

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO**

BEAVER COUNTY EMPLOYEES RETIREMENT)	Lead Case No. CGC-14-538355
FUND, et al., Individually and on Behalf of All)	(Consolidated with No. CGC-14-539008)
Others Similarly Situated,)	
Plaintiffs,)	<u>CLASS ACTION</u>
vs.)	
CYAN, INC., et al.,)	
Defendants.)	
_____)	

Authorized by the Superior Court of the State of California, County of San Francisco

NOTICE OF PENDENCY OF CLASS ACTION

Beaver County Employees Retirement Fund, et al., v. Cyan, Inc., et al.,

This is not a solicitation from a lawyer

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED CYAN, INC. COMMON STOCK FROM MAY 9, 2013 TO NOVEMBER 4, 2013.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

This Notice is given pursuant to section 382 of the California Code of Civil Procedure and an order of the Superior Court of the State of California, County of San Francisco (the "Court") to inform you: (1) of a class action lawsuit that is now pending in the Court under the above caption (the "Action") against (a) Cyan, Inc. ("Cyan" or the "Company"), (b) Mark A. Floyd, Michael W. Zellner, Michael L. Hatfield, Paul A. Ferris, Promod Haque, M. Niel Ransom, Michael J. Boustridge and Robert E. Switz (collectively, the "Individual Defendants"), and (c) Goldman, Sachs & Co., J.P. Morgan Securities LLC, Jefferies LLC and Pacific Crest Securities LLC (collectively, the "Underwriter Defendants," and, with Cyan and the Individual Defendants, "Defendants"); and (2) that the Action has been certified by the Court to proceed as a class action on behalf of a class of investors who purchased or otherwise acquired Cyan common stock.

The "Class" as certified by the Court, consists of:

All persons who purchased or otherwise acquired Cyan common stock from May 9, 2013 to November 4, 2013, except for purchases or acquisitions of non-registered shares in a private transaction. The following persons are excluded from the Class: the Defendants and their respective successors and assigns; past and current officers and directors of Cyan and the Underwriter Defendants; members of the immediate families of the Individual Defendants; the legal representatives, heirs, successors or assigns of the Individual Defendants; any entity in which any of the above excluded persons have or had a majority ownership interest; and any person who validly requests exclusion from the Class.

1. What Is This Notice and Why Is It Important?

The Court has certified this lawsuit as a class action. A class action is a lawsuit in which one or more individuals sue an individual(s), company and/or other entity on behalf of all other people who are allegedly in a similar position. These people are together referred to as a "Class" or "Class Members." In a class action, the court resolves certain issues, legal claims and/or defenses for all Class Members in one lawsuit, except for those who ask to be excluded from the Class (as discussed below). If you purchased or otherwise acquired Cyan common stock from May 9, 2013 to November 4, 2013 (the "Class Period"), you may be a Class Member, and if so, this lawsuit will affect your legal rights. ***Please read this entire Notice carefully.***

This Notice is not an admission by Defendants or an expression of any opinion by the Court concerning the merits of any of the Class Members' claims. This Notice is not a finding by the Court that the claims asserted in this case are valid.

This Notice is intended solely to advise you of the pendency of the Action and of your rights in connection with it.

2. What Is This Lawsuit About?

This is a securities class action on behalf of persons who purchased or otherwise acquired Cyan common stock from May 9, 2013 to November 4, 2013. The action asserts claims under §§11 and 12(a)(2) of the Securities Act of 1933 (the "Securities Act") against the Defendants and claims under §15 of the Securities Act against Cyan and the Individual Defendants.

Plaintiffs allege that the Registration Statement and Prospectus violated the Securities Act by failing to warn investors that Cyan revenues depended on two limited life projects, a broadband stimulus project and a fiber-to-the-tower installation project, and that both projects were in the process of winding down. Plaintiffs allege that instead of merely providing a generalized disclosure that revenues from Windstream, the customer responsible for the two projects, were expected to decline, the Registration Statement and Prospectus were required to disclose additional facts necessary to understand the gravity of the problem. Defendants believe that the lawsuit is without merit, and that Cyan fully disclosed in the Registration Statement and Prospectus the status of and risks related to its business with Windstream.

On April 1, 2014, plaintiffs Beaver County Employees Retirement Fund, the Retirement Board of Allegheny County and the Delaware County Employees Retirement System filed the initial complaint in the Court for violations of §§11 and 12(a)(2) of the Securities Act against the Defendants and violations of §15 of the Securities Act against Cyan and the Individual Defendants. On April 30, 2014, plaintiff Jennifer Fleischer filed a complaint in the Court for violations of §11 of the Securities Act against Defendants and violations of §15 of the Securities Act against the Individual Defendants. On June 4, 2014, the Court issued an order consolidating the cases, and on June 13, 2014 the Plaintiffs filed a Consolidated

Amended Complaint for violations of §§11 and 12(a)(2) of the Securities Act against the Defendants and violations of §15 of the Securities Act against Cyan and the Individual Defendants (the "Complaint").

The Plaintiffs filed a motion to certify the class on January 28, 2015. The Defendants did not oppose the motion. On May 18, 2015, the Court entered an order: (1) certifying a class of persons who purchased or otherwise acquired Cyan common stock from May 9, 2013 to November 4, 2013; (2) appointing Plaintiffs as Class Representatives; and (3) appointing Robbins Geller Rudman & Dowd LLP as Class Counsel. The case is presently pending before San Francisco Superior Court Judge Curtis E.A. Karnow and is identified as *Beaver County Employees Retirement Fund, et al., v. Cyan, Inc., et al.*, Lead Case No. CGC-14-538355.

3. How Do I Know if I Am a Class Member?

According to the Court's May 18, 2015 Order, you are a Class Member if you fall within the following definition:

All persons who purchased or otherwise acquired Cyan common stock from May 9, 2013 to November 4, 2013, except for purchases or acquisitions of non-registered shares in a private transaction. The following persons are excluded from the Class: the Defendants and their respective successors and assigns; past and current officers and directors of Cyan and the Underwriter Defendants; members of the immediate families of the Individual Defendants; the legal representatives, heirs, successors or assigns of the Individual Defendants; any entity in which any of the above excluded persons have or had a majority ownership interest; and any person who validly requests exclusion from the Class.

If you are a Class Member, you must decide to either stay in this lawsuit or exclude yourself, as described below. If you stay in this lawsuit, you may enter an appearance through your own attorney at your own expense if you so desire. If you are a legal representative for a decedent's estate or an individual who is no longer in charge of his or her own financial matters, and you believe you or they fall within this definition, read this Notice carefully to decide what steps to take on their behalf.

4. If I Am a Class Member, What Are My Options?

If you are a Class Member, you have a right to stay in the case as a Class Member or be excluded from the lawsuit. This action asserts claims under §§11, 12 and 15 of the Securities Act of 1933. This action does not assert claims under California state law, under the law of any other state or other federal law. Depending on your circumstances and the state you reside in, you may have other claims available to you that could provide for a larger recovery but are not asserted here. Participating in this action and not opting out will likely prevent you from pursuing other alternative remedies. If you want to know if you have other potential remedies, you should consult with an attorney.

Option 1. Do Nothing. Stay in the Lawsuit.

You have the right to stay in the lawsuit as a Class Member and await the outcome of the case. You do not need to do anything now if you wish to remain in this lawsuit. It will not cost you anything. You should, however, save your records showing your purchases and sales of Cyan securities, including the amounts, prices and dates. If you decide to stay in the lawsuit as a Class Member, you will be bound by all orders, judgments and decisions of the Court whether favorable or unfavorable to you or to the Class. At the end of the case, you may receive money or other benefits as awarded by the Court as a result of a trial or a settlement reached between Plaintiffs and Defendants, or you may receive nothing. If you stay in the case, Plaintiffs will pursue the claims and remedies on your behalf. There is no guarantee that Plaintiffs will be successful with their claims and/or win the lawsuit at trial or before. If the Class is awarded money or benefits, you will be notified about how to make a claim for your share, if any. The Court has appointed Plaintiffs Beaver County Employees Retirement Fund, Retirement Board of Allegheny County, Delaware County Employees Retirement System and Jennifer Fleischer as Class Representatives to provide evidence on behalf of you and other Class Members. The Court has also appointed the following attorneys and law firms as Class Counsel and additional counsel for those Class Members who stay in the lawsuit:

John K. Grant
Kenneth J. Black
ROBBINS GELLER RUDMAN
& DOWD LLP
Post Montgomery Center
One Montgomery Street, Suite 1800
San Francisco, California 94104

Robert V. Prongay
Ex Kano S. Sams II
GLANCY BINKOW
& GOLDBERG LLP
1925 Century Park East, Suite 2100
Los Angeles, California 90067

Information is available about Class Counsel on their websites www.rgrdlaw.com and www.glancylaw.com. In the event that Plaintiffs are successful through trial or settlement, Class Counsel will seek attorneys' fees and expenses. You will not be personally responsible for any fees, costs or expenses of Class Counsel related to the prosecution of this lawsuit. If you do nothing now and stay in the lawsuit, you will give up your rights to sue Defendants separately in another lawsuit regarding legal claims that are, or could have been, part of this lawsuit (described above), and your rights to recover in other lawsuits involving Defendants may be impacted. By staying in this suit, you may also forego your right to pursue claims based on alternative legal theories in favor of the theories being pursued in this case. You waive your right to bring a separate lawsuit about the issues raised in this litigation if you do not exclude yourself from this case. If you stay in the case, you will be legally bound by all orders that the Court issues in this case, including final judgment. You will not be able to pursue any claims not asserted in this action.

Option 2. Exclude Yourself from the Lawsuit.

You have the right to not be part of this lawsuit by excluding yourself or "opting out" of the Class. If you wish to exclude yourself, you must do so on or before August 7, 2015, as described below. If you exclude yourself from the Class, you give up your right to receive any money or other benefits awarded in this case, and you will not be bound by any judgments or other orders of the Court, whether favorable or unfavorable to you and/or the Class. However, you will

retain your rights, if any, to sue Defendants separately in another lawsuit and bring the same legal claims that are part of this lawsuit. If you wish to pursue this right, you will need to exclude yourself and you may hire your own attorney, at your expense. You will also need to bring evidence to support your own claims. If you choose this option, you should talk to an attorney soon because your claims may be subject to a statute of limitations which sets a deadline for filing the lawsuit within a certain period of time.

5. How Do I Exclude Myself from the Class?

To exclude yourself from this lawsuit and/or preserve your right to bring a separate case, you must make a request to be excluded in writing and mail it to:

Beaver County Employees Retirement Fund, et al. v. Cyan, Inc., et al.,
Notice Administration
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, California 94912-8040

All requests for exclusion must be postmarked on or before August 7, 2015.

Your request for exclusion must contain:

1. The name of the lawsuit (*Beaver County Employees Retirement Fund, et al. v. Cyan, Inc., et al.*, Lead Case No. CGC-14-538355);
2. Your full name;
3. Your current address;
4. A clear statement that you wish to be excluded such as: "I request exclusion from the Class.";
5. Your signature.

Class Counsel will file your request for exclusion with the Court. If you are signing on behalf of a Class Member (such as an estate or incompetent person) as a legal representative, please include your full name and the basis for your authority.

IF YOU DO NOT EXCLUDE YOURSELF BY THE DEADLINE ABOVE, YOU WILL REMAIN PART OF THE CLASS AND BE BOUND BY THE ORDERS OF THE COURT IN THIS LAWSUIT, INCLUDING FINAL JUDGMENT, WHETHER OR NOT IT IS FAVORABLE TO PLAINTIFFS AND YOU.

6. How Do I Find out More About This Lawsuit?

Further information concerning this lawsuit, including a copy of the Complaint, Court orders and other documents, is available at www.cyansecuritieslitigation.com. The complete docket and other information can be found at www.sfsuperiorcourt.org, under the Online Services tab. You may also contact:

Beaver County Employees Retirement Fund, et al. v. Cyan, Inc., et al.,
Notice Administration
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, California 94912-8040

Complete copies of the documents filed in these lawsuits may be examined and copied at any time during regular office hours at the Clerk of the Court, Superior Court of the State of California, County of San Francisco, 400 McAllister Street, San Francisco, California 94102.

SECURITIES BROKERS AND NOMINEES

Nominees or persons who purchased or otherwise acquired Cyan common stock during the Class Period for the beneficial ownership of another are requested to send this Notice to all such beneficial owners no later than ten days after receipt of this Notice. Additional copies of this Notice will be provided to such nominees upon written request to:

Beaver County Employees Retirement Fund, et al. v. Cyan, Inc., et al.,
Notice Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, California 94912-8040

NOTICE ADMINISTRATOR

If you have any corrections or changes of name or address, you may address them in writing to:

Beaver County Employees Retirement Fund, et al. v. Cyan, Inc., et al.,
Notice Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, California 94912-8040

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT OR CLERK OF THE COURT REGARDING THIS NOTICE.

Beaver County Employees Retirement Fund, et al. v. Cyan, Inc., et al.,
Notice Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, California 94912-8040

Presorted
First-Class Mail
US Postage
PAID
Gilardi & Co

□□|||□□□□□□□□ CYANINC-⟨⟨Claim7⟩⟩-⟨⟨CKDIG⟩⟩
⟨⟨FirstName⟩⟩ ⟨⟨LastName⟩⟩
⟨⟨Addr1⟩⟩ ⟨⟨Addr2⟩⟩
⟨⟨City⟩⟩, ⟨⟨State⟩⟩ ⟨⟨Zip⟩⟩-⟨⟨Zip4⟩⟩

CYANINC