

1 I, Michael Joaquin, declare and state as follows:

2 1. I am a Senior Vice President of Securities of Gilardi & Co. LLC (“Gilardi”), located at
3 3301 Kerner Boulevard, San Rafael, California 94901. I make this declaration based on personal
4 knowledge, and if called to testify I could and would do so competently.

5 2. At the request of Lead Counsel Robbins Geller Rudman & Dowd LLP, I am providing this
6 declaration to give the Court and the parties to the above-captioned action further information about the
7 procedures and methods that will be used to provide notice of the proposed settlement to the investors
8 who make up the Class and the administration of the claim process.

9 3. The previously certified Class consists of all persons who purchased or otherwise
10 acquired Cyan Inc. (“Cyan” or the “Company”) common stock from May 9, 2013 to November 4, 2013,
11 except for purchases or acquisitions of non-registered shares in a private transaction. The following
12 persons are excluded from the Class: the Defendants and their respective successors and assigns; past
13 and current officers and directors of Cyan and the Underwriter Defendants; members of the immediate
14 families of the Individual Defendants; the legal representatives, heirs, successors or assigns of the
15 Individual Defendants; any entity in which any of the above excluded persons have or had a majority
16 ownership interest; and any person who validly requested exclusion from the Class.

17 4. As background, Gilardi (a subsidiary of Computershare) has implemented successful
18 notification and claims administration programs in more than a thousand securities class actions during
19 our more than three decades as an administrator. Our experience includes many of the largest and most
20 complex settlement administrations of both private litigation matters and of actions brought by
21 government securities regulators. More information on Gilardi’s experience can be found on its website
22 at www.gilardi.com.

23 5. The proposed notice plan in this matter uses procedures that have been designed to provide
24 extremely effective direct mail notification to every investor who is a member of the Class and who can
25 be identified with reasonable effort. In addition, direct email notification will be provided to hundreds of
26 financial institutions that regularly monitor proposed securities class action settlements. By themselves,
27 the proposed direct mail and email notification will be sufficient to reach an extremely high percentage of
28 the Class. All persons and entities identified as potential Class Members will be sent a complete Notice of

1 Proposed Settlement of Class Action (“Settlement Notice”) and Proof of Claim and Release form (“Proof
2 of Claim”) package (collectively, the “Claim Package”), which will include instructions for claim
3 submission. The proposed notice plan also calls for publication of a summary version of the Settlement
4 Notice (the “Summary Notice”) in a national newspaper read by securities investors, as well as placement
5 of the Summary Notice on a national business newswire service. Details of the complete proposed notice
6 plan are outlined below.

7 6. The Court’s Order Approving Form of Notices of Pendency of Class Action, filed May
8 19, 2015 (the “Pendency Notice Order”), authorized Gilardi to supervise and administer the notice
9 procedure in connection with the Notice of Pendency of Class Action (“Pendency Notice”) of the
10 above-captioned action (the “Action”).

11 7. Gilardi obtained from the transfer agent for Cyan a list containing the names and addresses
12 of potential Class Members. The list was reviewed to identify and eliminate duplicate entries and
13 incomplete data, resulting in a usable mailing list of 66 unique names and addresses. Following the initial
14 mailing, Gilardi received additional names and addresses of potential Class Members and requests for
15 copies of the Pendency Notice from brokers, banks and other institutions (the “Nominee Holders”) that
16 that actually hold the securities for the benefit of their clients, as well as requests directly from potential
17 Class Members. Gilardi mailed a total of 8,953 Pendency Notices to potential Class Members and
18 Nominee Holders at the time of the Notice of Pendency, from June 8, 2015 through November 11, 2015.

19 8. Because the Class definition and Class Period have not changed since the mailing list was
20 compiled for the Pendency Notice mailing, that list will form the initial basis of the mailing list for the
21 Claim Package.

22 9. Gilardi initially sent a copy of the Pendency Notice by First-Class Mail to all persons and
23 entities identified as potential Class Members by Cyan’s stock transfer agent. The stock transfer agent
24 only has the contact information for the small number of investors that hold their securities in their own
25 names. These investors typically make up a very small percentage of a class, as the vast majority of
26 investors hold their securities through a broker, bank, or other financial institution, and do so in what is
27 known colloquially as “street name.” Under the system of street name ownership, institutions act as the
28 record holders for investors who are the beneficial owners of the securities. In Gilardi’s experience, the

1 class members who hold their securities in their own name, and are therefore known to the stock transfer
2 agent, typically make up less than 5% of a class.

3 10. In order to obtain the contact information for investors that hold their securities in street
4 name, Gilardi and other administrators use a procedure designed to get that information from the
5 “Nominee Holders” that actually hold the securities for the benefit of their clients. In the more than 30
6 years that Gilardi has been notifying class members of actions involving publicly-traded securities, Gilardi
7 has found the majority of potential class members hold their securities in street name and are reached
8 through the Nominee Holders.

9 11. Gilardi will further supplement the mailing list created in connection with the Pendency
10 Notice list by performing a second solicitation of investor information from Nominee Holders. In this
11 solicitation, Gilardi will send a Claim Package and appropriate cover letter to each entity included on a
12 propriety list of approximately 250 Nominee Holders. This list also includes a group of firms and
13 institutions who have requested notification on every case involving publicly-traded securities and is
14 contained in a database created and maintained by Gilardi. In Gilardi’s experience, the institutions
15 included in this database represent a significant majority of the beneficial holders of the securities in most
16 settlements involving publicly-traded companies.

17 12. Gilardi will also send a Claim Package and appropriate cover letter to each financial
18 institution registered with the Securities and Exchange Commission as a potential Nominee Holder.
19 There are approximately 4,500 institutions on that list, which changes from time to time and is, therefore,
20 periodically updated. The cover letter accompanying the Claim Package would notify the Nominee
21 Holders of the proposed settlement and inform them of their obligation to either provide the names and
22 addresses of their clients who may be Class Members or request copies of the Claim Package to provide
23 directly to their customers and clients.

24 13. Gilardi has long-standing relationships with all of the primary Nominee Holders, and they
25 are accustomed to providing us with information regarding their clients from their records and obtaining
26 reimbursement for doing so. Gilardi will provide several supplemental notification letters to any Nominee
27 Holder who does not respond to the initial request for potential Class Member names and addresses.

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1 14. Gilardi will promptly mail the Claim Package to all potential Class Members identified by
2 Nominee Holders. Gilardi will also send copies of the Claim Package directly to Nominee Holders who
3 indicate that they will directly forward the documents to their customers and clients who may be Class
4 Members.

5 15. All name and address data obtained by Gilardi will be reviewed to identify and eliminate
6 exact duplicates and incomplete data prior to mailing. Addresses will be checked against the United
7 States Postal Service's National Change of Address database to identify address changes and obtain
8 current mailing addresses where available. Any Claim Packages that are returned as undeliverable mail
9 will be reviewed to determine if an alternative or updated address is available from the Postal Service, and
10 will be re-mailed to the updated or alternative address. In cases where no address is available from the
11 Postal Service, Gilardi will attempt to obtain updated or alternative address information from private
12 databases, and will re-mail the Claim Package if such information is available.

13 16. Gilardi will supplement the direct mailing program described above by publishing the
14 Summary Notice in *The Wall Street Journal*. The Summary Notice will also be posted with *Business*
15 *Wire*, an online newswire service, where it will be available for a month. News outlets often use posted
16 notices as the basis for their own stories about litigation settlements involving publicly-traded companies,
17 thereby creating added awareness of the proposed settlement among investors.

18 17. Gilardi will also cause the Claim Package to be published by the Depository Trust
19 Corporation ("DTC") on the DTC Legal Notice System ("LENS"). LENS enables participating banks
20 and brokers to review the Claim Package and directly contact the Claims Administrator to obtain copies
21 of the Claim Package for their clients who may be Class Members.

22 18. The Claim Package will also be provided electronically to approximately 450 institutions
23 that monitor securities class actions for their investor clients and regularly act on their behalf in these
24 matters.

25 19. Throughout the notification and claims processing period, Gilardi will maintain a toll-free
26 number to accommodate potential Class Members' inquiries.

27 20. Gilardi will also maintain a settlement-specific website where key documents will be
28 posted, including the Stipulation of Settlement, the Notice and Proof of Claim and the executed Order

1 Preliminarily Approving Settlement and Providing for Notice. The website will also provide summary
2 information regarding the case and settlement and highlight important dates, including the date of the
3 settlement approval hearing. Once briefs and declarations are filed in connection with final approval of
4 the Settlement, they will be posted to the website. All posted documents will be available for
5 downloading from the website. Any change(s) to the date of the final Settlement Hearing will be
6 promptly posted to the website.

7 21. The Claim Package, settlement website, and key documents will be provided in English,
8 which is the language used for most company SEC filings and proxy materials. In our experience, the
9 typical demographic of most securities-related settlement classes is English-speaking, and as such the
10 costs and extra work associated with translation of documents is generally not required unless there is
11 specific evidence that the majority of the class would only speak another language. In addition, telephone
12 and email support will be available to Class Members in all major languages through Gilardi and its
13 affiliated Computershare partners.

14 22. Based on our experience, we estimate that the combined direct mail and publication
15 program proposed will provide notice to more than 95% of the investors that are potential Class Members.
16 Because the Notice directs the cooperation of Nominee Holders and provides for the reimbursement of
17 their costs of doing so, we anticipate a high level of compliance from those institutions, many of which
18 have developed regular systems for providing the required information. In addition, the proposed
19 publication will create additional awareness of the settlement, and we expect to receive a number of
20 additional requests for the Claim Package through the designated toll-free number and via email as a
21 direct result of publication.

22 23. The procedures proposed here have proven extremely effective at compiling a very
23 comprehensive list of potential class members and providing notice to those potential class members in
24 thousands of securities class action matters prior to this case. Substantially similar notice plans have been
25 approved by numerous courts as being the best notice practicable under the circumstances. Gilardi would,
26 of course, provide a reporting declaration outlining the results of the implemented notice plan and the
27 number of Claim Packages that are ultimately delivered, and would do so prior to, or in conjunction with,
28 the Plaintiffs' request that the settlement be finally approved.

1 24. Because of the street name system under which most securities are held, even Defendant
2 Cyan does not know the identity of the vast majority of its shareholders, and it is usually not possible to
3 meaningfully project the total number of class members prior to implementing the notice plan. However,
4 by taking certain information regarding the volume of trading during the proposed class period as well as
5 the number of record holders identified in connection with the Pendency Notice, and comparing that to
6 similar information collected in other cases Gilardi has administered, we are able to estimate the number
7 of potential Class Members that will be identified, within a very broad range.

8 25. Given Cyan’s trading history during the relevant period, including information regarding
9 the volume of shares traded and limited information about the number of trades executed, as well as
10 analysis of the Pendency Notice, we estimate that we will mail Claim Packages to approximately 25,000
11 potential Class Members.

12 26. In our experience, not all class members submit claims, and some of the claims submitted
13 are not valid or eligible to receive distribution according to the plan of allocation. Historically, claims
14 rates are on average between 20% and 30% of the number of Claim Packages mailed in settlements
15 similar to this, and on average as many as 70% of the claims received may be valid and eligible for
16 distribution. Because some of the addresses to be included in the initial mailing of the Claim Package are
17 likely out of date our estimate below is based on an expected claims rate of approximately 20%, as well as
18 certain other projections based on our experience. The actual fees and costs required to complete the
19 administration may be significantly higher or lower, however, depending on how many Class Members
20 are identified, how many claims are filed, how many claims are valid, and how many claims require
21 additional communication with the filer.

22 27. Based on our experience with securities settlements of similar size and involving
23 companies with similar market capitalizations and numbers of shareholders, we would estimate
24 administering the notice, claims processing, and settlement distribution aspects of this proposed settlement
25 will generate professional services fees and expenses of approximately \$275,000. The estimate includes
26 significant third-party expenses related to printing and mailing the Notice. This estimate also includes the
27 expenses of the Nominee Holders incurred in complying with the request for client information or
28 disseminating the Claims Package to clients as allowed by law.

1 28. Because this matter involves the purchase and sale of securities, which contains protected
2 and private financial information held by a large number of different brokerages, custodians and other
3 financial institutions, a claims process is necessary to gather the required information regarding each
4 claimant's purchases, sales, and holdings of Cyan common stock during the periods relevant to the
5 proposed Plan of Allocation. This stock transaction information will then be used to evaluate the
6 eligibility of each claim to receive any distribution from the settlement.

7 29. There are three typical ways that a claim may be submitted to Gilardi in securities
8 settlements such as this: a claimant may submit a claim form and supporting documents by mail; a
9 claimant may submit a claim form and supporting documents via an interactive service provided on the
10 settlement website; or a financial institution or other third party who has the authority to do so may file
11 claims on behalf of its clients in electronic spreadsheet format. In our experience, the vast majority of
12 claims, typically at least 80%, are filed by institutions or third-party services who submit claims on behalf
13 of their clients who may be class members, removing the burden from those claimants to file on their own
14 behalf.

15 30. As with every settlement administration, some of the Proofs of Claim will contain
16 deficiencies. Deficiencies will be addressed during the normal course of the administration and claimants
17 with deficient Proofs of Claim will be provided an opportunity to cure these deficiencies prior to
18 distribution of the settlement proceeds. In addition, rejected claimants will be notified of the rejection of
19 their claim and will be provided an opportunity to furnish additional information which may validate the
20 claim or request more information about the reason why the claim is rejected prior to distribution of the
21 settlement proceeds. Claimants who furnish additional information which remains insufficient or who
22 request further review by the Claims Administrator of their rejected claim and who remain dissatisfied
23 with the determination made by the Claims Administrator will also be given instructions for further
24 appealing adverse determinations to the Court to obtain a final determination for the claim.

25 31. In our experience, it is not unusual for some of the distribution checks issued in settlements
26 of this type to remain uncashed, and in some instances may even be returned by an institution which
27 originally filed the claim on behalf of an underlying client. If a request is received from the claimant prior
28 to the stale date established on the initial distribution check, Gilardi will reissue these funds at that time.

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DECLARATION OF SERVICE BY LEXIS FILE AND SERVE XPRESS

I, the undersigned, declare:

1. That declarant is and was, at all times herein mentioned, a citizen of the United States and employed in the City and County of San Diego, over the age of 18 years, and not a party to or interested party in the within action; that declarant’s business address is 655 West Broadway, Suite 1900, San Diego, California 92101.

2. That on November 5, 2018, declarant served the DECLARATION OF MICHAEL JOAQUIN REGARDING NOTICE AND ADMINISTRATION by serving electronically via Lexis File & Serve Xpress to the parties listed on the attached Service List.

I declare under penalty of perjury that the foregoing is true and correct. Executed on November 5, 2018, at San Diego, California.



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