

UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA

Rameses Te Lomingkit, Individually And On Behalf Of All Others Similarly  
Situated,

Plaintiff,

v.

Apollo Education Group, Inc. (F/K/A Apollo Group, Inc.); Peter V. Sperling,  
Gregory W. Cappelli; Brian L. Swartz; and William Pepicello,

Defendants.

No. 2:16-cv-00689-PHX-JAT

**CLASS ACTION**

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT;  
(II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD  
OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**A Federal Court authorized this Notice. This is not a solicitation from a lawyer.**

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the "Action") pending in the United States District Court for the District of Arizona (the "Court"), if, during the period from November 13, 2013 through October 21, 2015, inclusive (the "Class Period"), you purchased or otherwise acquired the Class A common stock of Apollo Education Group, Inc. ("Apollo") (NASDAQ ticker symbol APOL), and were damaged thereby.<sup>1</sup>

**NOTICE OF SETTLEMENT:** Please also be advised that the Court-appointed Lead Plaintiff, Government of Guam Retirement Fund ("Lead Plaintiff"), on behalf of itself and the Settlement Class (as defined in ¶ 26 below), has reached a proposed settlement of the Action for \$7,400,000 in cash that, if approved, will resolve all claims in the Action (the "Settlement").

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.**

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact Apollo or its counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 89 below).**

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that defendants Apollo Education Group, Inc. ("Apollo" or the "Company") and Gregory W. Cappelli, Brian L. Swartz, and Peter V. Sperling (collectively, the "Individual Defendants" and, with Apollo, "Defendants") violated the federal securities laws by making false and misleading statements regarding Apollo's business. A more detailed description of the Action is set forth in paragraphs 12-25 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in paragraph 26 below.

2. **Statement of the Settlement Class's Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of itself and the Settlement Class, has agreed to settle the Action in exchange for a settlement payment of \$7,400,000 in cash (the "Settlement Amount") to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, (d) any attorneys' fees awarded by the Court, and (e) any other costs or fees approved by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the "Plan of Allocation") is set forth on pages 8 - 10 below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff's damages expert's estimates of the number of shares of Apollo Class A common stock purchased or acquired during the Class Period that may have been affected by the conduct at issue in the Action and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) is \$0.06 per affected share. Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased/acquired or sold their stock, and the total number and value of valid Claim Forms submitted. Distributions to Settlement

<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated February 8, 2019 (the "Stipulation"), which is available at [www.ApolloEducationGroupSecuritiesLitigation.com](http://www.ApolloEducationGroupSecuritiesLitigation.com).

Class Members will be made based on the Plan of Allocation set forth herein (*see* pages 8 - 10 below) or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys' Fees and Expenses Sought:** Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP, which has been prosecuting the Action on a wholly contingent basis since its inception in 2016, has not received any payment of attorneys' fees for its representation of the Settlement Class and has advanced the funds to pay expenses necessarily incurred to prosecute this Action. Lead Counsel will apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution, and resolution of the Action, in an amount not to exceed \$300,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class. Any attorneys' fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. The estimated average cost for such fees and expenses, if the Court approves Lead Counsel's fee and expense application, is \$0.02 per affected share.

6. **Identification of Attorneys' Representative:** Lead Plaintiff and the Settlement Class are represented by Jonathan D. Uslaner, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 12481 High Bluff Drive, Suite 300, San Diego, CA 92130-3582, 1-800-380-8496, settlements@blbgllaw.com.

7. **Reasons for the Settlement:** Lead Plaintiff's principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Moreover, the benefit provided under the Settlement must be considered against (a) the significant risk that no recovery at all would be achieved if Lead Plaintiff's appeal from the Court's dismissal of the Action (which was pending when the Settlement was reached) was not successful, and (b) the further risks that continued litigation would have presented, even if Lead Plaintiff succeeded on its appeal from the dismissal of the Action, which included risks posed by additional contested motions, the trial of the Action, and a potential second round of appeals that would follow a trial. This process could be expected to last at least several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN JULY 19, 2019.</b>	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 35 below) that you have against Defendants and the other Defendants' Releasees (defined in ¶ 36 below), so it is in your interest to submit a Claim Form.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JUNE 5, 2019.</b>	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants' Releasees concerning the Released Plaintiffs' Claims.
<b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JUNE 5, 2019.</b>	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.
<b>GO TO A HEARING ON JUNE 26, 2019 AT 1:30 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JUNE 5, 2019.</b>	Filing a written objection and notice of intention to appear by June 5, 2019 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
<b>DO NOTHING.</b>	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

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## WHY DID I GET THIS NOTICE?

8. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Apollo Class A common stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so.

10. The Notice is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and the motion by Lead Counsel for an award of attorneys’ fees and reimbursement of Litigation Expenses (the “Settlement Hearing”). At the Settlement Hearing, the Court will consider: (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether, for purposes of the proposed Settlement only, the Action should be certified as a class action on behalf of the Settlement Class, Lead Plaintiff should be certified as the Class Representative for the Settlement Class, and Lead Counsel should be appointed as Class Counsel for the Settlement Class; (iii) whether the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in ¶¶ 34-40 below should be granted; (iv) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (v) whether Lead Counsel’s application for an award of attorneys’ fees and reimbursement of Litigation Expenses should be approved. See ¶ 80 below for details about the Settlement Hearing, including the date and location of the hearing.

11. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

## WHAT IS THIS CASE ABOUT?

12. Apollo is a for-profit education company that sells online and on-campus degree and certification programs. The largest of Apollo’s universities is the University of Phoenix, accounting for about 90% of enrollment and revenues. During the Class Period, Apollo was a publicly traded company with its common stock traded on the NASDAQ under the ticker symbol APOL. In this Action, Lead Plaintiff alleges that Apollo and certain of its officers made a series of materially false and misleading statements about the status and performance of Apollo’s critical new online classroom project, which caused the price of Apollo Class A common stock to be artificially inflated from November 13, 2013 through October 21, 2015 (the “Class Period”).

13. On March 14, 2016, Plaintiff Rameses Te Lomingkit (“Lomingkit”) filed a class action complaint in the United States District Court for the District of Arizona (the “Court”), styled *Rameses Te Lomingkit, et al. v. Apollo Education Group, Inc., et al.*, Case No. 2:16-cv-00689, asserting federal securities claims against Apollo and certain of its current and former officers.

14. By Order dated June 16, 2016, the Court (the Honorable Douglas L. Rayes) appointed Government of Guam Retirement Fund as Lead Plaintiff for the Action; and approved Lead Plaintiff's selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel for the class and Tiffany & Bosco P.A. as local counsel for Lead Plaintiff and the class.

15. On August 15, 2016, Lead Plaintiff and additional plaintiffs Lomingkit and National Shopmen Pension Fund (collectively, "Plaintiffs") filed and served the Consolidated Class Action Complaint ("Consolidated Complaint") asserting claims against Apollo; Gregory W. Cappelli, Apollo's former CEO; Brian L. Swartz, Apollo's former CFO; and William F. Pepicello, the President of the University of Phoenix and a member of Apollo's executive management, under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and against Defendants Cappelli, Swartz, and Peter V. Sperling, Chairman of the Apollo Board of Directors, under Section 20(a) of the Exchange Act. The Consolidated Complaint alleged that Defendants made materially false and misleading statements about: (i) the Company's new online classroom, and (ii) the Company's compliance with regulations governing the recruitment of military personnel, the Company's contract with the Department of Defense, and a Presidential Executive Order regarding military recruiting. The Complaint further alleged that the price of Apollo Class A common stock was artificially inflated as a result of Defendants' allegedly false and misleading statements, and declined when the truth was revealed.

16. On October 14, 2016, Defendants filed and served a motion to dismiss the Consolidated Complaint. On November 7, 2016, the Action was reassigned from Judge Rayes to the Honorable James A. Teilborg for all further proceedings. On December 5, 2016, Plaintiffs served and filed their memorandum of law in opposition to Defendants' motion to dismiss and, on December 12, 2016, Defendants served their reply papers. The Court heard oral argument on the motion on February 15, 2017. On February 16, 2017, the Court granted Defendants' motion to dismiss the Consolidated Complaint, with leave to amend.

17. On March 9, 2017, Plaintiffs filed and served the Amended Class Action Complaint ("Amended Complaint" or "Complaint") asserting claims against Defendants Apollo, Cappelli, and Swartz under Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, and against Defendants Cappelli, Swartz, and Sperling under Section 20(a) of the Exchange Act. The Complaint alleges that, during the Class Period, Defendants made materially false and misleading statements about the status and performance of Apollo's critical online classroom project, and that the price of Apollo Class A common stock was artificially inflated as a result of the alleged misleading statements, and declined when the truth was revealed.

18. On March 29, 2017, Defendants filed and served a motion to dismiss the Amended Complaint. On April 12, 2017, Plaintiffs served their memorandum of law in opposition to this motion and, on April 19, 2017, Defendants served their reply papers. The Court heard oral argument on this motion on July 19, 2017.

19. On July 26, 2017, the Court granted Defendants' motion to dismiss the Amended Complaint.

20. On August 8, 2017, Plaintiffs filed a notice of appeal which sought review by the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") of the Court's order granting the motion to dismiss. Plaintiffs submitted their opening brief on the appeal to the Ninth Circuit on December 22, 2017. Defendants submitted their answering brief on May 4, 2018, and Plaintiffs submitted their reply brief on June 25, 2018.

21. While the appeal was pending, the Parties discussed the possibility of resolving the litigation through settlement and agreed to mediation before Jed D. Melnick, Esq. of JAMS. On March 12, 2018, the Parties exchanged detailed mediation statements with numerous exhibits that were also submitted to Mr. Melnick. A full-day in-person mediation session with Mr. Melnick was held in New York on March 21, 2018. At the mediation session, the Parties engaged in vigorous settlement negotiations with the assistance of Mr. Melnick but were not able to reach an agreement.

22. The Parties continued their settlement negotiations after the mediation with the assistance of Mr. Melnick. On October 7, 2018, the Ninth Circuit notified the Parties that oral argument on the appeal was scheduled for December 21, 2018. On December 17, 2018, the Parties reached an agreement in principle to settle the Action for \$7,400,000. The same day, the Parties notified the Ninth Circuit of their agreement in principle to settle and, on December 18, 2018, the Ninth Circuit entered an order staying appellate proceedings and remanding the case to the District Court for the purpose of considering the Parties' settlement agreement.

23. On January 2, 2019, the Parties executed a Term Sheet setting forth their agreement in principle to settle the Action in return for a cash payment by or on behalf of Defendants of \$7,400,000 for the benefit of the Settlement Class, subject to certain terms and conditions and the execution of a customary "long form" stipulation and agreement of settlement and related papers.

24. On February 8, 2019, the Parties entered into the Stipulation and Agreement of Settlement (the "Stipulation"), which sets forth the terms and conditions of the Settlement. The Stipulation can be viewed at [www.ApolloEducationGroupSecuritiesLitigation.com](http://www.ApolloEducationGroupSecuritiesLitigation.com).

25. On February 21, 2019, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?  
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

26. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class includes:

all persons and entities who purchased or otherwise acquired Apollo Class A common stock during the period from November 13, 2013 through October 21, 2015, inclusive (the “Class Period”), and were damaged thereby.

Excluded from the Settlement Class by definition are: Defendants, William F. Pepicello, Joseph L. D’Amico, Gregory J. Iverson, the Officers<sup>2</sup> and directors of Apollo at all relevant times, their Immediate Family Members<sup>3</sup>, and their legal representatives, heirs, agents, affiliates, successors, or assigns, Defendants’ liability insurance carriers, and any affiliates or subsidiaries thereof, including but not limited to Apollo’s employee retirement and benefit plans, and any entity in which Defendants or their immediate family members have or had a controlling interest. Also excluded from the Settlement Class are any persons and entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. See “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself,” on page 10 below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.**

**If you are a Settlement Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Claim Form that is being distributed with this notice and the required supporting documentation as set forth therein postmarked no later than July 19, 2019.**

**WHAT ARE LEAD PLAINTIFF’S REASONS FOR THE SETTLEMENT?**

27. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. However, the risk of no recovery was very significant in this case because the Action had been dismissed in its entirety by the Court, based on its conclusion that the Amended Complaint did not adequately allege any actionable false or misleading statements or omissions by Defendants. Lead Plaintiff appealed that ruling to the Ninth Circuit and believes it presented meritorious arguments for reversal of that decision, but there could be no guarantee that Lead Plaintiff would succeed on appeal. If the appeal were unsuccessful, the Settlement Class would obtain no recovery in this Action at all. Moreover, even if the appeal succeeded, Lead Plaintiff and the Settlement Class would still face additional substantial risks in establishing liability (including proving the falsity of the alleged statements and Defendants’ scienter), loss causation, and damages. Lead Plaintiff would have to prevail at several stages beyond the current appeal, including on a motion for summary judgment, a litigated motion for class certification, and at trial, and if it prevailed on those, on the additional appeals that would likely follow. Thus, there were very significant risks attendant to the continued prosecution of the Action.

28. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$7,400,000 in cash (less the various deductions described in this Notice), when compared to the substantial risk that the Action would produce no recovery following resolution of the pending appeal, and, even if the appeal were successful, the risks of no recovery or a smaller recovery in continued litigation through summary judgment, a trial, and additional appeals, possibly years in the future.

29. Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

**WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

30. If there were no Settlement, Lead Plaintiff’s appeal from the Court’s order dismissing the Action with prejudice would continue. If Lead Plaintiff failed to obtain a reversal on appeal of the Court’s dismissal order, neither Lead Plaintiff nor the other members of the Settlement Class would recover anything from Defendants in this Action. If Lead Plaintiff succeeded on the appeal but failed to establish any essential legal or factual element of the claims against Defendants in continued litigation, Lead Plaintiff and the Settlement Class would also recover nothing. In addition, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on further appeals, the Settlement Class could recover less than the amount provided in the Settlement, or nothing at all.

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<sup>2</sup> “Officer” means any officer as that term is defined in Securities and Exchange Act Rule 16a-1(f).

<sup>3</sup> “Immediate Family Members” means children, stepchildren, parents, stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law. As used in this paragraph, “spouse” shall mean a husband, a wife, or a partner in a state-recognized domestic relationship or civil union.

## HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

31. If you are a Settlement Class Member, you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

32. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?,” below.

33. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

34. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, or any person purporting to assert a Released Plaintiffs’ Claim on behalf of any such persons, will have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs’ Claim (as defined in ¶ 35 below) against the Defendants and the other Defendants’ Releasees (as defined in ¶ 36 below); shall be deemed to have agreed to a covenant not to sue the Defendants’ Releasees with respect to all such Released Plaintiffs’ Claims; and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees. The Court (and in particular Judge Teilborg, if available) shall retain full, complete, and exclusive authority to interpret and enforce that permanent injunction, and Settlement Class Members expressly waive all rights to seek any adjudication concerning the injunction in any forum other than the Court.

35. “Released Plaintiffs’ Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether direct or representative, whether arising under federal, state, common, or foreign law, that Lead Plaintiff or any other member of the Settlement Class: (i) asserted in the Complaint, or (ii) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and that relate to the purchase or acquisition of Apollo Class A common stock during the Class Period. For the avoidance of doubt, Released Plaintiffs’ Claims do not include: (i) any claims relating to the enforcement of the Settlement; and (ii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

36. “Defendants’ Releasees” means Defendants, William F. Pepicello, Joseph L. D’Amico, Gregory J. Iverson, and their current and former parents, affiliates, subsidiaries, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, Immediate Family Members, insurers, and reinsurers, in their capacities as such, and any of these persons’ or entities’ respective directors, officers, employees, and counsel, in their capacities as such.

37. “Unknown Claims” means any Released Plaintiffs’ Claims which Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiff and Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Lead Plaintiff and Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

38. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, or any person purporting to assert a Released Defendants’ Claim on behalf of any such persons, will have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants’ Claim (as defined in ¶ 39 below) against Lead Plaintiff and the other Plaintiffs’ Releasees (as defined in ¶ 40 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants’ Claims against any of the Plaintiffs’ Releasees.

39. “Released Defendants’ Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common, or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against Defendants. Released Defendants’ Claims do not include: (i) any claims relating to the enforcement of the Settlement; or (ii) any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

40. “Plaintiffs’ Releasees” means Plaintiffs, all other Settlement Class Members, and their respective current and former parents, affiliates, subsidiaries, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, Immediate Family Members, insurers, and reinsurers, in their capacities as such, and any of these persons’ or entities’ respective directors, officers, employees, and counsel, in their capacities as such.

### HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

41. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than July 19, 2019**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, [www.ApolloEducationGroupSecuritiesLitigation.com](http://www.ApolloEducationGroupSecuritiesLitigation.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-866-778-9625. Please retain all records of your ownership of and transactions in Apollo common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

### HOW MUCH WILL MY PAYMENT BE?

42. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

43. Pursuant to the Settlement, Defendants have agreed to pay or cause to be paid seven million four hundred thousand dollars (\$7,400,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state, and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; (c) any attorneys’ fees and Litigation Expenses awarded by the Court; and (d) any other costs or fees approved by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

44. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

45. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the plan of allocation.

46. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

47. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before July 19, 2019 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiffs’ Claims (as defined in ¶ 35 above) against the Defendants’ Releasees (as defined in ¶ 36 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees whether or not such Settlement Class Member submits a Claim Form.

48. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

49. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

50. The only security that is included in the Settlement is Apollo Class A common stock (“Apollo Common Stock”). Only Settlement Class Members, *i.e.*, persons and entities who purchased or otherwise acquired Apollo Common Stock during the Class Period and were damaged as a result of such purchases or acquisitions, will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the

Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

51. Participants in and beneficiaries of any retirement and benefit plan for Apollo employees (an “Apollo Employee Plan”) should NOT include any information relating to their transactions in Apollo Common Stock that were held through any such Apollo Employee Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased or acquired outside of an Apollo Employee Plan.

### **PROPOSED PLAN OF ALLOCATION**

52. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Settlement Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

53. In developing the Plan of Allocation, Lead Plaintiff’s damages expert calculated the estimated amount of artificial inflation in the per-share closing price of Apollo Common Stock which allegedly was proximately caused by Defendants’ alleged materially false and misleading statements and omissions.

54. In calculating the estimated artificial inflation allegedly caused by Defendants’ alleged misrepresentations and omissions, Lead Plaintiff’s damages expert considered price changes in Apollo Common Stock in reaction to certain public announcements allegedly revealing the truth concerning Defendants’ alleged misrepresentations and material omissions, adjusting for price changes that were attributable to market or industry forces. The estimated artificial inflation in Apollo Common Stock is stated in Table A at the end of this Notice.

55. In order to have recoverable damages, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of Apollo Common Stock. In this case, Lead Plaintiff alleges that Defendants made false statements and omitted material facts during the period from November 13, 2013 through October 21, 2015, inclusive, which had the effect of artificially inflating the price of the stock. Lead Plaintiff further alleges that corrective information was released to the market on: January 8, 2015, March 25, 2015, June 29, 2015, and October 22, 2015, which partially removed the artificial inflation from the price of Apollo Common Stock on: January 8, 2015, March 25-26, 2015,<sup>4</sup> June 30-July 1, 2015,<sup>5</sup> and October 22, 2015.

56. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the price of Apollo Common Stock at the time of purchase or acquisition and at the time of sale or the difference between the actual purchase price and sale price. Accordingly, in order to have a Recognized Loss Amount under the Plan of Allocation, a Settlement Class Member who or which purchased or otherwise acquired Apollo Common Stock prior to the first corrective disclosure, which occurred prior to the opening of the financial market on January 8, 2015, must have held his, her, or its shares of Apollo Common Stock through at least January 8, 2015. A Settlement Class Member who purchased or otherwise acquired Apollo Common Stock on January 8, 2015 through and including October 21, 2015, must have held those shares through at least one of the later dates where new corrective information was released to the market and partially removed the artificial inflation from the price of Apollo Common Stock.

### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

57. Based on the formula stated below, a “Recognized Loss Amount” will be calculated for each purchase or acquisition of Apollo Common Stock that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, the Recognized Loss Amount for that transaction will be zero.

58. For each share of Apollo Common Stock purchased or otherwise acquired during the period from November 13, 2013 through the close of trading on October 21, 2015, and:

- (a) Sold before the opening of trading on January 8, 2015, the Recognized Loss Amount will be \$0.00;
- (b) Sold from the opening of trading on January 8, 2015 through the close of trading on October 21, 2015, the Recognized Loss Amount will be ***the lesser of***: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A (found at the end of this Notice) *minus* the amount of artificial inflation per share on the date of sale as stated in Table A; or (ii) the purchase/acquisition price *minus* the sale price.
- (c) Sold from October 22, 2015 through the close of trading on January 19, 2016, the Recognized Loss Amount will be ***the least of***: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A;

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<sup>4</sup> With respect to the partial corrective disclosure first revealed to the market on March 25, 2015, the alleged artificial inflation was removed from the price of Apollo Common Stock over two days: March 25, 2015 and March 26, 2015.

<sup>5</sup> With respect to the partial corrective disclosure first revealed to the market on June 29, 2015, the alleged artificial inflation was removed from the price of Apollo Common Stock over two days: June 30, 2015 and July 1, 2015.

- (ii) the purchase/acquisition price *minus* the average closing price between October 22, 2015 and the date of sale as stated in Table B (found at the end of this Notice); or (iii) the purchase/acquisition price *minus* the sale price.
- (d) Held as of the close of trading on January 19, 2016, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A; or (ii) the purchase/acquisition price minus \$7.40.<sup>6</sup>

### **ADDITIONAL PROVISIONS**

59. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 69 below) is \$25.00 or greater.

60. **Calculation of Claimant's "Recognized Claim":** A Claimant's "Recognized Claim" will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to all shares of Apollo Common Stock purchased or otherwise acquired during the Class Period.

61. **FIFO Matching:** If a Settlement Class Member made more than one purchase/acquisition or sale of Apollo Common Stock during the Class Period, all purchases/acquisitions and sales will be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

62. **Purchase/Sale Prices:** For the purposes of calculations in ¶ 58, "purchase/acquisition price" means the actual price paid, excluding all fees, taxes, and commissions, and "sale price" means the actual amount received, not deducting any fees, taxes, and commissions.

63. **Purchase/Sale Dates:** Purchases or acquisitions and sales of Apollo Common Stock will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance, or operation of law of Apollo Common Stock during the Class Period shall not be deemed a purchase, acquisition, or sale of Apollo Common Stock for the calculation of a Claimant's Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition/sale of the stock unless (i) the donor or decedent purchased or otherwise acquired the stock during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares.

64. **Short Sales:** The date of covering a "short sale" is deemed to be the date of purchase or acquisition of the Apollo Common Stock. The date of a "short sale" is deemed to be the date of sale of the Apollo Common Stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" and the purchases covering "short sales" is zero.

65. In the event that a Claimant has an opening short position in Apollo Common Stock, the earliest purchases or acquisitions of Apollo Common Stock during the Class Period will be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

66. **Common Stock Purchased/Sold Through the Exercise of Options:** Option contracts are not securities eligible to participate in the Settlement. With respect to Apollo Common Stock purchased or sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

67. **Market Gains and Losses:** The Claims Administrator will determine if the Claimant had a "Market Gain" or a "Market Loss" with respect to his, her, or its overall transactions in Apollo Common Stock during the Class Period. For purposes of making this calculation, the Claims Administrator shall determine the difference between (i) the Claimant's Total Purchase Amount<sup>7</sup> and (ii) the sum of the Claimant's Total Sales Proceeds<sup>8</sup> and the Claimant's Holding Value.<sup>9</sup> If the Claimant's Total Purchase Amount *minus*

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<sup>6</sup> Pursuant to Section 21D(e)(1) of the Exchange Act, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Apollo Common Stock during the "90-day look-back period," from October 22, 2015 through January 19, 2016. The mean (average) closing price for Apollo Common Stock during this 90-day look-back period was \$7.40.

<sup>7</sup> The "Total Purchase Amount" is the total amount the Claimant paid (excluding all fees, taxes, and commissions) for all shares of Apollo Common Stock purchased or acquired during the Class Period.

<sup>8</sup> The Claims Administrator shall match any sales of Apollo Common Stock during the Class Period first against the Claimant's opening position in Apollo Common Stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (not deducting any fees, taxes, and commissions) for sales of the remaining shares of Apollo Common Stock sold during the Class Period is the "Total Sales Proceeds."

<sup>9</sup> The Claims Administrator shall ascribe a "Holding Value" of \$7.19 to each share of Apollo Common stock purchased or acquired during the Class Period that was still held as of the close of trading on October 21, 2015.

the sum of the Claimant's Total Sales Proceeds and the Holding Value is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain.

68. If a Claimant had a Market Gain with respect to his, her, or its overall transactions in Apollo Common Stock during the Class Period, the value of the Claimant's Recognized Claim will be zero, and the Claimant will not be eligible to receive a payment in the Settlement but will, nonetheless, be bound by the Settlement. If a Claimant suffered an overall Market Loss with respect to his, her, or its overall transactions in Apollo Common Stock during the Class Period, but that Market Loss was less than the Claimant's Recognized Claim, then the Claimant's Recognized Claim will be limited to the amount of the Market Loss.

69. **Determination of Distribution Amount:** The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

70. If an Authorized Claimant's Distribution Amount calculates to less than \$25.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

71. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator, no less than seven (7) months after the initial distribution, will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Lead Counsel and approved by the Court.

72. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Claimants. No person shall have any claim against Lead Plaintiff, Plaintiffs' Counsel, Lead Plaintiff's damages expert, Defendants, Defendants' Counsel, or any of the other Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiff, Defendants, and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator; the payment or withholding of taxes owed by the Settlement Fund; or any losses incurred in connection therewith.

73. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiff after consultation with its damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the case website, [www.ApolloEducationGroupSecurities Litigation.com](http://www.ApolloEducationGroupSecuritiesLitigation.com).

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

74. Lead Counsel has not received any payment for its services in pursuing claims against Defendants on behalf of the Settlement Class, nor has Lead Counsel been reimbursed for its out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$300,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees and Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE  
SETTLEMENT CLASS? HOW DO I EXCLUDE MYSELF?**

75. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *Apollo Education Group Securities Litigation*, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217. The exclusion request must be **received no later than June 5, 2019**. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must (a) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Class in *Lomington, et al. v. Apollo Education Group, Inc., et al.*, Case No. 2:16-cv-

00689 (D. Ariz.)”); (c) state the number of shares of Apollo Common Stock that the person or entity requesting exclusion (i) owned as of the opening of trading on November 13, 2013 and (ii) purchased/acquired and/or sold during the Class Period (*i.e.*, from November 13, 2013 through October 21, 2015, inclusive), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

76. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs’ Claim against any of the Defendants’ Releasees.

77. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

78. Apollo has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiff and Apollo.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?  
DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?**

79. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

80. The Settlement Hearing will be held on June 26, 2019 at 1:30 p.m., before the Honorable James A. Teilborg at the United States District Court for the District of Arizona, Courtroom 503 of the Sandra Day O’Connor U.S. Courthouse, 401 West Washington Street, Phoenix, AZ 85003. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Class.

81. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office at the United States District Court for the District of Arizona at the address set forth below on or before June 5, 2019. You must also serve the papers on Lead Counsel and on Defendants’ Counsel at the addresses set forth below so that the papers are **received on or before June 5, 2019.**

**Clerk’s Office**

Clerk’s Office  
United States District Court District of  
Arizona - Phoenix Division  
Sandra Day O’Connor U.S. Courthouse,  
Suite 130  
401 W. Washington St., SPC 1  
Phoenix, AZ 85003-2118

**Lead Counsel**

**Bernstein Litowitz Berger &  
Grossmann LLP**  
Jonathan D. Uslander, Esq.  
12481 High Bluff Drive, Suite 300  
San Diego, CA 92130-3582

**Defendants’ Counsel**

**Wilmer Cutler Pickering  
Hale and Dorr LLP**  
Michael G. Bongiorno, Esq.  
7 World Trade Center  
250 Greenwich Street  
New York, NY 10007

82. Any objection (a) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (b) must state with specificity the grounds for the Settlement Class Member’s objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court’s attention and whether the objection applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class; and (c) must include documents sufficient to prove membership in the Settlement Class, including documents showing the number of shares of Apollo Class A common stock that the objecting Settlement Class Member (i) owned as of the opening of trading on November 13, 2013 and (ii) purchased/acquired and/or sold during the Class Period (*i.e.*, from November 13, 2013 through October 21, 2015, inclusive), as well as the dates and prices of each such purchase/acquisition and sale. Documentation establishing membership in the Settlement Class must consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from a broker containing the transactional and holding information found in a broker confirmation slip or account statement. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel’s motion for attorneys’ fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

83. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

84. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses, and if you timely file and serve a written

objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth above so that it is **received on or before June 5, 2019**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

85. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 81 above so that the notice is **received on or before June 5, 2019**.

86. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you plan to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

87. **Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

**WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?**

88. If you purchased or otherwise acquired any shares of Apollo Class A common stock from November 13, 2013 through October 21, 2015, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and, within seven (7) calendar days of receipt of those Notice Packets, forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names, mailing addresses, and, if available, email addresses, of all such beneficial owners to *Apollo Education Group Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173061, Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, [www.ApolloEducationGroupSecuritiesLitigation.com](http://www.ApolloEducationGroupSecuritiesLitigation.com), or by calling the Claims Administrator toll-free at 1-866-778-9625.

**CAN I SEE THE COURT FILE?  
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

89. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the District of Arizona – Phoenix Division, Sandra Day O'Connor U.S. Courthouse, Suite 130, 401 West Washington St., SPC 1, Phoenix, AZ 85003-2118. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.ApolloEducationGroupSecuritiesLitigation.com](http://www.ApolloEducationGroupSecuritiesLitigation.com).

All inquiries concerning this Notice and the Claim Form should be directed to:

*Apollo Education Group  
Securities Litigation  
c/o A.B. Data, Ltd.  
P.O. Box 173061  
Milwaukee, WI 53217  
  
(866) 778-9625  
info@ApolloEducationGroup  
SecuritiesLitigation.com*

and/or

Jonathan D. Uslander, Esq.  
BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP  
12481 High Bluff Drive, Suite 300  
San Diego, CA 92130-3582  
  
(800) 380-8496  
settlements@blbglaw.com

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS, OR THEIR COUNSEL REGARDING THIS NOTICE.**

Notice Date: March 21, 2019

By Order of the Court  
United States District Court  
District of Arizona

**TABLE A**  
**Estimated Artificial Inflation of**  
**Apollo Common Stock from November 13, 2013 through October 21, 2015**

Date Range	Artificial Inflation Per Share
November 13, 2013 – January 7, 2015	\$4.70
January 8, 2015 – March 24, 2015	\$3.53
March 25, 2015	\$1.76
March 26, 2015 – June 29, 2015	\$1.60
June 30, 2015	\$0.95
July 1, 2015 – October 21, 2015	\$0.81

**TABLE B**  
**90-Day Lookback Table for Apollo Common Stock**  
**Closing Price and Average Closing Price**  
**October 22, 2015 through January 19, 2016**

Date	Closing Price	Average Closing Price Between October 22, 2015 and Date Shown	Date	Closing Price	Average Closing Price Between October 22, 2015 and Date Shown
10/22/2015	\$7.19	\$7.19	12/4/2015	\$7.34	\$7.37
10/23/2015	\$7.42	\$7.30	12/7/2015	\$7.11	\$7.36
10/26/2015	\$7.25	\$7.29	12/8/2015	\$6.92	\$7.35
10/27/2015	\$7.00	\$7.21	12/9/2015	\$7.23	\$7.35
10/28/2015	\$7.25	\$7.22	12/10/2015	\$7.47	\$7.35
10/29/2015	\$7.19	\$7.22	12/11/2015	\$7.16	\$7.34
10/30/2015	\$7.26	\$7.22	12/14/2015	\$7.21	\$7.34
11/2/2015	\$7.60	\$7.27	12/15/2015	\$7.33	\$7.34
11/3/2015	\$7.53	\$7.30	12/16/2015	\$7.77	\$7.35
11/4/2015	\$7.26	\$7.29	12/17/2015	\$7.60	\$7.36
11/5/2015	\$7.52	\$7.32	12/18/2015	\$7.61	\$7.36
11/6/2015	\$7.80	\$7.36	12/21/2015	\$7.73	\$7.37
11/9/2015	\$7.63	\$7.38	12/22/2015	\$7.94	\$7.39
11/10/2015	\$7.61	\$7.39	12/23/2015	\$8.22	\$7.40
11/11/2015	\$7.75	\$7.42	12/24/2015	\$8.30	\$7.42
11/12/2015	\$7.31	\$7.41	12/28/2015	\$8.09	\$7.44
11/13/2015	\$7.18	\$7.40	12/29/2015	\$8.01	\$7.45
11/16/2015	\$7.27	\$7.39	12/30/2015	\$7.91	\$7.46
11/17/2015	\$7.28	\$7.38	12/31/2015	\$7.67	\$7.47
11/18/2015	\$7.45	\$7.39	1/4/2016	\$7.57	\$7.47
11/19/2015	\$7.37	\$7.39	1/5/2016	\$7.15	\$7.46
11/20/2015	\$7.57	\$7.39	1/6/2016	\$7.19	\$7.46
11/23/2015	\$7.64	\$7.41	1/7/2016	\$6.70	\$7.44
11/24/2015	\$7.16	\$7.40	1/8/2016	\$6.59	\$7.43
11/25/2015	\$7.09	\$7.38	1/11/2016	\$6.38	\$7.41
11/27/2015	\$6.91	\$7.36	1/12/2016	\$7.39	\$7.41
11/30/2015	\$7.06	\$7.35	1/13/2016	\$7.10	\$7.40
12/1/2015	\$7.74	\$7.37	1/14/2016	\$7.30	\$7.40
12/2/2015	\$7.55	\$7.37	1/15/2016	\$7.63	\$7.40
12/3/2015	\$7.33	\$7.37	1/19/2016	\$7.10	\$7.40