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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

In re QUALITY SYSTEMS, INC.  
SECURITIES LITIGATION

No. 8:13-cv-01818-CJC-JPR

CLASS ACTION

This Document Relates To:

STIPULATION OF SETTLEMENT

ALL ACTIONS.

1 This Stipulation of Settlement, dated July 16, 2018 (the “Stipulation”), is  
2 made and entered into by and among: (i) Lead Plaintiffs City of Miami Fire  
3 Fighters’ and Police Officers’ Retirement Trust (“Miami”) and Arkansas Teacher  
4 Retirement System (“ATRS”) (collectively, “Lead Plaintiffs”) (on behalf of  
5 themselves and each of the Class Members), by and through their counsel of record  
6 in the Litigation (as defined herein); and (ii) defendants Quality Systems, Inc.  
7 (“QSI”), Steven T. Plochocki, Paul Holt, and Sheldon Razin (collectively,  
8 “Defendants”), by and through their counsel of record in the Litigation. The  
9 Stipulation is intended to fully, finally, and forever resolve, discharge, and settle  
10 the Released Plaintiffs’ Claims and Released Defendants’ Claims (as defined  
11 herein), subject to the approval of the Court and the terms and conditions set forth  
12 in this Stipulation.

13 **I. THE LITIGATION**

14 The initial complaint in this Litigation was filed on November 19, 2013, in  
15 the United States District Court for the Central District of California, Southern  
16 Division (the “Court”). On February 4, 2014, the Court issued an order appointing  
17 Miami and ATRS as Lead Plaintiffs, and Robbins Geller Rudman & Dowd LLP  
18 and Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel.

19 On April 7, 2014, Lead Plaintiffs filed their Amended Complaint for  
20 Violations of the Federal Securities Laws (“Amended Complaint”). On June 20,  
21 2014, Defendants moved to dismiss the Amended Complaint, which motion was  
22 opposed by Lead Plaintiffs. On October 20, 2014, the Court granted Defendants’  
23 motion to dismiss with prejudice. On January 30, 2015, Lead Plaintiffs filed a  
24 Notice of Appeal to the Ninth Circuit Court of Appeals of the Court’s order  
25 granting Defendants’ motion to dismiss. Following briefing and oral argument, the  
26 Ninth Circuit issued its opinion on July 28, 2017, reversing the Court’s order  
27 granting Defendants’ motion to dismiss and remanding the case for further  
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1 proceedings. Defendants petitioned the United States Supreme Court for a writ of  
2 certiorari regarding the Ninth Circuit ruling, and the Supreme Court ordered Lead  
3 Plaintiffs to respond. Lead Plaintiffs filed an opposition to the petition for a writ of  
4 certiorari, but the Settling Parties reached agreement to settle the case before the  
5 Supreme Court issued its order regarding the petition.

6 On October 31, 2017, the Settling Parties filed a joint report and Rule 26(f)  
7 discovery plan, and on November 7, 2017, Defendants filed their Answer to the  
8 Amended Complaint. Shortly thereafter, the Settling Parties began formal  
9 discovery. Lead Plaintiffs served written discovery on Defendants and issued 37  
10 subpoenas to third parties. At the time the settlement was reached, Lead Plaintiffs  
11 had collected over 350,000 pages of documents from Defendants and various third  
12 parties, including deposition transcripts and videos from the related California state  
13 court action, *Hussein v. Quality Sys., Inc., et. al*, Case No. 30-2013-00679600-CU-  
14 NP-CJC (Super. Ct. Cal., Cty. of Orange). Similarly, Defendants collected over  
15 11,000 pages of documents from Lead Plaintiffs, their investment managers and  
16 other third parties.

17 In the course of the Litigation, the Settling Parties engaged the services of  
18 Gregory P. Lindstrom, Esq., of Phillips ADR, a nationally recognized mediator.  
19 The Settling Parties participated in an in-person mediation session with  
20 Mr. Lindstrom on May 9, 2018. While the Settling Parties did not reach an  
21 agreement to settle the Litigation at the mediation, the Settling Parties continued  
22 settlement negotiations with the assistance of Mr. Lindstrom who provided the  
23 Settling Parties with a Mediator's Proposal on May 10, 2018. The Settling Parties  
24 each accepted the Mediator's Proposal to settle the Litigation for \$19,000,000.00.

25 **II. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

26 Defendants have denied and continue to deny each and all of the claims  
27 alleged by Lead Plaintiffs and the Class in the Litigation. Defendants expressly  
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1 have denied and continue to deny all charges of wrongdoing or liability against  
2 them arising out of any of the conduct, statements, acts or omissions alleged, or  
3 that could have been alleged, in the Litigation. Defendants also have denied and  
4 continue to deny, among other allegations, the allegations that Lead Plaintiffs or  
5 the Class have suffered any damage, that the price of QSI common stock was  
6 artificially inflated by reasons of alleged misrepresentations, non-disclosures or  
7 otherwise, or that Lead Plaintiffs or the Class were harmed by the conduct alleged,  
8 or that could have been alleged, in the Litigation. Defendants believe that the  
9 Litigation is without merit and the evidence developed to date supports their  
10 position that they acted in good faith and in a manner they reasonably believed to  
11 be in accordance with all applicable rules, regulations, and laws. Defendants also  
12 believe that their public statements during the Class Period contained no material  
13 misstatements or omissions. In addition, Defendants maintain that they have  
14 meritorious defenses to all claims alleged in the Litigation.

15       Nonetheless, Defendants have taken into account the uncertainty and risks  
16 inherent in any litigation, especially in complex cases such as this Litigation, and  
17 have, therefore, determined that it is desirable and beneficial to them that the  
18 Litigation be settled in the manner and upon the terms and conditions set forth in  
19 this Stipulation.

20 **III. LEAD PLAINTIFFS' CLAIMS AND**  
21 **THE BENEFITS OF SETTLEMENT**

22       Lead Plaintiffs believe that the claims asserted in the Litigation have merit  
23 and that the evidence developed to date supports the claims. However, Lead  
24 Plaintiffs and their counsel recognize and acknowledge the expense and length of  
25 continued proceedings necessary to prosecute the Litigation against Defendants  
26 through trial and through appeals. Lead Plaintiffs and their counsel also have  
27 taken into account the uncertain outcome and the risk of any litigation, especially

1 in complex actions such as this Litigation, as well as recent changes in the law and  
2 the difficulties and delays inherent in such litigation. Lead Plaintiffs and their  
3 counsel also are mindful of the inherent problems of proof under and possible  
4 defenses to the securities law violations asserted in the Litigation. Lead Plaintiffs  
5 and their counsel believe that the Settlement set forth in the Stipulation confers  
6 substantial benefits upon the Class. Based on their evaluation, Lead Plaintiffs and  
7 their counsel have determined that the Settlement set forth in the Stipulation is in  
8 the best interests of the Class.

9 **IV. TERMS OF STIPULATION AND**  
10 **AGREEMENT OF SETTLEMENT**

11 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by  
12 and among Lead Plaintiffs (for themselves and the Class) and Defendants, by and  
13 through their attorneys of record, that, subject to the approval of the Court, the  
14 Litigation, the Released Plaintiffs' Claims, and Released Defendants' Claims shall  
15 be finally and fully compromised, settled, and released, and the Litigation shall be  
16 dismissed with prejudice, as to all Settling Parties, upon and subject to the terms  
17 and conditions of the Stipulation, as follows.

18 **1. Definitions**

19 As used in the Stipulation the following terms have the meanings specified  
20 below:

21 1.1 "Authorized Claimant" means any Class Member who submits a  
22 Claim for payment that is approved for payment from the Net Settlement Fund  
23 pursuant to the terms of this Stipulation and the Court-approved Plan of Allocation.

24 1.2 "Claim" means a paper claim submitted on a Proof of Claim and  
25 Release or an electronic claim that is submitted to the Claims Administrator.

26 1.3 "Claimant" means a Person or entity who or which submits a Claim  
27 seeking to be eligible to share in the proceeds of the Net Settlement Fund.



1 1.10 “Defendants’ Counsel” means Latham & Watkins LLP.

2 1.11 “Effective Date,” or the date upon which this Settlement becomes  
3 “effective,” means the date by which all of the events and conditions specified in  
4 ¶7.1 of this Stipulation have been met and have occurred.

5 1.12 “ERISA” means the Employee Retirement Income Security Act of  
6 1974.

7 1.13 “Escrow Account” means a segregated account maintained at Valley  
8 National Bank, wherein the Settlement Amount shall be deposited and shall be  
9 maintained and held in escrow under the control of Lead Counsel, acting as agent  
10 for Lead Plaintiffs and the Class, and shall be deemed to be in the custody of the  
11 Court and shall remain subject to the jurisdiction of the Court until such time as the  
12 Settlement Fund is distributed or returned pursuant to the terms of this Stipulation  
13 and further order of the Court.

14 1.14 “Escrow Agent” means Valley National Bank, which shall be  
15 responsible for overseeing, investing, safeguarding, and distributing the Settlement  
16 Fund held in the Escrow Account, pursuant to the terms of this Stipulation and any  
17 orders entered by the Court, and acting as agent for Lead Plaintiffs and the Class,  
18 and subject to the jurisdiction of the Court.

19 1.15 “Excluded Claims” means (i) any claims asserted in a derivative  
20 action or ERISA action, including, without limitation, the claims asserted in  
21 *Timothy J. Foss v. Craig A. Barbarosh, et al.*, Case No. 14-cv-00110-CJC (JPRx)  
22 (C.D. Cal.) and *Kusumam Koshy v. Craig A. Barbarosh, et al.*, Case No. 17-cv-  
23 01694-CJC (JPRx) (C.D. Cal.); and (ii) any claims of any Person or entity who or  
24 which submits a request for exclusion that is accepted by the Court.

25 1.16 “Fee and Expense Application” means the application or applications  
26 for: (a) an award of attorneys’ fees; plus (b) expenses or charges in connection  
27 with prosecuting the Litigation; plus (c) any interest on such attorneys’ fees and  
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1 expenses at the same rate and for the same periods as earned by the Settlement  
2 Fund (until paid) as may be awarded by the Court.

3 1.17 “Fee and Expense Award” means the payment of attorneys’ fees and  
4 expenses of Plaintiffs’ Counsel from the Settlement Fund.

5 1.18 “Final” means, with respect to the Judgment approving the  
6 Stipulation, substantially in the form of Exhibit B attached hereto or any other  
7 order of the Court, when the last of the following shall occur: (i) the expiration of  
8 the time to file a motion to alter or amend the Judgment or order under Federal  
9 Rule of Civil Procedure 59(e) without any such motion having been filed; (ii) the  
10 time in which to appeal the Judgment or order has passed without any appeal  
11 having been taken; or (iii) if a motion to alter or amend is filed or if an appeal is  
12 taken, immediately after the determination of that motion or appeal so that it is no  
13 longer subject to any further judicial review or appeal whatsoever, whether by  
14 reason of affirmance by a court of last resort, lapse of time, voluntary dismissal of  
15 the appeal or otherwise in such a manner as to permit the consummation of the  
16 Settlement substantially in accordance with the terms and conditions of this  
17 Stipulation. For purposes of this paragraph, an “appeal” shall include any petition  
18 for a writ of certiorari or other writ that may be filed in connection with approval  
19 or disapproval of this Settlement, however, any appeal which concerns only the  
20 issue of Lead Counsel’s attorneys’ fees and expenses, payments to Lead Plaintiffs  
21 for their time and expenses, the Plan of Allocation, as hereinafter defined, or the  
22 procedures for determining Authorized Claimants’ recognized claims shall not in  
23 any way delay or preclude the Judgment from becoming Final.

24 1.19 “Judgment” means the Final Judgment and Order of Dismissal with  
25 Prejudice to be rendered by the Court, substantially in the form attached hereto as  
26 Exhibit B.



1 1.20 “Lead Counsel” means Robbins Geller Rudman & Dowd LLP,  
2 655 West Broadway, Suite 1900, San Diego, CA 92101 and Bernstein Litowitz  
3 Berger & Grossmann LLP, 12481 High Bluff Drive, Suite 300, San Diego, CA  
4 92130.

5 1.21 “Lead Plaintiffs” means Miami and ATRS.

6 1.22 “Litigation” means the action captioned *In re Quality Systems, Inc.*  
7 *Securities Litigation*, Case No. 8:13-cv-01818-CJC-JPR.

8 1.23 “Net Settlement Fund” means the Settlement Fund less any attorneys’  
9 fees, expenses, and interest and any award to Lead Plaintiffs provided for herein or  
10 approved by the Court and less Notice and Administration Expenses, Taxes and  
11 Tax Expenses, and other fees and expenses authorized by the Court.

12 1.24 “Notice” means the Notice of (I) Pendency of Class Action and  
13 Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys’ Fees  
14 and Expenses, substantially in the form attached hereto as Exhibit A-1, which is to  
15 be mailed to Class Members.

16 1.25 “Notice and Administration Expenses” means all costs, fees, and  
17 expenses incurred in connection with providing notice to the Class and the  
18 administration of the Settlement, including, but not limited to: (i) providing notice  
19 by mail, publication, and other means to Class Members; (ii) receiving and  
20 reviewing Claims; (iii) applying the Plan of Allocation; (iv) communicating with  
21 Persons regarding the Settlement and claims administration process;  
22 (v) distributing the proceeds of the Settlement; and (vi) fees related to the Escrow  
23 Account and investment of the Settlement Fund.

24 1.26 “Person” means an individual, corporation (including all divisions and  
25 subsidiaries), general partnership, limited partnership, association, joint stock  
26 company, joint venture, limited liability company, professional corporation, estate,  
27 legal representative, trust, unincorporated association, government or any political  
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1 subdivision or agency thereof, and any business or legal entity and their heirs,  
2 predecessors, successors, representatives, or assignees.

3 1.27 “Plaintiffs’ Counsel” means Lead Counsel, Cypen & Cypen, and  
4 Klausner, Kaufman, Jensen & Levinson.

5 1.28 “Plan of Allocation” means the proposed plan of allocation of the Net  
6 Settlement Fund set forth in the Notice.

7 1.29 “Preliminary Approval Order” means the proposed order,  
8 substantially in the form of Exhibit A attached hereto, requesting, *inter alia*, the  
9 preliminary approval of the Settlement set forth in the Stipulation, and approval for  
10 the mailing of the Notice and publication of the Summary Notice, substantially in  
11 the forms of Exhibits A-1 and A-3 attached hereto.

12 1.30 “QSI” means Quality Systems, Inc.

13 1.31 “Released Defendant Party” or “Released Defendant Parties” means  
14 each and all of the Defendants, and each of their respective past or present  
15 subsidiaries, parents, affiliates, principals, successors and predecessors, joint  
16 venturers, assigns, officers, directors, shareholders, underwriters, trustees, partners,  
17 members, agents, fiduciaries, contractors, employees, insurers, co-insurers,  
18 reinsurers, controlling shareholders, attorneys, accountants or auditors, financial or  
19 investment advisors or consultants, banks or investment bankers, personal or legal  
20 representatives, estates, heirs, related or affiliated entities, in their capacity as such,  
21 and any entity in which Defendants have a controlling interest, any member of an  
22 individual Defendant’s immediate family, or any trust of which any individual  
23 Defendant is a settlor or which is for the benefit of any individual Defendant  
24 and/or member(s) of his or her family, and each of the heirs, executors,  
25 administrators, predecessors, successors, and assigns of the foregoing.

26 1.32 “Released Defendants’ Claims” means any and all actions, suits,  
27 claims, demands, rights, liabilities, obligations, damages, costs, restitution,

1 rescission, interest, attorneys' fees, expert or consulting fees, expenses, matters and  
2 issues whatsoever, whether known or unknown, asserted or unasserted, whether  
3 arising under federal, state, local, statutory, common, foreign or administrative  
4 law, or any other law, rule or regulation, whether fixed or contingent, at law or in  
5 equity, whether class or individual in nature, that any Released Defendant Party  
6 could have asserted against any of the Releasing Plaintiff Parties that arise out of  
7 or relate in any way to the institution, prosecution, or settlement of the claims in  
8 the Litigation. "Released Defendants' Claims" includes "Unknown Claims" as  
9 defined in ¶1.43 hereof. "Released Defendants' Claims" do not include any claims  
10 relating to the enforcement of the Settlement.

11 1.33 "Released Plaintiffs' Claims" means any and all actions, suits, claims,  
12 demands, rights, liabilities, obligations, damages, costs, restitution, rescission,  
13 interest, attorneys' fees, expert or consulting fees, expenses, matters and issues  
14 whatsoever, whether known or unknown, asserted or unasserted, whether arising  
15 under federal, state, local, statutory, common, foreign or administrative law, or any  
16 other law, rule or regulation, whether fixed or contingent, at law or in equity,  
17 whether class or individual in nature, that any Releasing Plaintiff Party asserted in  
18 the Litigation or could have asserted, directly or indirectly, in any forum that arise  
19 out of or are based upon or related to (i) the purchase or acquisition of QSI  
20 common stock during the Class Period, and (ii) facts, claims, matters, allegations,  
21 transactions, events, disclosures, representations, statements, acts, or omissions or  
22 failures to act that were alleged, set forth, or referred to in the Amended  
23 Complaint. "Released Plaintiffs' Claims" includes "Unknown Claims" as defined  
24 in ¶1.43 hereof. "Released Plaintiffs' Claims" do not include (i) any claims  
25 relating to the enforcement of the Settlement, or (ii) any Excluded Claims.

26 1.34 "Releasing Plaintiff Party" or "Releasing Plaintiff Parties" means  
27 Lead Plaintiffs, Lead Counsel, each and every Class Member, and each of their

1 respective past or present subsidiaries, parents, affiliates, principals, successors and  
2 predecessors, joint venturers, assigns, officers, directors, shareholders,  
3 underwriters, trustees, partners, members, agents, fiduciaries, contractors,  
4 employees, insurers, co-insurers, reinsurers, controlling shareholders, attorneys,  
5 accountants or auditors, financial or investment advisors or consultants, banks or  
6 investment bankers, personal or legal representatives, estates, heirs, related or  
7 affiliated entities in their capacity as such. Releasing Plaintiff Parties do not  
8 include any Person who timely and validly seeks exclusion from the Class.

9 1.35 “Settlement” means the settlement between Lead Plaintiffs and  
10 Defendants on the terms and conditions set forth in this Stipulation.

11 1.36 “Settlement Amount” means Nineteen Million Dollars  
12 (\$19,000,000.00) in cash to be paid by wire transfer or check to the Escrow Agent  
13 pursuant to ¶2.2 of this Stipulation.

14 1.37 “Settlement Fund” means the Settlement Amount plus all interest and  
15 income earned thereon.

16 1.38 “Settlement Hearing” means the hearing to be held by the Court to  
17 determine whether the Settlement is fair, reasonable and adequate and should be  
18 approved.

19 1.39 “Settling Parties” means, collectively, Defendants and Lead Plaintiffs  
20 on behalf of themselves and the Class.

21 1.40 “Summary Notice” means the Summary Notice of (I) Pendency of  
22 Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion  
23 for Attorneys’ Fees and Expenses, substantially in the form attached hereto as  
24 Exhibit A-3, to be published as set forth in the Preliminary Approval Order.

25 1.41 “Tax” or “Taxes” means any and all taxes, fees, levies, duties, tariffs,  
26 imposts, and other charges of any kind (together with any and all interest,  
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1 penalties, additions to tax and additional amounts imposed with respect thereto)  
2 imposed by any governmental authority, whether federal, state or local.

3 1.42 "Tax Expenses" means, without limitation, expenses of tax attorneys  
4 and/or accountants and mailing and distribution costs and expenses relating to  
5 filing (or failing to file) the returns described in ¶2.10.

6 1.43 "Unknown Claims" means any and all Released Plaintiffs' Claims  
7 which the Releasing Plaintiff Parties do not know or suspect to exist in their favor  
8 at the time of the release of the Released Defendant Parties, and any and all  
9 Released Defendants' Claims which the Released Defendant Parties do not know  
10 or suspect to exist in their favor at the time of the release of the Releasing Plaintiff  
11 Parties, which, if known by him, her, or it, might have affected his, her, or its  
12 decision(s) with respect to the Settlement, including the decision to object to the  
13 terms of the Settlement or to exclude himself, herself, or itself from the Class.  
14 With respect to any and all Released Plaintiffs' Claims and Released Defendants'  
15 Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead  
16 Plaintiffs and Defendants shall expressly waive, and each Releasing Plaintiff Party  
17 and Released Defendant Party shall be deemed to have, and by operation of the  
18 Judgment shall have expressly waived, the provisions, rights, and benefits of  
19 California Civil Code Section 1542, which provides:

20 **A general release does not extend to claims which the creditor**  
21 **does not know or suspect to exist in his or her favor at the time of**  
22 **executing the release, which if known by him or her must have**  
**materially affected his or her settlement with the debtor.**

23 Lead Plaintiffs and Defendants shall expressly waive, and each Releasing Plaintiff  
24 Party and Released Defendant Party shall be deemed to have, and by operation of  
25 the Judgment shall have expressly waived, any and all provisions, rights, and  
26 benefits conferred by any law of any state or territory of the United States or any  
27 foreign country, or any principle of common law, which is similar, comparable or

1 equivalent in substance to California Civil Code Section 1542. Lead Plaintiffs, any  
2 Releasing Plaintiff Party, Defendants, or any Released Defendant Party may  
3 hereafter discover facts, legal theories, or authorities in addition to or different  
4 from those which any of them now knows or believes to be true with respect to the  
5 subject matter of the Released Plaintiffs' Claims and the Released Defendants'  
6 Claims, but Lead Plaintiffs and Defendants shall expressly, fully, finally, and  
7 forever waive, compromise, settle, discharge, extinguish, and release, and each  
8 Releasing Plaintiff Party and Released Defendant Party shall be deemed to have  
9 waived, compromised, settled, discharged, extinguished, and released, and upon  
10 the Effective Date and by operation of the Judgment shall have waived,  
11 compromised, settled, discharged, extinguished, and released, fully, finally, and  
12 forever, any and all Released Plaintiffs' Claims and Released Defendants' Claims  
13 as applicable, known or unknown, suspected or unsuspected, contingent or  
14 absolute, accrued or unaccrued, apparent or unapparent, which now exist, or  
15 heretofore existed, or may hereafter exist, without regard to the subsequent  
16 discovery or existence of such different or additional facts, legal theories, or  
17 authorities. Lead Plaintiffs and Defendants acknowledge, and the Releasing  
18 Plaintiff Parties and Released Defendant Parties shall be deemed by operation of  
19 the Judgment to have acknowledged, that the foregoing waiver was separately  
20 bargained for and a key element of the Settlement.

21 **2. The Settlement**

22 2.1 The obligations incurred pursuant to this Stipulation are (a) subject to  
23 approval by the Court and the Judgment, reflecting such approval, becoming Final;  
24 and (b) in full and final disposition of the Litigation with respect to the Releasing  
25 Plaintiff Parties and Released Defendant Parties and any and all Released  
26 Plaintiffs' Claims and Released Defendants' Claims.

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1                   **a.     The Settlement Amount**

2           2.2     In full settlement of the claims asserted in the Litigation against  
3 Defendants and in consideration of the releases specified in ¶4 below, all of which  
4 the Settling Parties agree are good and valuable consideration, Defendants shall  
5 pay or cause to be paid the Settlement Amount by wire transfer or check in  
6 accordance with instructions to be provided by the Escrow Agent. The Settlement  
7 Amount shall be paid within thirty (30) calendar days after both (i) entry of  
8 preliminary approval by the Court of this Settlement, and (ii) Lead Counsel  
9 provides to Defendants' Counsel information necessary to effectuate a transfer of  
10 funds to the Escrow Account, including wire transfer instructions, payment  
11 address, and a complete and executed Form W-9 for the Settlement Fund that  
12 reflects a valid tax identification number. If the entire Settlement Amount is not  
13 timely paid to the Escrow Agent, Lead Counsel may terminate the Settlement but  
14 only if (i) Lead Counsel have notified Defendants' Counsel in writing of Lead  
15 Counsel's intention to terminate the Settlement, and (ii) the entire Settlement  
16 Amount is not transferred to the Escrow Agent within five (5) calendar days after  
17 Lead Counsel have provided such written notice by email. The Escrow Agent  
18 shall deposit the Settlement Amount in the Escrow Account.

19           2.3     With the sole exception of Defendants' obligation to secure payment  
20 of the Settlement Amount into the Escrow Account as provided for in ¶2.2, the  
21 Released Defendant Parties shall have no responsibility for, interest in, or liability  
22 whatsoever with respect to: (i) any act, omission, or determination by Lead  
23 Counsel or the Claims Administrator, or any of their respective designees, in  
24 connection with the administration of the Settlement or otherwise; (ii) the  
25 management, investment, or distribution of the Settlement Fund; (iii) the Plan of  
26 Allocation; (iv) the determination, administration, calculation, or payment of any  
27 claims asserted against the Settlement Fund; (v) any loss suffered by, or fluctuation



1 in value of, the Settlement Fund; or (vi) the payment or withholding of any Taxes,  
2 expenses, and/or costs incurred in connection with the taxation of the Settlement  
3 Fund, distributions or other payments from the Escrow Account, or the filing of  
4 any federal, state, or local returns.

5 2.4 Other than the obligation to cause the payment of the Settlement  
6 Amount pursuant to ¶2.2, Defendants shall have no obligation to make any other  
7 payments into the Escrow Account or to any Class Member pursuant to this  
8 Stipulation.

9 **b. The Escrow Agent**

10 2.5 The Escrow Agent shall invest the Settlement Amount deposited  
11 pursuant to ¶2.2 hereof in United States Agency or Treasury Securities or other  
12 instruments backed by the Full Faith & Credit of the United States Government or  
13 an Agency thereof, or fully insured by the United States Government or an Agency  
14 thereof and shall reinvest the proceeds of these instruments as they mature in  
15 similar instruments at their then-current market rates. The Released Defendant  
16 Parties shall have no responsibility for, interest in, or liability whatsoever with  
17 respect to investment decisions executed by the Escrow Agent. All risks related to  
18 the investment of the Settlement Fund shall be borne solely by the Settlement  
19 Fund. The Escrow Agent shall not disburse the Settlement Fund except as  
20 provided in the Stipulation, by an order of the Court, or with the written agreement  
21 of Defendants' Counsel.

22 2.6 Subject to further order(s) and/or directions as may be made by the  
23 Court, or as provided in the Stipulation, the Escrow Agent is authorized to execute  
24 such transactions as are consistent with the terms of the Stipulation. The Released  
25 Defendant Parties shall have no responsibility for, interest in, or liability  
26 whatsoever with respect to the actions of the Escrow Agent, or any transaction  
27 executed by the Escrow Agent.

1           2.7 All funds held by the Escrow Agent shall be deemed and considered  
2 to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of  
3 the Court, until such time as such funds shall be distributed or returned pursuant to  
4 the Stipulation and/or further order(s) of the Court.

5           2.8 Before the Effective Date, without further approval from Defendants  
6 or further order of the Court, Lead Counsel may expend up to \$500,000 from the  
7 Settlement Fund to pay Notice and Administration Expenses actually incurred.  
8 Additional sums for this purpose before the Effective Date may be paid from the  
9 Settlement Fund upon order of the Court. Taxes and fees related to the Escrow  
10 Account and investment of the Settlement Fund may be paid as incurred, without  
11 further approval of Defendants or further order of the Court. After the Effective  
12 Date, without approval of Defendants or further order of the Court, Notice and  
13 Administration Expenses may be paid as incurred. In the event that the Settlement  
14 does not become Final, any money paid or incurred for the above purposes,  
15 including any related fees, shall not be returned or repaid to Defendants or their  
16 insurers.

17           2.9 It shall be Lead Counsel's responsibility to disseminate the Notice,  
18 Proof of Claim and Release, and Summary Notice to the Class in accordance with  
19 this Stipulation and as ordered by the Court. Class Members shall have no  
20 recourse as to the Released Defendant Parties with respect to any claims they may  
21 have that arise from any failure of the notice process.

22                   **c. Taxes**

23           2.10 (a) The Settling Parties agree to treat the Settlement Fund as being  
24 at all times a "qualified settlement fund" within the meaning of Treasury  
25 Regulation Section 1.468B-1. In addition, the Escrow Agent shall timely make, or  
26 cause to be made, such elections as necessary or advisable to carry out the  
27 provisions of this ¶2.10, including the "relation-back election" (as defined in

Treasury Regulation Section 1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing(s) to occur.

(b) The Settling Parties agree that Lead Counsel shall be “administrators” of the qualified Settlement Fund for the purpose of Section 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. Lead Counsel shall timely and properly file, or cause to be filed, all federal, state, or local tax returns and information returns necessary or advisable with respect to the earnings on the funds deposited in the Escrow Account (including, without limitation, the returns described in Treasury Regulation Section 1.468B-2(k)). Such returns (as well as the election described in ¶2.10(a) hereof) shall be consistent with this ¶2.10 and in all events shall reflect that all Taxes (including any estimated Taxes, interest or penalties) on the income earned on the funds deposited in the Escrow Account shall be paid out of the Settlement Fund as provided in ¶2.10(c) hereof.

(c) All (a) Taxes (including any estimated Taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Released Defendant Parties or their counsel with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes, and (b) Tax Expenses, shall be paid out of the Settlement Fund; in all events the Settling Parties and their counsel shall have no liability or responsibility for the Taxes or the Tax Expenses. Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be

1 timely paid by the Escrow Agent out of the Settlement Fund without prior order  
2 from the Court or Defendants and Lead Counsel shall be authorized  
3 (notwithstanding anything herein to the contrary) to withhold from distribution to  
4 Authorized Claimants any funds necessary to pay such amounts, including the  
5 establishment of adequate reserves for any Taxes and Tax Expenses (as well as any  
6 amounts that may be required to be withheld under Treasury Regulation Section  
7 1.468B-2(1)(2)); neither the Releasing Plaintiff Parties, the Released Defendant  
8 Parties nor their counsel are responsible nor shall they have any liability for any  
9 Taxes or Tax Expenses. The Settling Parties hereto agree to cooperate with the  
10 Escrow Agent, each other, their counsel, and their tax attorneys and accountants to  
11 the extent reasonably necessary to carry out the provisions of this ¶2.10.

12 **d. Termination of Settlement**

13 2.11 In the event that the Settlement is not approved or the Settlement is  
14 terminated, canceled, or fails to become effective for any reason, the Settlement  
15 Fund less Notice and Administration Expenses or Taxes or Tax Expenses paid,  
16 incurred, or due and owing in connection with the Settlement provided for herein,  
17 shall be refunded pursuant to written instructions from Defendants' Counsel in  
18 accordance with ¶7.5 herein.

19 **3. Class Certification, Preliminary Approval Order and**  
20 **Settlement Hearing**

21 3.1 Solely for purposes of the Settlement and for no other purpose,  
22 Defendants stipulate and agree to: (a) certification of the Litigation as a class  
23 action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure  
24 on behalf of the Class; (b) certification of Lead Plaintiffs as Class Representatives;  
25 and (c) appointment of Lead Counsel as Class Counsel pursuant to Rule 23(g) of  
26 the Federal Rules of Civil Procedure.



1           4.2    The Proof of Claim and Release to be executed by the Class Members  
2 shall release all Released Claims against the Released Defendant Parties and shall  
3 be substantially in the form contained in Exhibit A-2 attached hereto.

4           4.3    By operation of the Judgment, as of the Effective Date, as defined in  
5 ¶1.11 hereof, Defendants and each and every Released Defendant Party shall be  
6 deemed to have fully, finally, and forever waived, released, discharged, and  
7 dismissed each and every one of the Released Defendants' Claims against each and  
8 every one of the Releasing Plaintiff Parties and shall forever be barred and  
9 enjoined from commencing, instituting, prosecuting, or maintaining any and all of  
10 the Released Defendants' Claims against any and all of the Releasing Plaintiff  
11 Parties. Claims to enforce the terms of the Stipulation are not released.

12           **5.    Provision of Notice, Administration and**  
13           **Calculation of Claims, Final Awards and**  
14           **Supervision and Distribution of the Settlement Fund**

15           5.1    As part of the Preliminary Approval Order, Lead Counsel shall seek  
16 appointment of a Claims Administrator. The Claims Administrator shall  
17 administer the Settlement, including, but not limited to, the process of receiving,  
18 reviewing, and approving or denying Claims, under Lead Counsel's supervision  
19 and subject to the jurisdiction of the Court. Other than QSI's obligation to provide  
20 its securities holders records as provided in ¶5.2 below, the Released Defendant  
21 Parties and Defendants' Counsel shall have no responsibility for or interest in  
22 whatsoever with respect to the administration of the Settlement or the actions or  
23 decisions of the Claims Administrator, and shall have no liability whatsoever to the  
24 Releasing Plaintiff Parties, including Lead Plaintiffs, any other Class Members, or  
25 Lead Counsel, in connection with such administration, including, but not limited  
26 to, with respect to: (i) any act, omission, or determination by Lead Counsel, the  
27 Escrow Agent, and/or the Claims Administrator, or any of their respective  
28 designees or agents, in connection with the administration of the Settlement or

1 otherwise; (ii) the management or investment of the Settlement Fund or the Net  
2 Settlement Fund, or the distribution of the Net Settlement Fund; (iii) the Plan of  
3 Allocation; (iv) the determination, administration, calculation, or payment of any  
4 claims asserted against the Settlement Fund; (v) any losses suffered by, or  
5 fluctuations in value of, the Settlement Fund; or (vi) the payment or withholding of  
6 any taxes, expenses, and/or costs incurred with the taxation of the Settlement Fund  
7 or the filing of any federal, state, or local returns. Defendants' Counsel shall  
8 cooperate in the administration of the Settlement to the extent reasonably necessary  
9 to effectuate its terms.

10       5.2 In accordance with the terms of the Preliminary Approval Order, Lead  
11 Counsel shall cause the Claims Administrator to mail the Notice and Claim Form  
12 to those Members of the Class as may be identified through reasonable effort.  
13 Lead Counsel shall also cause the Claims Administrator to have the Summary  
14 Notice published in accordance with the terms of the Preliminary Approval Order  
15 to be entered by the Court. For the purposes of identifying and providing Notice to  
16 the Class, within five (5) calendar days of the date of entry of the Preliminary  
17 Approval Order, QSI shall provide or cause to be provided to the Claims  
18 Administrator in electronic format (at no cost to the Settlement Fund, Lead  
19 Counsel or the Claims Administrator) a list (consisting of names and addresses) of  
20 the holders of the QSI common stock during the Class Period.

21       5.3 No later than ten (10) calendar days following the filing of this  
22 Stipulation with the Court, Defendants shall serve the notice required under the  
23 Class Action Fairness Act, 28 U.S.C. Section 1715 *et seq.* ("CAFA"). Defendants  
24 are solely responsible for the costs of the CAFA notice and administering the  
25 CAFA notice. At least seven (7) calendar days before the Settlement Hearing,  
26 Defendants shall cause to be served on Lead Counsel and filed with the Court  
27



1 proof, by affidavit or declaration, regarding compliance with CAFA  
2 Section 1715(b).

3       5.4 The Claims Administrator, subject to such supervision and direction  
4 of the Court as may be necessary or as circumstances may require, shall administer  
5 and calculate the Claims submitted by Class Members and shall oversee  
6 distribution of the Net Settlement Fund to Authorized Claimants.

7       5.5 The Settlement Fund shall be applied as follows:

8           (a) to pay all Notice and Administration Expenses as described in  
9 ¶2.8 hereof;

10           (b) to pay the Taxes and Tax Expenses as described in ¶2.10  
11 hereof;

12           (c) to pay the Fee and Expense Award to Lead Counsel and to  
13 reimburse Lead Plaintiffs for their time and expenses pursuant to 15 U.S.C. Section  
14 78u-4(a)(4), if and to the extent allowed by the Court; and

15           (d) after the Effective Date, to distribute the Net Settlement Fund to  
16 Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, or the  
17 Court.

18       5.6 After the Effective Date, and in accordance with the terms of the  
19 Stipulation, the Plan of Allocation, or such further approval and further order(s) of  
20 the Court as may be necessary or as circumstances may require, the Net Settlement  
21 Fund shall be distributed to Authorized Claimants, subject to and in accordance  
22 with the following.

23       5.7 Within one hundred twenty (120) calendar days after the mailing of  
24 the Notice or such other time as may be set by the Court, each Person claiming to  
25 be an Authorized Claimant shall be required to submit to the Claims Administrator  
26 a completed Proof of Claim and Release, substantially in the form of Exhibit A-2  
27

1 attached hereto, signed under penalty of perjury and supported by such documents  
2 as are specified in the Proof of Claim and Release.

3       5.8 The Claims Administrator shall receive Claims and determine first,  
4 whether the Claim is a valid Claim, in whole or part, and second, each Authorized  
5 Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized  
6 Claimant's Recognized Claim compared to the total Recognized Claims of all  
7 Authorized Claimants (as set forth in the Plan of Allocation set forth in the Notice  
8 attached hereto as Exhibit A-1, or in such other plan of allocation as the Court  
9 approves).

10       5.9 Except as otherwise ordered by the Court, all Class Members who fail  
11 to timely submit a valid Proof of Claim and Release within such period, or such  
12 other period as may be ordered by the Court, or otherwise allowed, shall be forever  
13 barred from receiving any payments pursuant to the Stipulation and the Settlement  
14 set forth herein, but will in all other respects be subject to and bound by the  
15 provisions of the Stipulation, the releases contained herein, and the Judgment.  
16 Notwithstanding the foregoing, Lead Counsel shall have the discretion (but not an  
17 obligation) to accept late-submitted claims for processing by the Claims  
18 Administrator so long as the distribution of the Net Settlement Fund to Authorized  
19 Claimants is not materially delayed thereby, but will bear no liability for failing to  
20 accept such late claims.

21       5.10 Proofs of Claim and Release that do not meet the submission  
22 requirements may be rejected. Prior to rejection of a Proof of Claim and Release,  
23 the Claims Administrator shall communicate with Claimants in order to remedy the  
24 curable deficiencies in the Proofs of Claim and Release submitted. The Claims  
25 Administrator, under supervision of Lead Counsel, if necessary, shall notify, in a  
26 timely fashion and in writing, all Claimants whose Proofs of Claim and Release it  
27 proposes to reject in whole or in part, setting forth the reasons therefore, and shall

1 indicate in such notice that the Claimant whose Claim is to be rejected has the right  
2 to a review by the Court if the Claimant so desires and complies with the  
3 requirements of ¶5.11 below.

4       5.11 If any Claimant whose Claim has been rejected in whole or in part  
5 desires to contest such rejection, the Claimant must, within twenty (20) calendar  
6 days after the mailing of the Notice required in ¶5.10 above, or a less period of  
7 time if the Claim was untimely, serve upon the Claims Administrator a notice and  
8 statement of reasons indicating the Claimant's grounds for contesting the rejections  
9 along with any supporting documentation, and requesting a review thereof by the  
10 Court. If a dispute concerning a Claim cannot otherwise be resolved, Lead  
11 Counsel shall thereafter present the request for review to the Court. The  
12 administrative determination of the Claims Administrator accepting and rejecting  
13 Claims shall be presented to the Court and, on notice to Defendants' Counsel, for  
14 approval by the Court. Defendants shall not take a position on the administrative  
15 determinations of the Claims Administrator.

16       5.12 Each Claimant who submits a Proof of Claim and Release shall be  
17 deemed to have submitted to the jurisdiction of the Court with respect to the  
18 Claimant's Claim, including, but not limited to, all releases provided herein and in  
19 the Judgment, and the Claim will be subject to investigation and discovery under  
20 the Federal Rules of Civil Procedure, provided that such investigation and  
21 discovery shall be limited to that Claimant's status as a Class Member and the  
22 validity and amount of the Claimant's Claim. No discovery shall be allowed on  
23 the merits of the Litigation or Settlement in connection with the processing of the  
24 Claims. All proceedings with respect to the administration, processing and  
25 determination of Claims and the determination of all controversies relating thereto,  
26 including disputed questions of law and fact with respect to the validity of Claims,  
27 shall be subject to the jurisdiction of the Court, but shall not in any event delay or

1 affect the finality of the Judgment. All Class Members, other Claimants, and  
2 parties to this Settlement expressly waive trial by jury (to the extent any such right  
3 may exist) and any right of appeal or review with respect to such determinations.

4 5.13 Payment pursuant to this Stipulation and Plan of Allocation shall be  
5 deemed Final and conclusive against all Claimants. All Class Members whose  
6 Claims are not approved shall be barred from participating in a distribution from  
7 the Net Settlement Fund, but otherwise shall be bound by all of the terms of this  
8 Stipulation and the Settlement, including the terms of the Judgment to be entered  
9 in the Litigation and the releases provided for herein, and shall be banned from  
10 bringing any action against the Released Defendant Parties concerning the  
11 Released Claims.

12 5.14 Following the Effective Date, the Net Settlement Fund shall be  
13 distributed to the Authorized Claimants substantially in accordance with the Plan  
14 of Allocation approved by the Court. No distributions will be made to Authorized  
15 Claimants who would otherwise receive a distribution of less than \$10.00. If there  
16 is any balance remaining in the Net Settlement Fund after a reasonable period of  
17 time after the date of the initial distribution of the Net Settlement Fund, Lead  
18 Counsel shall, if feasible, reallocate such balance among Authorized Claimants  
19 who negotiated the checks sent in the initial distribution and who would receive a  
20 minimum of \$10.00. These redistributions shall be repeated until the balance  
21 remaining in the Net Settlement Fund is *de minimis*. Thereafter, any balance  
22 which still remains in the Net Settlement Fund shall be donated to an appropriate  
23 non-profit organization designated by Lead Counsel.

24 5.15 The Released Defendant Parties shall have no responsibility for,  
25 interest in, or liability whatsoever with respect to the distribution of the Net  
26 Settlement Fund, the Plan of Allocation, the determination, administration, or  
27 calculation of claims, the payment or withholding of Taxes or Tax Expenses, or



1 addition, Lead Plaintiffs may also submit a request for reimbursement of their time  
2 and expenses representing the Class pursuant to 15 U.S.C. Section 78u-4(a)(4).

3         6.2 The amount of attorneys' fees and expenses awarded by the Court is  
4 within the sole discretion of the Court. Any attorneys' fees and expenses awarded  
5 by the Court shall be paid from the Settlement Fund to Lead Counsel immediately  
6 upon entry of the Judgment and an Order awarding such attorneys' fees and  
7 expenses, notwithstanding the existence of any timely filed objections thereto or to  
8 the Settlement, or potential for appeal therefrom, or collateral attack on the  
9 awarded fees and expenses, the Settlement, or any part thereof. Lead Counsel shall  
10 allocate any Court-awarded attorneys' fees and expenses among other Plaintiffs'  
11 Counsel, in a manner in which they in good faith believe reflects the contributions  
12 of such counsel to the initiation, prosecution, and resolution of the Litigation.

13         6.3 In the event that the Effective Date does not occur, or the Judgment or  
14 the order making the Fee and Expense Award is reversed or modified, or the  
15 Stipulation is canceled or terminated for any other reason, and such reversal,  
16 modification, cancellation or termination becomes Final and not subject to review,  
17 and in the event that the Fee and Expense Award has been paid to any extent, then  
18 Lead Counsel and such of Plaintiffs' Counsel who have received any portion of the  
19 Fee and Expense Award shall within thirty (30) calendar days from receiving  
20 notice of the termination of the Settlement pursuant to this Stipulation, notice from  
21 a court of appropriate jurisdiction of the disapproval of the Settlement by final non-  
22 appealable court order, or notice of any reduction or reversal of the award of  
23 attorneys' fees and/or expenses by final non-appealable court order, refund to the  
24 Settlement Fund such fees and expenses previously paid to them from the  
25 Settlement Fund plus the interest earned thereon in an amount consistent with such  
26 reversal or modification. Each such Plaintiffs' Counsel's law firm receiving  
27 attorneys' fees and litigation costs and expenses, as a condition of receiving such

1 fees and expenses, on behalf of itself and each partner and/or shareholder of it,  
2 agrees that it and its partners and/or shareholders are subject to the jurisdiction of  
3 the Court for the purpose of enforcing this Stipulation.

4         6.4 The procedure for and the allowance or disallowance by the Court of  
5 any applications by any Plaintiffs' Counsel for attorneys' fees and expenses, or the  
6 expenses of Lead Plaintiffs, to be paid out of the Settlement Fund, are not part of  
7 the Settlement set forth in the Stipulation, and are to be considered by the Court  
8 separately from the Court's consideration of the fairness, reasonableness, and  
9 adequacy of the Settlement set forth in the Stipulation, and shall have no effect on  
10 the terms of the Stipulation or on the validity or enforceability of this Settlement.  
11 The approval of the Settlement, and it becoming Final, shall not be contingent on  
12 the award of attorneys' fees and expenses, any award to Lead Plaintiffs or  
13 Plaintiffs' Counsel, nor any appeals to such awards. Lead Plaintiffs and Lead  
14 Counsel may not cancel or terminate the Stipulation or the Settlement in  
15 accordance with §§7.1-7.9 or otherwise based on the Court's or any appellate  
16 court's ruling with respect to fees and expenses in the Litigation.

17         6.5 Any fees and/or expenses awarded by the Court shall be paid solely  
18 from the Settlement Fund. The Released Defendant Parties shall have no  
19 responsibility for any payment of attorneys' fees and/or expenses to Lead Counsel,  
20 Plaintiffs' Counsel, or any other plaintiffs and counsel.

21         6.6 The Released Defendant Parties shall have no responsibility for the  
22 allocation among Plaintiffs' Counsel, any other counsel who have represented one  
23 or more plaintiffs in the Litigation, and/or any other Person who may assert some  
24 claim thereto, of any Fee and Expense Award that the Court may make in the  
25 Litigation.





1 subject to ¶7.4 hereof unless Lead Counsel and Defendants' Counsel mutually  
2 agree in writing to proceed with the Stipulation.

3       7.3 If prior to the Settlement Hearing, the aggregate number of shares of  
4 QSI common stock purchased or acquired during the Class Period by Persons who  
5 would otherwise be Class Members, but who request exclusion from the Class,  
6 exceeds the sum specified in a separate supplemental agreement between Lead  
7 Plaintiffs and Defendants (the "Supplemental Agreement"), QSI shall have the  
8 discretion to terminate this Stipulation in accordance with the procedures set forth  
9 in the Supplemental Agreement. The Settling Parties agree to maintain the  
10 confidentiality of the Supplemental Agreement, which shall not be filed with the  
11 Court unless a dispute arises as to its terms, or as otherwise ordered by the Court,  
12 nor shall the Supplemental Agreement otherwise be disclosed unless ordered by  
13 the Court. If required by the Court, the Supplemental Agreement and/or any of its  
14 terms may be disclosed *in camera* to the Court for purposes of approval of the  
15 Settlement, but such disclosure shall be carried out to the fullest extent possible in  
16 accordance with the practices of the Court so as to preserve the confidentiality of  
17 the Supplemental Agreement, particularly the threshold aggregate number of  
18 shares.

19       7.4 Defendants and Lead Plaintiffs shall each have the right to terminate  
20 the Settlement and this Stipulation by providing written notice of their election to  
21 do so to all other counsel of the Settling Parties within thirty (30) calendar days of:

22               (a) the Court's final non-appealable refusal to enter the Preliminary  
23 Approval Order or any material part of it;

24               (b) the Settlement Amount not being timely funded when Lead  
25 Counsel have complied with ¶2.2 hereof;

26               (c) the Court's final non-appealable refusal to approve this  
27 Stipulation or any material part of it;

1 (d) the Court's final non-appealable refusal to enter the proposed  
2 Judgment or any material part of it; or

3 (e) the Judgment being modified or reversed in any material  
4 respect by a Final order of the Court, the United States Court of Appeals, or the  
5 Supreme Court of the United States.

6 For the avoidance of doubt, no order of the Court or modification or reversal on  
7 appeal of any order of the Court concerning the Plan of Allocation or the amount  
8 of any attorneys' fees, expenses, and interest awarded by the Court to Lead  
9 Counsel or expenses to Lead Plaintiffs shall operate to terminate or cancel this  
10 Stipulation or constitute grounds for cancellation or termination of the Stipulation.

11 7.5 Unless otherwise ordered by the Court, in the event the Settlement is  
12 not approved or the Settlement is terminated, canceled, or fails to become effective  
13 for any reason, within five (5) business days after joint written notification of such  
14 event is sent by Defendants' Counsel and Lead Counsel to the Escrow Agent, the  
15 Settlement Fund (including accrued interest), less expenses which have either been  
16 disbursed pursuant to ¶¶2.8 and 2.10 hereof, or are chargeable to the Settlement  
17 Fund pursuant to ¶¶2.8 and 2.10 hereof, shall be refunded by the Escrow Agent  
18 pursuant to written instructions from Defendants' Counsel. The Escrow Agent or  
19 its designee shall apply for any tax refund owed on the Settlement Amount and pay  
20 the proceeds, after deduction of any fees or expenses incurred in connection with  
21 such application(s) for refund, pursuant to written instructions from Defendants'  
22 Counsel. In the event that the funds received by Lead Counsel consistent with ¶6.2  
23 above have not been refunded to the Settlement Fund within the five (5) business  
24 days specified in this paragraph, those funds shall be refunded by the Escrow  
25 Agent pursuant to written instructions from Defendants' Counsel immediately  
26 upon their deposit into the Escrow Account consistent with ¶6.3 above.

1           7.6 In the event that the Stipulation is not approved by the Court or the  
2 Settlement set forth in the Stipulation is terminated or fails to become effective in  
3 accordance with its terms, the Settling Parties shall be restored to their respective  
4 positions in the Litigation as of May 9, 2018. In such event, the terms and  
5 provisions of the Stipulation and any aspect of the discussions or negotiations  
6 leading to this Stipulation, with the exception of §§2.8, 2.10, 2.11, 6.3, 7.5-7.7, 8.4,  
7 and 8.6 hereof, shall not be admissible in this Litigation and shall not be used  
8 against or to the prejudice of Defendants or against or to the prejudice of Lead  
9 Plaintiffs, in any court filing, deposition, at trial, or otherwise, and any judgment or  
10 order entered by the Court in accordance with the terms of the Stipulation shall be  
11 treated as vacated, *nunc pro tunc*.

12           7.7 If the Effective Date does not occur, or if the Stipulation is terminated  
13 pursuant to its terms, neither Lead Plaintiffs nor any of their counsel shall have any  
14 obligation to repay any amounts disbursed pursuant to §§2.8 or 2.10. In addition,  
15 any expenses already incurred pursuant to §§2.8 or 2.10 hereof at the time of such  
16 termination or cancellation but which have not been paid, shall be paid by the  
17 Escrow Agent in accordance with the terms of the Stipulation prior to the balance  
18 being refunded in accordance with §§2.11 and 7.5 hereof.

19           7.8 Each Defendant contributing to the Settlement Amount warrants as to  
20 himself, herself or itself that, as to the payments made by or on behalf of him or it,  
21 at the time of such payment that the Defendant made or caused to be made  
22 pursuant to §2.2 hereof, he, she or it was not insolvent, nor will the payment  
23 required to be made by or on behalf of him, her or it render such Defendant  
24 insolvent, within the meaning of and/or for the purposes of the United States  
25 Bankruptcy Code, including Sections 101 and 547 thereof. This warranty is made  
26 by each such Defendant and not by such Defendant's Counsel.

7.9 If, before the Effective Date occurs, any Defendant files for protection under the Bankruptcy Code or any similar law or a trustee, receiver, conservator, or other fiduciary is appointed under Bankruptcy, and in the event of a final order of a court of competent jurisdiction, not subject to any further proceedings, determining the transfer of the Settlement Fund, or any portion thereof, by or on behalf of any Defendant to be a preference, voidable transfer, fraudulent transfer or similar transaction under Title 11 of the United States Code (Bankruptcy) or applicable state law and any portion thereof is required to be refunded and such amount is not promptly deposited in the Settlement Fund by or on behalf of any other Defendant, then, at the election of Lead Plaintiffs, as to the Defendant as to whom such order applies, the Settlement may be terminated and the releases given and the Judgment entered in favor of such Defendant pursuant to the Settlement shall be null and void. In such instance, the releases given and the Judgments entered in favor of other Defendants shall remain in full force and effect. Alternatively, Lead Plaintiffs may elect to terminate the entire Settlement as to all Defendants and all of the releases given and the Judgments entered in favor of the Defendants pursuant to the Settlement shall be null and void and the Settling Parties shall be restored to their respective positions in the Litigation as of May 9, 2018.

**8. Miscellaneous Provisions**

8.1 The Settling Parties (a) acknowledge that it is their intent to consummate this agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation.

8.2 The Settling Parties intend the Settlement to be the full, final, and complete resolution of all claims asserted or that could have been asserted by the



1 (a) do not constitute, and shall not be offered or received against or  
2 to the prejudice of Defendants as evidence of, or construed as, or deemed to be  
3 evidence of any presumption, concession or admission by Defendants with respect  
4 to the truth of any allegation by Lead Plaintiffs and the Class or the validity of any  
5 claim that has been or could have been asserted in the Litigation or in any  
6 litigation, including, but not limited to, the Released Plaintiffs' Claims, or of any  
7 liability, damages, negligence, fault or wrongdoing of Defendants or any Person or  
8 entity whatsoever;

9 (b) do not constitute, and shall not be offered or received against or  
10 to the prejudice of Defendants as evidence of a presumption, concession, or  
11 admission of any fault, misrepresentations, or omission with respect to any  
12 statement or written document approved or made by Defendants, or against or to  
13 the prejudice of Lead Plaintiffs or any other Class Members as evidence of any  
14 infirmity in the claims of Lead Plaintiffs or the other Class Members;

15 (c) do not constitute, and shall not be offered or received against or  
16 to the prejudice of Defendants, Lead Plaintiffs, any other Class Members, or their  
17 respective counsel, as evidence of a presumption, concession or admission with  
18 respect to any liability, damages, negligence, fault, infirmity, or wrongdoing, or in  
19 any way referred to for any other reason against or to the prejudice of any of the  
20 Settling Parties, in any other civil, criminal, or administrative action or proceeding,  
21 other than such proceedings as may be necessary to effectuate the provisions of  
22 this Stipulation;

23 (d) do not constitute, and shall not be construed as, or offered or  
24 received against or to the prejudice of Defendants, Lead Plaintiffs, or any other  
25 Class Members, as evidence of a presumption, concession, or admission that the  
26 consideration to be given hereunder represents the amount which could be or  
27 would have been recovered after trial; and



1 (e) do not constitute, and shall not be construed as, or offered or  
2 received against or to the prejudice of Defendants, Lead Plaintiffs, or any other  
3 Class Members, as evidence of a presumption, concession, or admission that any of  
4 their claims are without merit or infirm or that damages recoverable under the  
5 Amended Complaint would not have exceeded the Settlement Amount.

6 8.5 Defendants may file this Stipulation and/or the Judgment in any action  
7 that may be brought against them in order to support a defense or counterclaim  
8 based on principles of *res judicata*, collateral estoppel, release, statute of  
9 limitations, statute of repose, good-faith settlement, judgment bar or reduction, or  
10 any theory of claim preclusion or issue preclusion or similar defense or  
11 counterclaim, or to effectuate any liability protection granted them under any  
12 applicable insurance policy. The Settling Parties may file this Stipulation and/or  
13 the Judgment in any action that may be brought to enforce the terms of this  
14 Stipulation and/or the Judgment. All Settling Parties submit to the jurisdiction of  
15 the Court for purposes of implementing and enforcing the Settlement.

16 8.6 All agreements made and orders entered during the course of the  
17 Litigation relating to the confidentiality of information shall survive this  
18 Stipulation.

19 8.7 All of the Exhibits to the Stipulation, and the Supplemental  
20 Agreement, are material and integral parts hereof and are fully incorporated herein  
21 by this reference.

22 8.8 The Stipulation, along with its Exhibits and the Supplemental  
23 Agreement, may be amended or modified only by a written instrument signed by  
24 or on behalf of all Settling Parties or their respective successors-in-interest.

25 8.9 The waiver by one Settling Party of any breach of this Stipulation by  
26 any other Settling Party shall not be deemed a waiver of any other prior or  
27 subsequent breach of this Stipulation.





1 immunity, including, without limitation, attorney-client privilege, joint defense  
2 privilege, or work product protection.

3 8.22 Unless otherwise provided, the Settling Parties may agree to  
4 reasonable extensions of time to carry out any of the provisions of this Stipulation  
5 without further order of the Court.

6 8.23 Except as otherwise provided herein, each party shall bear its own  
7 costs.

8 IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to  
9 be executed, by their duly authorized attorneys, dated July 16, 2018.

10  
11 ROBBINS GELLER RUDMAN  
12 & DOWD LLP

13  
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