a short statement of facts demonstrating that the person objecting is a Class Member. The
16 objection must be mailed by First-Class Mail, postage prepaid, and postmarked no later than April
17 25, 2019, to: Ellen Gusikoff Stewart, Robbins Geller Rudman & Dowd LLP, 655 West Broadway,
18 Suite 1900, San Diego, CA 92101. Persons who object to the Settlement, the Plan of Allocation,
19 the request for an award of attorneys' fees and expenses and/or the request for the payment of Class
20 Representatives' service awards for time and expenses in representing the Class and desire to
21 present evidence at the Settlement Fairness Hearing must include in their written objections copies
22 of any exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. A Class
23 Member who submits a written objection does not have to appear at the Settlement Fairness Hearing
24 for the Court to consider his, her or its objection.

25 10. All papers in support of the Settlement, the Plan of Allocation, and any application
26 by Class Counsel for attorneys' fees and expenses and payment of Class Representatives' service
27 awards shall be filed no later than thirty (30) calendar days prior to the objection deadline set forth
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1 in ¶12 above. All reply papers shall be filed and served at least seven (7) calendar days prior to the
2 Settlement Fairness Hearing.

3 11. All funds held by the Escrow Agent shall be deemed and considered to be in custody
4 of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds
5 shall be distributed pursuant to the Amended Stipulation and/or further order(s) of the Court.

6 12. Defendants' Counsel and Class Counsel shall promptly furnish each other with
7 copies of any and all objections that come into their possession.

8 13. All reasonable expenses incurred in identifying and notifying Class Members, as
9 well as administering the Settlement Fund, shall be paid as set forth in the Amended Stipulation. In
10 the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither
11 Class Representatives nor any of their counsel shall have any obligation to repay any amounts
12 actually and properly disbursed, or due and owing from the Settlement Fund except as provided for
13 in the Amended Stipulation.

14 14. If any specified condition to the Settlement set forth in the Amended Stipulation is
15 not satisfied and Class Representatives or Defendants elect to terminate the Settlement then, in any
16 such event, the Amended Stipulation, including any amendment(s) thereof, shall be null and void,
17 of no further force or effect (except to the extent otherwise expressly provided for in the Amended
18 Stipulation), without prejudice to any party, and may not be introduced as evidence or referred to in
19 any action or proceeding by any person or entity for any purpose, and each party shall be restored to
20 his, her or its respective position as it existed on September 17, 2018.

22 15. The Court retains exclusive jurisdiction over the Litigation to consider all further
23 matters arising out of or connected with the Settlement. The Court may approve the Settlement, with
24 such modifications as may be agreed to by the Parties, if appropriate, without further notice to the
25 Class.
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1 16. As soon as practicable following completion of the Claims Administrator's
2 processing of claims, consistent with the procedures set forth in the timeline (attached as Exhibit 4)
3 class counsel will file a motion for entry of a class distribution order in accordance with ¶7.12 of the
4 Amended Stipulation.

5 17. The Court may change the date of the Settlement Fairness Hearing without further
6 notice to the settlement class.

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8 Dated: December 31, 2018



Curtis E.A. Karnow
Judge Of The Superior Court

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