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12 SUPERIOR COURT OF THE STATE OF CALIFORNIA

13 COUNTY OF SAN MATEO

14 PLYMOUTH COUNTY RETIREMENT	)	Master Case No. CIV530291
SYSTEM, Individually and on Behalf of All	)	(Consolidated with Case No CIV532190)
15 Others Similarly Situated,	)	
	)	Assigned for all Purposes to
16 Plaintiff,	)	The Hon. Marie S. Weiner, Dept. 2
	)	
17 vs.	)	<u>CLASS ACTION</u>
	)	
18 MODEL N, INC., et al.,	)	DATE ACTION FILED: 09/05/14
	)	
19 Defendants.	)	
	)	

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21 STIPULATION OF SETTLEMENT  
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1 This Stipulation of Settlement dated November 20, 2015 (the “Stipulation”), is made and  
2 entered into by and among the following Settling Parties: (i) plaintiffs Plymouth County Retirement  
3 System, James Small, and Dwight Bucher (collectively, “Plaintiffs”) (on behalf of themselves and each  
4 of the Class Members); (ii) defendants Model N, Inc. (“Model N” or the “Company”), Zack Rinat,  
5 Sujan Jain, James W. Breyer, Sarah Friar, Mark Garrett, and Charles J. Robel (collectively, the “Model  
6 N Defendants”); and (iii) underwriters of the Company’s March 20, 2013 initial public offering  
7 (“IPO”), specifically J.P. Morgan Securities LLC, Deutsche Bank Securities, Inc., Stifel, Nicolaus &  
8 Company, Incorporated, Pacific Crest Securities LLC, Piper Jaffray & Co., and Raymond James &  
9 Associates, Inc. (the “Underwriter Defendants,” and together with the Model N Defendants, the  
10 “Defendants”), by and through their respective counsel of record in the above-captioned action (the  
11 “Litigation”). Upon and subject to the terms and conditions hereof, Plaintiffs, on behalf of themselves  
12 and Members of the Class, on the one hand, and each of the Defendants, on the other hand (collectively,  
13 “Settling Parties”), intend this settlement to be a final and complete resolution of all disputes between  
14 the Settling Parties with respect to the Litigation.

15 **I. THE LITIGATION**

16 On September 5, 2014, Plaintiff Plymouth County Retirement System (“Plymouth”) filed a  
17 complaint for violations of §§11 and 12(a)(2) of the Securities Act of 1933 (the “Securities Act”) in the  
18 San Mateo Superior Court against the Model N Defendants and the Underwriter Defendants and  
19 violations of §15 of the Securities Act against the Model N Defendants (“Plymouth action”).

20 On October 8, 2014, the Model N Defendants removed the Plymouth action to the U.S. District  
21 Court for the Northern District of California, and it was assigned to the Honorable William H. Orrick.  
22 On November 5, 2014, Plymouth filed a motion to remand, the Model N Defendants filed an opposition  
23 on December 3, 2014, and Plymouth filed its reply on December 17, 2014. On January 5, 2015, Judge  
24 Orrick granted Plymouth’s motion to remand the Plymouth action back to the San Mateo Superior  
25 Court. After remand, the cases were designated complex on February 10, 2015 and assigned to the  
26 Honorable Marie S. Weiner.

27 On March 6, 2015, Plaintiffs filed a Consolidated Amended Class Action Complaint for  
28 Violations of the Securities Act of 1933 (“Complaint”). Plaintiffs brought the action on behalf of all

1 persons who purchased or otherwise acquired the common stock of Model N pursuant or traceable to  
2 the Registration Statement and Prospectus (collectively, the “Registration Statement”) issued in  
3 connection with the Company’s March 20, 2013 IPO. On March 25, 2013, Model N completed the IPO  
4 and issued 7.751 million shares for \$15.50 per share, raising approximately \$108 million. Plaintiffs  
5 allege that the Model N Defendants and the Underwriter Defendants violated §§11 and 12(a)(2) of the  
6 Securities Act and that the Model N Defendants violated §15 of the Securities Act because the  
7 Registration Statement contained untrue statements of material fact and omitted other facts necessary to  
8 make the statements made therein not misleading. Specifically, Plaintiffs allege that the Registration  
9 Statement failed to disclose that, at the time of the IPO, Model N was experiencing sales execution  
10 challenges – the inability to close and book sales – that were reasonably likely to (and in fact did)  
11 reverse the growing bookings and revenue trends reported in the Registration Statement and cause  
12 future bookings and revenues to decline.

13 Plaintiffs allege that Defendants were required to disclose the sales execution problems and their  
14 reasonably likely impact on the Company’s future results for two independent reasons. First, Plaintiffs  
15 claim disclosure was required by the U.S. Securities and Exchange Commission (“SEC”) Regulation S-  
16 K, 17 C.F.R. §229.303 (“Item 303”), which requires disclosure of any known events or uncertainties  
17 that at the time of the IPO had caused or were reasonably likely to cause Model N’s disclosed financial  
18 information not to be indicative of future operating results. Plaintiffs allege disclosure was required in  
19 this case because: (1) the Registration Statement emphasized Model N’s strong revenue and bookings  
20 growth from 1Q10 to 1Q13, and (2) Defendants allegedly knew the sales execution challenges were  
21 reasonably likely to cause a decline in future bookings and revenues.

22 Second, the failure to disclose the sales execution challenges, their adverse impact on Model N  
23 and their reasonably likely impact on Model N’s future results caused several “risk warnings” in the  
24 Registration Statement to be materially misleading.

25 The Model N Defendants filed a demurrer to the Complaint on May 5, 2015, which the  
26 Underwriter Defendants joined. Plaintiffs filed their opposition on May 26, 2015 and the Model N  
27 Defendants filed a reply (which the Underwriter Defendants joined) on June 16, 2015. Judge Weiner  
28 overruled the demurrer on June 23, 2015.

1 On January 30, 2015, Plaintiffs served Defendants with document requests, the parties  
2 subsequently met and conferred about the document requests, and Defendants produced documents  
3 through the summer and fall of 2015. Plaintiffs also prepared interrogatories, which they planned to  
4 serve on Defendants if the parties were unable to resolve the case through mediation. In addition,  
5 Plaintiffs prepared a number of subpoenas, which they planned to serve on various third parties if the  
6 parties were unable to resolve the case through mediation.

7 On July 7, 2015, Defendants served Plaintiffs with document requests. On August 5, 2015,  
8 Plaintiffs served Defendants with their responses and objections to the document requests and began  
9 producing documents responsive to the requests. The parties also met and conferred about dates for  
10 Plaintiffs' depositions if the parties were unable to resolve the case through mediation.

11 In August 2015, the parties agreed to participate in a mediation with Robert A. Meyer, Esq., of  
12 JAMS. On October 1, 2015, the Settling Parties exchanged mediation statements and also submitted  
13 them to the mediator. On October 8, 2015, the Settling Parties participated in the mediation but did not  
14 agree to settle the case at that time. Settlement discussions continued with the assistance of Mr. Meyer,  
15 and on November 4, 2015, the parties agreed to settle the case for \$8,550,000. Thereafter, the Settling  
16 Parties negotiated the complete terms of the settlement, which are contained in this Stipulation.

17 **II. CLAIMS OF PLAINTIFFS AND BENEFITS OF SETTLEMENT**

18 Plaintiffs believe that the claims asserted in the Litigation have merit. However, Plaintiffs and  
19 their counsel recognize and acknowledge the expense and length of continued proceedings necessary to  
20 prosecute the Litigation against the Defendants through completion of fact and expert discovery,  
21 summary judgment, trial, and through appeals. Plaintiffs and their counsel also have taken into account  
22 the uncertain outcome and the risk of any litigation, especially in complex actions such as this  
23 Litigation, as well as the difficulties and delays inherent in such litigation. Plaintiffs and their counsel  
24 also are mindful of the inherent problems of proof under and possible defenses to the violations asserted  
25 in the Litigation. Plaintiffs and their counsel believe that the settlement set forth in this Stipulation  
26 confers substantial benefits upon the Class and is in the best interest of the Class.

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1 **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

2 Defendants have denied and continue to deny each and all of the claims and contentions alleged  
3 by Plaintiffs in the Litigation. Defendants expressly have denied and continue to deny all charges of  
4 wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions  
5 alleged, or that could have been alleged, in the Litigation. Defendants also have denied and continue to  
6 deny, *inter alia*, the allegations that Plaintiffs or Class Members have suffered damage, or were  
7 otherwise harmed by the conduct alleged in the Litigation. Defendants have asserted and continue to  
8 assert that the Registration Statement contained no material misstatements or omissions. Defendants  
9 have asserted and continue to assert that, at all times, they acted in good faith and in a manner they  
10 reasonably believed to be in accordance with all applicable rules, regulations, and laws.

11 Nonetheless, Defendants have concluded that further conduct of the Litigation could be  
12 protracted and expensive. Defendants have taken into account the uncertainty and risks inherent in any  
13 litigation, especially in complex cases like this Litigation. Defendants have, therefore, determined that  
14 it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and  
15 conditions set forth in this Stipulation.

16 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

17 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Plaintiffs  
18 (for themselves and the Class Members) and Defendants, by and through their respective counsel or  
19 attorneys of record, that, subject to the approval of the Court, the Litigation and the Released Claims  
20 shall be finally and fully compromised, settled, and released, and the Litigation shall be dismissed with  
21 prejudice, as to all Settling Parties, upon and subject to the terms and conditions of the Stipulation, as  
22 follows.

23 **1. Definitions**

24 In addition to the terms that may be defined elsewhere in this Stipulation, the following terms as  
25 used in the Stipulation have the meanings specified below:

26 1.1 “Authorized Claimant” means any Class Member whose claim for recovery has been  
27 allowed pursuant to the terms of the Stipulation.

28 1.2 “Claims Administrator” means the firm of Gilardi & Co. LLC.

1           1.3     “Class” means, for settlement purposes only, all Persons who purchased or otherwise  
2 acquired the common stock of Model N pursuant or traceable to the Registration Statement and  
3 Prospectus issued in connection with Model N’s March 20, 2013 initial public offering. Excluded from  
4 the Class are: the Defendants and their respective successors and assigns; past and current officers and  
5 directors of Model N and the Underwriter Defendants; members of the immediate families of the  
6 Individual Defendants; the legal representatives, heirs, successors or assigns of the Individual  
7 Defendants; any entity in which any of the above excluded Persons have or had a majority ownership  
8 interest; and any Person who validly requests exclusion from the Class.

9           1.4     “Class Member” or “Member of the Class” mean a Person who falls within the definition  
10 of the Class as set forth in ¶1.3 of the Stipulation.

11           1.5     “Class Period” means the period beginning on March 20, 2013 and ending on September  
12 16, 2013.

13           1.6     “Defendants” means Model N, Zack Rinat, Sujan Jain, James W. Breyer, Sarah Friar,  
14 Mark Garrett, Charles J. Robel, J.P. Morgan Securities LLC, Deutsche Bank Securities, Inc., Stifel,  
15 Nicolaus & Company, Incorporated, Pacific Crest Securities LLC, Piper Jaffray & Co., and Raymond  
16 James & Associates, Inc.

17           1.7     “Effective Date” means the first date by which all of the events and conditions specified  
18 in ¶7.1 of the Stipulation have been met and have occurred.

19           1.8     “Escrow Agent” means the law firm of Robbins Geller Rudman & Dowd LLP or its  
20 successor(s).

21           1.9     “Final” means the later of: (i) the entry of judgment approving the Stipulation,  
22 substantially in the form of Exhibit B attached hereto; (ii) the date of final affirmance on an appeal of  
23 the Judgment, the expiration of the time for a petition for or a denial of a writ of certiorari to review the  
24 Judgment and, if certiorari is granted, the date of final affirmance of the Judgment following review  
25 pursuant to that grant; (iii) the date of final dismissal of any appeal from the Judgment or the final  
26 dismissal of any proceeding or certiorari to review the Judgment; or (iv) if no appeal is filed, the  
27 expiration date of the time for the filing or noticing of any appeal from the Court’s Judgment approving  
28 the Stipulation, substantially in the form of Exhibit B attached hereto; provided, however, that an appeal

1 relating solely to Plaintiffs' Fee and Expense Application or Award shall not delay the date on which  
2 the Judgment becomes Final.

3 1.10 "Individual Defendants" means Zack Rinat, Sujan Jain, James W. Breyer, Sarah Friar,  
4 Mark Garrett, and Charles J. Robel.

5 1.11 "Judgment" means the judgment to be rendered by the Court, substantially in the form  
6 and content attached hereto as Exhibit B.

7 1.12 "Lead Counsel" means Robbins Geller Rudman & Dowd LLP and Labaton Sucharow  
8 LLP.

9 1.13 "Model N" or the "Company" mean Model N, Inc., its predecessors, successors,  
10 subsidiaries, and divisions.

11 1.14 "Model N Defendants" means Model N, Zack Rinat, Sujan Jain, James W. Breyer, Sarah  
12 Friar, Mark Garrett, and Charles J. Robel.

13 1.15 "Person" means an individual, corporation, limited liability corporation, professional  
14 corporation, limited liability partnership, partnership, limited partnership, association, joint stock  
15 company, estate, legal representative, trust, unincorporated association, government or any political  
16 subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors,  
17 successors, representatives, or assignees.

18 1.16 "Plaintiffs" means Plymouth County Retirement System, James Small, and Dwight  
19 Bucher.

20 1.17 "Plaintiffs' Counsel" means Robbins Geller Rudman & Dowd LLP, Labaton Sucharow  
21 LLP, and Bottini & Bottini, Inc.

22 1.18 "Plan of Allocation" means a plan or formula of allocation of the Settlement Fund  
23 whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of expenses of  
24 notice and administration of the settlement, Taxes and Tax Expenses and such attorneys' fees, costs,  
25 expenses, and interest as may be awarded by the Court. The Plan of Allocation is not part of the  
26 Stipulation and Defendants shall have no responsibility or liability with respect thereto.

27 1.19 "Preliminary Approval Order" means the Order Preliminarily Approving Settlement and  
28 Providing for Notice as approved by the Court, substantially in the form attached hereto as Exhibit A.

1           1.20   “Related Persons” means each of a Defendant’s past, present or future parents,  
2 subsidiaries and affiliates, and their respective directors, officers, employees, partners, members,  
3 principals, agents, underwriters, insurers, co-insurers, reinsurers, controlling shareholders, attorneys,  
4 accountants or auditors, financial or investment advisors or consultants, banks or investment bankers,  
5 personal or legal representatives, predecessors, successors, assigns, spouses, heirs, related or affiliated  
6 entities, any entity in which a Defendant has a controlling interest, any member of an Individual  
7 Defendant’s immediate family, or any trust of which any Individual Defendant is the settlor or which is  
8 for the benefit of any Defendant and/or member(s) of his or her family.

9           1.21   “Released Claims” shall collectively mean any and all claims (including “Unknown  
10 Claims” as defined in ¶1.28 hereof) against Defendants and their Related Persons, arising out of,  
11 relating to, or in connection with both (i) the facts, events, transactions, acts, occurrences, statements,  
12 representations, misrepresentations, or omissions, which were or could have been alleged in the  
13 Litigation, and (ii) the purchase or acquisition, holding, sale, or disposition of Model N common stock  
14 pursuant or traceable to the Registration Statement and Prospectus issued in connection with Model N’s  
15 March 20, 2013 initial public offering (except for claims to enforce the Settlement).

16           1.22   “Released Parties” means each and all of the Defendants and their Related Persons.

17           1.23   “Settled Defendants’ Claims” means all claims (including, but not limited to, “Unknown  
18 Claims” as defined in ¶1.28 hereof), demands, losses, rights, and causes of action of any nature  
19 whatsoever, that have been or could have been asserted in the Litigation or any forum by the Released  
20 Parties or any of them against Plaintiffs, Class Members, and Plaintiffs’ Counsel, which arise out of or  
21 relate in any way to the institution, prosecution, assertion, settlement, or resolution of the Litigation  
22 (except for claims to enforce the Stipulation).

23           1.24   “Settlement Amount” means Eight Million Five Hundred Fifty Thousand Dollars  
24 (\$8,550,000.00) in cash to be paid into an escrow account controlled by the Escrow Agent pursuant to  
25 ¶¶2.1 and 2.2 of this Stipulation.

26           1.25   “Settlement Fund” means the principal amount of Eight Million Five Hundred Fifty  
27 Thousand Dollars (\$8,550,000.00) in cash, plus any accrued interest.

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1 1.26 “Settling Parties” means, collectively, each of the Defendants and the Plaintiffs on behalf  
2 of themselves and Members of the Class.

3 1.27 “Underwriter Defendants” means J.P. Morgan Securities LLC, Deutsche Bank  
4 Securities, Inc., Stifel, Nicolaus & Company, Incorporated, Pacific Crest Securities LLC, Piper Jaffray  
5 & Co., and Raymond James & Associates, Inc.

6 1.28 “Unknown Claims” means: (a) any Released Claims that Plaintiffs or Class Members do  
7 not know or suspect to exist in his, her, or its favor at the time of the release of the Released Parties  
8 which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the  
9 Released Parties, or might have affected his, her, or its decision(s) with respect to the settlement; and  
10 (b) any Settled Defendants’ Claims that any Released Party does not know or suspect to exist in his, her,  
11 or its favor at the time of the release of the Plaintiffs, Class Members, and Plaintiffs’ Counsel, which, if  
12 known by him, her, or it, might have affected his, her, or its settlement with and release of the Plaintiffs,  
13 Class Members, and Plaintiffs’ Counsel, or might have affected his, her, or its decision(s) with respect  
14 to the settlement. With respect to any and all Released Claims and Settled Defendants’ Claims, the  
15 Settling Parties stipulate and agree that, upon the Effective Date, Plaintiffs and Defendants shall  
16 expressly waive, and each of the Class Members shall be deemed to have, and by operation of the  
17 Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by  
18 California Civil Code §1542 and any law of any state or territory of the United States, or principle of  
19 common law, which is similar, comparable, or equivalent to California Civil Code §1542, which  
20 provides:

21 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE  
22 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR  
23 AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR  
HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH  
THE DEBTOR.

24 Plaintiffs and Class Members may hereafter discover facts in addition to or different from those that any  
25 of them now knows or believes to be true related to the subject matter of the Released Claims, but  
26 Plaintiffs shall expressly and each Class Member, upon the Effective Date, shall be deemed to have, and  
27 by operation of the Judgment shall have, fully, finally, and forever settled and released any and all  
28 Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent,

1 disclosed or undisclosed, matured or unmatured, which now exist, or heretofore have existed upon any  
2 theory of law or equity now existing or coming into existence in the future, including, but not limited to,  
3 conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule,  
4 without regard to the subsequent discovery or existence of such different or additional facts. Similarly,  
5 Defendants and Released Parties may hereafter discover facts in addition to or different from those that  
6 any of them now know or believe to be true related to the subject matter of the Settled Defendants’  
7 Claims, but each Defendant shall expressly and each Released Party, upon the Effective Date, shall be  
8 deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and  
9 released any and all Settled Defendants’ Claims, known or unknown, suspected or unsuspected,  
10 contingent or non-contingent, disclosed or undisclosed, matured or unmatured, which now exist, or  
11 heretofore have existed upon any theory of law or equity now existing or coming into existence in the  
12 future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a  
13 breach of any duty, law or rule, without regard to the subsequent discovery or existence of such  
14 different or additional facts. The Settling Parties acknowledge, and Plaintiffs, the Class Members, and  
15 the Released Parties shall be deemed by operation of the Judgment to have acknowledged, that the  
16 inclusion of “Unknown Claims” in the definition of Released Claims and Settled Defendants’ Claims  
17 was separately bargained for and is a key element of the settlement of which these releases are a part.

18 **2. The Settlement**

19 **a. The Settlement Amount**

20 2.1 Model N shall pay or cause to be paid Eight Million Five Hundred Fifty Thousand  
21 Dollars (\$8,550,000.00). No other Defendants shall be responsible for such payments.

22 2.2 The Settlement Amount will be paid into an escrow fund controlled solely by Robbins  
23 Geller Rudman & Dowd LLP, subject to court oversight, within fifteen (15) business days following the  
24 later of: (1) entry of an order granting preliminary approval of the settlement, and (2) Plaintiffs  
25 furnishing to Model N adequate payment instructions consisting of wire transfer instructions and a tax  
26 ID number. If the Settlement Amount is not timely paid, the unpaid balance shall earn interest at the  
27 rate of 10% per annum until paid.

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**b. The Escrow Agent**

2.3 The Escrow Agent shall invest the Settlement Amount deposited pursuant to ¶¶2.1 and 2.2 hereof in short term United States Agency or Treasury Securities or other instruments backed by the Full Faith & Credit of the United States Government or an agency thereof, or fully insured by the United States Government or an agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. All risks related to the investment of the Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be borne by the Settlement Fund and the Released Parties shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transactions executed by the Escrow Agent.

2.4 The Escrow Agent shall not disburse the Settlement Fund except as provided in the Stipulation, by an order of the Court, or with the written agreement of counsel for Defendants.

2.5 Subject to further order(s) and/or directions as may be made by the Court, or as provided in the Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of the Stipulation.

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

2.7 All costs and expenses of administering the settlement and providing for notice of the settlement to the Class, as required by the Court, shall be paid from the Settlement Fund, without approval from the Defendants or the Court. These costs include locating Class Members, assisting with the filing of claims, administering and distributing the Net Settlement Fund to Authorized Claimants, processing Proof of Claim and Release forms, and paying escrow fees and costs, if any, and all Taxes and Tax Expenses (as defined herein in ¶2.8(c)). If the settlement is not approved by the Court or does not become effective pursuant to the terms of the Stipulation, then any amounts paid or incurred for such expenses in this paragraph shall not be returned to Defendants and/or their insurers.

1                   **c.       Taxes**

2           2.8     (a)     The Settling Parties and the Escrow Agent agree to treat the Settlement Fund as  
3 being at all times a “Qualified Settlement Fund” within the meaning of Treas. Reg. §1.468B-1. In  
4 addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the  
5 provisions of this ¶2.8, including the “relation-back election” (as defined in Treas. Reg. §1.468B-1)  
6 back to the earliest permitted date. Such elections shall be made in compliance with the procedures and  
7 requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely  
8 and properly prepare and deliver the necessary documentation for signature by all necessary parties, and  
9 thereafter to cause the appropriate filing to occur.

10                   (b)     For the purpose of §1.468B of the Internal Revenue Code of 1986, as amended,  
11 and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. The  
12 Escrow Agent shall timely and properly file all informational and other tax returns necessary or  
13 advisable with respect to the Settlement Fund (including, without limitation, the returns described in  
14 Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described in ¶2.8(a) hereof) shall be  
15 consistent with this ¶2.8 and in all events shall reflect that all Taxes (including any estimated Taxes,  
16 interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement  
17 Fund as provided in ¶2.8(c) hereof.

18                   (c)     All (a) Taxes (including any estimated Taxes, interest, or penalties) arising with  
19 respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be  
20 imposed upon the Released Parties or their counsel with respect to any income earned by the Settlement  
21 Fund for any period during which the Settlement Fund does not qualify as a “Qualified Settlement  
22 Fund” for federal or state income tax purposes (“Taxes”), and (b) expenses and costs incurred in  
23 connection with the operation and implementation of this ¶2.8 (including, without limitation, expenses  
24 of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or  
25 failing to file) the returns described in this ¶2.8) (“Tax Expenses”), shall be paid out of the Settlement  
26 Fund; in all events the Released Parties and their counsel shall have no liability or responsibility for the  
27 Taxes or the Tax Expenses. The Escrow Agent, through the Settlement Fund, shall indemnify and hold  
28 each of the Released Parties and their counsel harmless for Taxes and Tax Expenses (including, without

1 limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses  
2 shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be  
3 timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the  
4 Escrow Agent shall be authorized (notwithstanding anything herein to the contrary) to withhold from  
5 distribution to Authorized Claimants any funds necessary to pay such amounts, including the  
6 establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may  
7 be required to be withheld under Treas. Reg. §1.468B-2(1)(2)); neither the Defendants nor their Related  
8 Persons are responsible nor shall they have any liability for any Taxes or Tax Expenses. The Settling  
9 Parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and  
10 accountants to the extent reasonably necessary to carry out the provisions of this ¶2.8.

11 **d. Termination of Settlement**

12 2.9 In the event that the Stipulation is not approved or the Stipulation is terminated,  
13 canceled, or fails to become effective for any reason, the Settlement Fund (including accrued interest)  
14 less expenses paid, incurred or due and owing consistent with this Stipulation, including those incurred  
15 providing notice to the Class, locating Class Members, soliciting claims, assisting with the filing of  
16 claims, administering and distributing the Net Settlement Fund to Authorized Claimants, processing  
17 Proof of Claim and Release forms, escrow fees and costs if any, and all Taxes and Tax Expenses,  
18 provided for herein, shall be refunded pursuant to written instructions from counsel for Model N (in  
19 accordance with ¶7.6 herein).

20 **3. Preliminary Approval Order and Settlement Fairness Hearing**

21 3.1 Shortly after execution of the Stipulation, Plaintiffs shall submit the Stipulation together  
22 with its exhibits (the “Exhibits”) to the Court and apply for entry of the Preliminary Approval Order,  
23 substantially in the form of Exhibit A attached hereto, requesting, *inter alia*, the preliminary approval of  
24 the settlement set forth in the Stipulation, and approval for the mailing of the Notice of Proposed  
25 Settlement of Class Action (the “Notice”) and Proof of Claim and Release form (“Proof of Claim”) and  
26 publication of the Summary Notice of Proposed Settlement of Class Action, substantially in the forms  
27 of Exhibits A-1, A-2, and A-3 attached hereto.

1           3.2     Lead Counsel shall request that after notice is given, the Court hold a hearing (the  
2 “Settlement Fairness Hearing”) to finally approve the settlement of the Litigation as set forth herein and  
3 to enter the Judgment. At or after the Settlement Fairness Hearing, Lead Counsel also will request that  
4 the Court approve the Plan of Allocation and the Fee and Expense Application.

5           **4.     Releases**

6           4.1     Upon the Effective Date, as defined in ¶1.7 hereof, Plaintiffs and each Class Member  
7 shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever  
8 released, relinquished, and discharged all Released Claims against the Released Parties, whether or not  
9 such Class Member executes and delivers a Proof of Claim.

10          4.2     The Proof of Claim to be executed by Class Members shall release all Released Claims  
11 against the Released Parties and shall be substantially in the form contained in Exhibit A-2 attached  
12 hereto.

13          4.3     Upon the Effective Date, as defined in ¶1.7 hereof, each of the Released Parties shall be  
14 deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released  
15 Plaintiffs, Plaintiffs’ Counsel, and each and all of the Class Members from all Settled Defendants’  
16 Claims.

17           **5.     Administration and Calculation of Claims, Final Awards, and**  
18           **Supervision and Distribution of the Settlement Fund**

19          5.1     The Claims Administrator, subject to such supervision and direction of the Court, as may  
20 be necessary or as circumstances may require, shall administer and calculate the claims submitted by  
21 Class Members and shall oversee distribution of the Net Settlement Fund (defined below) to Authorized  
22 Claimants. The Settlement Fund shall be applied as follows:

23           (a)     to pay all the costs and expenses reasonably and actually incurred in connection  
24 with providing notice, locating Class Members, soliciting Class claims, assisting with the filing of  
25 claims, administering and distributing the Net Settlement Fund to Authorized Claimants, processing  
26 Proofs of Claim, and paying escrow fees and costs, if any;

27           (b)     to pay the Taxes and Tax Expenses described in ¶2.8 above;

28

1 (c) to pay Plaintiffs' Counsel's attorneys' fees, expenses, and costs with interest  
2 thereon (the "Fee and Expense Award") and an award to Plaintiffs, if and to the extent allowed by the  
3 Court; and

4 (d) to distribute the balance of the Settlement Fund (the "Net Settlement Fund") to  
5 Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, or the Court.

6 5.2 Upon the Effective Date and thereafter, and in accordance with the terms of the  
7 Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as may be  
8 necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized  
9 Claimants.

10 5.3 Within ninety (90) days after the mailing of the Notice or such other time as may be set  
11 by the Court, each Class Member shall be required to submit to the Claims Administrator a completed  
12 Proof of Claim, substantially in the form and content of Exhibit A-2 attached hereto, signed under  
13 penalty of perjury.

14 5.4 Except as otherwise ordered by the Court, all Class Members who fail to timely submit a  
15 valid Proof of Claim within such period, or such other period as may be ordered by the Court, or  
16 otherwise allowed, shall be forever barred from receiving any payments pursuant to this Stipulation and  
17 the settlement set forth herein, but will in all other respects be subject to and bound by the provisions of  
18 this Stipulation, the releases contained herein, and the Judgment. Notwithstanding the foregoing, Lead  
19 Counsel shall have the discretion (but not the obligation) to accept for processing late submitted claims  
20 so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially  
21 delayed. Plaintiffs' Counsel shall have no liability for not accepting late claims.

22 5.5 Except for Model N's obligation to pay or cause payment of the \$8,550,000.00, and  
23 interest if applicable, and to produce information from Model N's transfer agent for purposes of  
24 providing notice as provided herein, the Defendants and their Related Persons shall have no  
25 responsibility for, interest in, or liability whatsoever with respect to the investment or distribution of the  
26 Net Settlement Fund or the Plan of Allocation, the determination, administration, or calculation of  
27 claims, the payment or withholding of Taxes or Tax Expenses, or any losses incurred in connection  
28 therewith.

1           5.6     No Person shall have any claim against Plaintiffs, Plaintiffs' Counsel, any Claims  
2 Administrator, any other Person designated by Plaintiffs' Counsel, or Defendants and their Related  
3 Persons based on the distributions made substantially in accordance with this Stipulation and the  
4 settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

5           5.7     Following the Effective Date, Defendants shall not have a reversionary interest in the  
6 Net Settlement Fund. The Net Settlement Fund shall be distributed to Authorized Claimants  
7 substantially in accordance with the Plan of Allocation set forth in the Notice and approved by the  
8 Court. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from  
9 the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed  
10 checks, or otherwise), Lead Counsel shall, if feasible, reallocate such balance among Authorized  
11 Claimants in an equitable and economic fashion. These redistributions shall be repeated until the  
12 balance remaining in the Net Settlement Fund is no longer feasible to distribute to Class Members.  
13 Thereafter, any balance which still remains in the Net Settlement Fund shall be donated to Bay Area  
14 Legal Aid.

15           5.8     It is understood and agreed by the Settling Parties that any proposed Plan of Allocation  
16 of the Net Settlement Fund, including, but not limited to, any adjustments to an Authorized Claimant's  
17 claim set forth therein, is not a part of the Stipulation and is to be considered by the Court separately  
18 from the Court's consideration of the fairness, reasonableness, and adequacy of the settlement set forth  
19 in the Stipulation, and any order or proceeding relating to the Plan of Allocation shall not operate to  
20 terminate or cancel the Stipulation or affect the finality of the Court's Judgment approving the  
21 Stipulation and the settlement set forth therein, or any other orders entered pursuant to the Stipulation.

22           **6.     Plaintiffs' Counsel's Attorneys' Fees and Expenses**

23           6.1     Plaintiffs' Counsel may submit an application or applications (the "Fee and Expense  
24 Application") for distributions to them from the Settlement Fund for: (a) an award of attorneys' fees;  
25 plus (b) expenses and costs incurred in connection with prosecuting the Litigation, plus any interest on  
26 such attorneys' fees, costs, and expenses at the same rate and for the same periods as earned by the  
27 Settlement Fund (until paid) as may be awarded by the Court; plus (c) payment to Plaintiffs for their  
28



1 time and expenses in representing the Class. Plaintiffs' Counsel reserve the right to make additional  
2 applications for fees and expenses incurred.

3           6.2     The fees, expenses, and costs, including the fees of experts and consultants, as awarded  
4 by the Court, shall be payable to Lead Counsel from the Settlement Fund, as ordered, immediately after  
5 the Court executes an order awarding such fees and expenses notwithstanding any objection thereto.  
6 Lead Counsel shall thereafter allocate the attorneys' fees amongst Plaintiffs' Counsel in a manner in  
7 which they in good faith believe reflects the contributions of such counsel to the prosecution and  
8 settlement of the Litigation.

9           6.3     All Plaintiffs' Counsel who receive any payment of attorneys' fees or expenses agree  
10 that they accept payment subject to the obligation of each Plaintiffs' Counsel (including their respective  
11 partners, shareholders and/or firms) receiving payments to make repayment to the Settlement Fund  
12 within ten (10) business days from receiving notice from Defendants' counsel or from a court of  
13 appropriate jurisdiction, of the amount required to be refunded by any court or appellate court, in the  
14 event, for any reason, including, without limitation, appeal, further proceeding on remand or successful  
15 collateral attack, the Fee and Expense Award is reduced or reversed, consistent with such reduction or  
16 reversal. Furthermore, all Plaintiffs' Counsel (including their respective partners, shareholders and/or  
17 firms) agree that they remain subject to the continuing jurisdiction of the Court for the purpose of  
18 enforcing their obligation to repay required attorneys' fees and expenses to the Settlement Fund as  
19 provided in this paragraph.

20           6.4     The procedure for and the allowance or disallowance by the Court of any applications by  
21 Plaintiffs' Counsel for attorneys' fees, costs, and expenses to be paid out of the Settlement Fund are not  
22 part of the settlement set forth in the Stipulation, and are to be considered by the Court separately from  
23 the Court's consideration of the fairness, reasonableness, and adequacy of the settlement set forth in the  
24 Stipulation, and any order or proceeding relating to the Fee and Expense Application or Plaintiffs'  
25 awards, or any appeal from any order relating thereto or reversal or modification thereof, shall not  
26 operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment approving  
27 the Stipulation and the settlement of the Litigation set forth therein. The Settling Parties agree that the  
28 denial, in whole or in part, of any application for attorneys' fees shall in no way affect the

1 enforceability, validity, or finality of this Stipulation or affect or delay the finality of the Judgment  
2 approving the Stipulation and the settlement of the Litigation set forth therein.

3 6.5 Defendants and the Released Parties shall have no responsibility for, and no liability  
4 whatsoever with respect to, any payment to Plaintiffs' Counsel from the Settlement Fund.

5 6.6 Defendants and the Released Parties shall have no responsibility for, and no liability  
6 whatsoever with respect to, the allocation among Plaintiffs' Counsel, and/or any other Person who may  
7 assert some claim thereto, of any Fee and Expense Award that the Court may make in the Litigation.

8 **7. Conditions of Settlement, Effect of Disapproval, Cancellation, or**  
9 **Termination**

10 7.1 The Effective Date of the Stipulation is expressly subject to, and conditioned upon, the  
11 occurrence of all of the following events:

12 (a) Model N has made, or caused to be made, the contribution to the Settlement Fund  
13 as required by §§2.1 and 2.2 hereof;

14 (b) Model N has not exercised its option to terminate the Stipulation pursuant to  
15 §7.3;

16 (c) the Court has entered the Judgment, or a judgment substantially in the form and  
17 content of Exhibit B attached hereto, or a judgment in a form other than that provided above acceptable  
18 to all of the Settling Parties (the "Alternate Judgment"); and

19 (d) the Judgment has become Final, as defined in §1.9 hereof.

20 7.2 Upon the occurrence of all of the events referenced in §7.1 hereof, any and all remaining  
21 interest or right of Defendants or the Released Parties in or to the Settlement Fund, if any, shall be  
22 absolutely and forever extinguished.

23 7.3 If prior to the Settlement Fairness Hearing, the aggregate number of shares of Model N  
24 common stock purchased or acquired by Persons who would otherwise be Members of the Class, but  
25 who request exclusion from that Class, exceeds the sum specified in a separate confidential  
26 supplemental agreement between Plaintiffs and Model N (the "Supplemental Agreement"), Model N  
27 shall have, in its sole and absolute discretion, the option to terminate this Stipulation in accordance with  
28 the procedures set forth in the Supplemental Agreement. The Supplemental Agreement will not be filed

1 with the Court unless required by court rule or unless and until a dispute as between Plaintiffs and  
2 Model N concerning its interpretation or application arises.

3           7.4     Defendants' counsel and Plaintiffs' Counsel shall each have the right to terminate the  
4 settlement and this Stipulation by providing written notice of their election to do so ("Termination  
5 Notice") to all other parties hereto within thirty (30) days of: (a) the Court's declining to enter the  
6 Preliminary Approval Order in any material respect; (b) the Court's refusal to approve this Stipulation  
7 or any material part of it; (c) the Court's declining to enter the Judgment in any material respect; (d) the  
8 date upon which the Judgment is modified or reversed in any material respect by the Court of Appeals  
9 or the Supreme Court or any other court; or (e) the date upon which an Alternate Judgment is modified  
10 or reversed in any material respect by the Court of Appeals or the Supreme Court or any other court.

11           7.5     If all of the conditions specified in ¶7.1 hereof are not met, then the Stipulation shall be  
12 canceled and terminated subject to ¶7.8 hereof unless Plaintiffs' Counsel and counsel for all of the  
13 Defendants mutually agree in writing to proceed with the Stipulation.

14           7.6     Unless otherwise ordered by the Court, in the event the Stipulation shall terminate, or be  
15 canceled, or shall not become effective for any reason, within ten (10) business days after written  
16 notification of such event is sent by counsel for any of the Defendants or Plaintiffs' Counsel to the  
17 Escrow Agent, the Settlement Fund, less expenses which have either been disbursed pursuant to ¶¶2.7  
18 and 2.8 hereof, or are determined to be chargeable to the Settlement Fund, shall be refunded directly to  
19 the party or parties who contributed to the Settlement Fund in proportion to their contribution. The  
20 Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Fund and pay the  
21 proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for  
22 refund, pursuant to written instructions from Model N's counsel.

23           7.7     In the event that the Stipulation is not approved by the Court or the settlement set forth in  
24 the Stipulation is terminated or fails to become effective in accordance with its terms, the Settling  
25 Parties shall be restored to their respective positions in the Litigation as of November 4, 2015. In such  
26 event, the terms and provisions of the Stipulation, with the exception of ¶¶1.1-1.28, 2.7-2.9, 6.3, 7.6-  
27 7.8, and 8.3-8.4 hereof, shall have no further force and effect with respect to the Settling Parties and  
28 shall not be used in the Litigation or in any other proceeding for any purpose, and any judgment or

1 order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated,  
2 *nunc pro tunc*. No order of the Court or modification or reversal on appeal of any order of the Court  
3 concerning the Plan of Allocation or the amount of any attorneys' fees, costs, expenses, and interest  
4 awarded by the Court to Plaintiffs or any of their counsel shall constitute grounds for cancellation or  
5 termination of the Stipulation.

6 7.8 If the Effective Date does not occur, or if the Stipulation is terminated pursuant to its  
7 terms, neither Plaintiffs nor any of their counsel shall have any obligation to repay any amounts actually  
8 and properly disbursed pursuant to ¶¶2.7 or 2.8. In addition, any expenses already incurred pursuant to  
9 ¶¶2.7 or 2.8 hereof at the time of such termination or cancellation but which have not been paid, shall  
10 be paid by the Escrow Agent in accordance with the terms of the Stipulation prior to the balance being  
11 refunded in accordance with ¶¶2.9 and 7.6 hereof.

12 **8. Miscellaneous Provisions**

13 8.1 The Settling Parties: (a) acknowledge that it is their intent to consummate this  
14 agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all  
15 terms and conditions of this Stipulation and to exercise their best efforts to accomplish the foregoing  
16 terms and conditions of this Stipulation. The Settling Parties agree to jointly take reasonable steps to  
17 obtain the dismissal with prejudice of the Litigation and approval of their settlement, including, but not  
18 limited to, opposing any objections to the Stipulation and defending any appeal that may be taken on the  
19 Judgment.

20 8.2 Upon and subject to the terms and conditions hereof, Plaintiffs, on behalf of themselves  
21 and Members of the Class, on the one hand, and each of the Defendants, on the other hand, intend this  
22 settlement to be a final and complete resolution of all disputes between them with respect to the  
23 Litigation. The settlement compromises claims which are contested and shall not be deemed an  
24 admission by any Settling Party as to the merits of any claim or defense. While retaining their right to  
25 deny that the claims advanced in the Litigation were meritorious, Defendants will not contend that the  
26 Litigation was not filed in good faith. The Settling Parties further agree not to assert in any forum that  
27 any Settling Party violated California Code of Civil Procedure §128.7 or any other similar statute or  
28 law. The Settling Parties agree that the amount paid to the Settlement Fund and the other terms of the

1 settlement were negotiated in good faith by the Settling Parties, and reflect a settlement that was  
2 reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve their  
3 right to rebut, in a manner that such party determines to be appropriate, any contention made in any  
4 public forum that the Litigation was brought or defended in bad faith or without a reasonable basis.

5           8.3     Neither the Stipulation nor the settlement, nor any act performed or document executed  
6 pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be deemed to be, or may  
7 be used as, a presumption, concession, or admission of, or evidence of, the validity of any Released  
8 Claim or of any wrongdoing or liability of the Defendants and the Released Parties; or (b) is or may be  
9 deemed to be, or may be used, as a presumption, concession, or admission of, or evidence of, any fault  
10 or omission of any of the Defendants and the Released Parties in any civil, criminal, or administrative  
11 proceeding in any court, administrative agency, or other tribunal; or (c) is or may be deemed to be an  
12 admission or evidence that any claims asserted by Plaintiffs were not valid in any civil, criminal, or  
13 administrative proceeding. Defendants and the Released Parties may file the Stipulation and/or the  
14 Judgment in any action that may be brought against them in order to support a defense or counterclaim  
15 based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or  
16 reduction, or any other theory of claim preclusion or issue preclusion or similar defense or  
17 counterclaim.

18           8.4     All agreements made and orders entered during the course of the Litigation relating to  
19 the confidentiality of information shall survive this Stipulation.

20           8.5     All of the Exhibits to this Stipulation are material and integral parts hereof and are fully  
21 incorporated herein by this reference.

22           8.6     This Stipulation may be amended or modified only by a written instrument signed by or  
23 on behalf of all Settling Parties or their respective successors-in-interest.

24           8.7     This Stipulation and the Exhibits attached hereto and the Supplemental Agreement  
25 constitute the entire agreement between Plaintiffs and Defendants and no representations, warranties, or  
26 inducements have been made to any party concerning the Stipulation or its Exhibits other than the  
27 representations, warranties, and covenants contained and memorialized in such documents. Except as  
28 otherwise provided herein, each party shall bear its own costs.

1           8.8     Plaintiffs' Counsel, on behalf of the Class, are expressly authorized by Plaintiffs to take  
2 all appropriate action required or permitted to be taken by the Class pursuant to the Stipulation to  
3 effectuate its terms and also are expressly authorized to enter into any modifications or amendments to  
4 the Stipulation on behalf of the Class which they deem appropriate.

5           8.9     Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of  
6 any party hereto hereby warrants that such Person has the full authority to do so.

7           8.10    This Stipulation may be executed in one or more counterparts and the signatures may be  
8 by facsimile or electronically. All executed counterparts and each of them shall be deemed to be one  
9 and the same instrument. A complete set of executed counterparts shall be filed with the Court.

10          8.11    This Stipulation shall be binding upon, and inure to the benefit of, the respective agents,  
11 executors, heirs, devisees, successors, and assigns of the Settling Parties.

12          8.12    The Court shall retain jurisdiction with respect to implementation and enforcement of the  
13 terms of this Stipulation, and all Settling Parties hereto submit to the jurisdiction of the Court for  
14 purposes of implementing and enforcing the settlement embodied in this Stipulation.

15          8.13    This Stipulation and the Exhibits hereto shall be considered to have been negotiated,  
16 executed and delivered, and to be wholly performed, in the State of California, and the rights and  
17 obligations of the parties to this Stipulation shall be construed and enforced in accordance with, and  
18 governed by, the internal, substantive laws of the State of California without giving effect to that State's  
19 choice-of-law principles.

20                IN WITNESS WHEREOF, the parties hereto have caused this Stipulation to be executed, by  
21 their duly authorized attorneys, dated November 20, 2015.

22                               ROBBINS GELLER RUDMAN  
23                               & DOWD LLP  
24                               CHRISTOPHER P. SEEFER  
25                               DAVID W. HALL



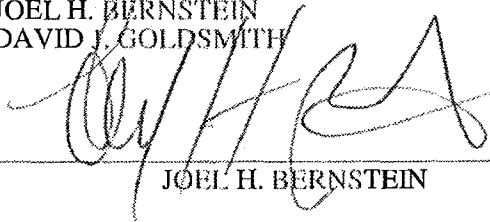
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Additional Counsel for Plaintiffs

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Additional Counsel for Plaintiffs

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Additional Counsel for Plaintiffs



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PLYMOUTH COUNTY RETIREMENT SYSTEM

By: *William R. Farman*  
Title: *Executive Director*

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*James Small*

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JAMES SMALL

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MODEL N, INC.

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ZACK RINAT

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SUJAN JAIN

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JAMES W. BREYER

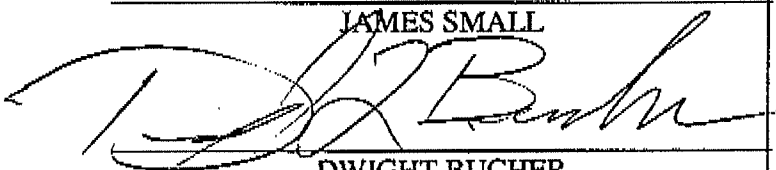
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JAMES SMALL

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SUJAN JAIN

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JAMES W. BREYER

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JAMES SMALL

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DWIGHT BUCHER

For the Plaintiffs

FENWICK & WEST LLP  
SUSAN S. MUCK

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SUSAN S. MUCK


555 California Street  
San Francisco, CA 94104  
Telephone: 415/875-2300  
415/281-1350 (fax)

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MODEL N, INC.

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ZACK RINAT

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SUJAN JAIN

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JAMES W. BREYER

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JAMES SMALL

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MODEL N, INC.

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ZACK RINAT

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SUJAN JAIN

*Jim Breyer*

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JAMES W. BREYER

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JAMES SMALL

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MODEL N, INC.

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ZACK RINAT

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SUJAN JAIN

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JAMES W. BREYER

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SARAH FRIAR



Mark Garrett Digitally signed by Mark Garrett  
Date: 2015.11.23 09:47:00 -08'00'

MARK GARRETT

CHARLES J. ROBEL

For the Model N Defendants

SIDLEY AUSTIN LLP  
NORMAN J. BLEARS  
MATTHEW J. DOLAN

NORMAN J. BLEARS

1001 Page Mill Road  
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Pala Alto, CA 94304  
Telephone: 650/565-7000  
650/565-7100 (fax)

J.P. MORGAN SECURITIES LLC

By:  
Title:

DEUTSCHE BANK SECURITIES, INC.

By:  
Title:

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By:  
Title:

PACIFIC CREST SECURITIES LLC

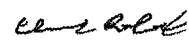
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STIPULATION OF SETTLEMENT

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MARK GARRETT



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PACIFIC CREST SECURITIES LLC

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MARK GARRETT

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For the Model N Defendants

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J.P. MORGAN SECURITIES LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_

---

DEUTSCHE BANK SECURITIES, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

---

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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PACIFIC CREST SECURITIES LLC

By: \_\_\_\_\_  
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J.P. MORGAN SECURITIES LLC

By:

Title: **William H. Freilich**  
**Managing Director**

DEUTSCHE BANK SECURITIES, INC.

By:

Title:

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By:

Title:

PACIFIC CREST SECURITIES LLC

By:

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J.P. MORGAN SECURITIES LLC

By: \_\_\_\_\_  
Title:

DEUTSCHE BANK SECURITIES, INC.

By: \_\_\_\_\_  
Title:

  
STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By: John Colombo  
Title: Deputy General Counsel

PACIFIC CREST SECURITIES LLC

By: \_\_\_\_\_  
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J.P. MORGAN SECURITIES LLC

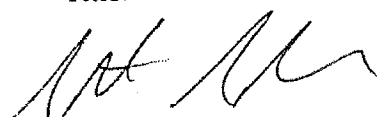
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INCORPORATED

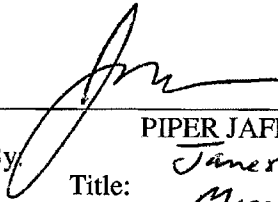
By:  
Title:



PACIFIC CREST SECURITIES LLC

By: Scott Sandbo  
Title: Chairman and CEO

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\_\_\_\_\_  
By: PIPER JAFFRAY & CO.  
Title: *James M. Martin*  
*Managing Director*

\_\_\_\_\_  
RAYMOND JAMES & ASSOCIATES, INC.  
By:  
Title:  
  
For the Underwriter Defendants

# **EXHIBIT A**



1 ROBBINS GELLER RUDMAN  
& DOWD LLP  
2 CHRISTOPHER P. SEEFER (201197)  
DAVID W. HALL (274921)  
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7 DAVID J. GOLDSMITH  
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Telephone: 212/907-0700  
9 212/818-0477 (fax)

10 Lead Counsel for Plaintiffs

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF SAN MATEO

13 PLYMOUTH COUNTY RETIREMENT	)	Master Case No. CIV530291
SYSTEM, Individually and on Behalf of All	)	(Consolidated with Case No CIV532190)
14 Others Similarly Situated,	)	
	)	Assigned for all Purposes to
15 Plaintiff,	)	The Hon. Marie S. Weiner, Dept. 2
	)	
16 vs.	)	<u>CLASS ACTION</u>
	)	
17 MODEL N, INC., et al.,	)	DATE ACTION FILED: 09/05/14
	)	
18 Defendants.	)	
	)	

19 \_\_\_\_\_  
20 ORDER PRELIMINARILY APPROVING SETTLEMENT AND PROVIDING FOR NOTICE

21 EXHIBIT A  
22  
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1           WHEREAS, the parties to the above-entitled action (the “Litigation”) entered into a Stipulation  
2 of Settlement dated as of November 20, 2015 (the “Stipulation” or “Settlement”), which is subject to  
3 review by this Court and which, together with the Exhibits thereto, sets forth the terms and conditions  
4 for the Settlement of the claims alleged in the Litigation; and the Court having read and considered the  
5 Stipulation and the accompanying documents; and the parties to the Stipulation having consented to the  
6 entry of this Order; and all capitalized terms used herein having the meanings defined in the Stipulation;

7           NOW, THEREFORE, IT IS HEREBY ORDERED, this \_\_\_ day of \_\_\_\_\_ 2015, that:

8           1.       The Court preliminarily finds that:

9                   (a)       the Settlement resulted from informed, extensive arm’s-length negotiations,  
10 including mediation under the direction of an experienced mediator, Robert A. Meyer, Esq.;

11                   (b)       the Settlement is sufficiently fair, reasonable, and adequate to warrant providing  
12 notice of the Settlement to the Class; and

13                   (c)       the Class, defined in the Stipulation as: “all Persons who purchased or otherwise  
14 acquired the common stock of Model N pursuant or traceable to the Registration Statement and  
15 Prospectus issued in connection with Model N’s March 20, 2013 initial public offering. Excluded from  
16 the Class are: the Defendants and their respective successors and assigns; past and current officers and  
17 directors of Model N and the Underwriter Defendants; members of the immediate families of the  
18 Individual Defendants; the legal representatives, heirs, successors or assigns of the Individual  
19 Defendants; any entity in which any of the above excluded Persons have or had a majority ownership  
20 interest; and any Person who validly requests exclusions from the Class,” is certified solely for purposes  
21 of this Settlement.

22           2.       A hearing (the “Settlement Fairness Hearing”) will be held on \_\_\_\_\_, 2016, at  
23 \_\_: \_\_ .m., for the following purposes:

24                   (a)       to finally determine whether this Litigation satisfies the applicable prerequisites  
25 for class action treatment under California Code of Civil Procedure §382;

26                   (b)       to determine whether the proposed Settlement is fair, reasonable, and adequate,  
27 and should be approved by the Court;

28

1 (c) to determine whether the Judgment as provided under the Stipulation should be  
2 entered;

3 (d) to determine whether the proposed Plan of Allocation should be approved by the  
4 Court as fair, reasonable, and adequate;

5 (e) to consider Plaintiffs' Counsel's application for an award of attorneys' fees and  
6 expenses;

7 (f) to consider Plaintiffs' request for the payment of the time and expenses they  
8 incurred in prosecuting this Litigation on behalf of the Class; and

9 (g) to rule upon such other matters as the Court may deem appropriate.

10 3. The Court reserves the right to approve the Settlement with or without modification and  
11 with or without further notice to the Class and may adjourn the Settlement Fairness Hearing without  
12 further notice to the Class. The Court reserves the right to enter the Judgment approving the Settlement  
13 regardless of whether it has approved the Plan of Allocation, Plaintiffs' Counsel's request for an award  
14 of attorneys' fees and expenses and the payment of time and expenses of Plaintiffs in their  
15 representation of the Class.

16 4. The Court approves the form, substance, and requirements of the Notice of Proposed  
17 Settlement of Class Action (the "Notice"), the Proof of Claim and Release (the "Proof of Claim"), and  
18 the Summary Notice of Proposed Settlement of Class Action (the "Summary Notice"), annexed hereto  
19 as Exhibits A-1, A-2, and A-3, respectively.

20 5. The Court approves the appointment of Gilardi & Co. LLC as the Claims Administrator.

21 (a) The Claims Administrator shall cause the Notice and the Proof of Claim,  
22 substantially in the forms annexed hereto, to be mailed, by First-Class Mail, postage prepaid, within  
23 twenty-one (21) calendar days of this Order, to all Class Members who can be identified with  
24 reasonable effort. Model N, at its expense, shall promptly make, or cause to be made, the last known  
25 addresses of Class Members, or other identifying information, as set forth in the books and records  
26 regularly maintained by the Company or its transfer agent, available to the Claims Administrator for the  
27 purpose of identifying and giving notice to the Class.

28

1 (b) The Claims Administrator shall cause the Summary Notice to be published once  
2 in the national edition of *Investor's Business Daily* and once over a national newswire service, within  
3 ten (10) calendar days after the mailing of the Notice.

4 6. Lead Counsel shall, at least fourteen (14) calendar days before the Settlement Fairness  
5 Hearing, file with the Court and serve on the Settling Parties proof of mailing of the Notice and Proof of  
6 Claim and proof of publication of the Summary Notice.

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

11 8. In order to be entitled to participate in the Net Settlement Fund, in the event the  
12 Settlement is consummated in accordance with its terms set forth in the Stipulation, each Class Member  
13 shall take the following actions and be subject to the following conditions:

14 (a) Within ninety (90) days after such time as set by the Court to mail notice to the  
15 Class, each Person claiming to be an Authorized Claimant shall be required to submit to the Claims  
16 Administrator a completed Proof of Claim, substantially in the form and content of Exhibit A-2 attached  
17 hereto and as approved by the Court, signed under penalty of perjury.

18 (b) Except as otherwise ordered by the Court, all Class Members who fail to timely  
19 submit a valid Proof of Claim within such period, or such other period as may be ordered by the Court,  
20 shall be forever barred from receiving any payments pursuant to the Stipulation and the Settlement set  
21 forth therein, but will in all other respects be subject to and bound by the provisions of the Stipulation,  
22 the releases contained therein, and the Judgment. Notwithstanding the foregoing, Lead Counsel may, in  
23 their discretion, accept for processing late submitted claims so long as the distribution of the Net  
24 Settlement Fund to Authorized Claimants is not materially delayed.

25 (c) As part of the Proof of Claim, each Class Member shall submit to the jurisdiction  
26 of the Court with respect to the claim submitted, and shall (subject to effectuation of the Settlement)  
27 release all Released Claims as provided in the Stipulation.

28

1           9.       Class Members shall be bound by all determinations and judgments in this Litigation,  
2 whether favorable or unfavorable, unless they request exclusion from the Class in a timely and proper  
3 manner, as hereinafter provided. A Class Member wishing to make such request shall, no later than  
4 twenty-one (21) calendar days prior to the date scheduled herein for the Settlement Fairness Hearing,  
5 mail a request for exclusion in written form by First-Class Mail postmarked to the address designated in  
6 the Notice. Such request for exclusion shall indicate the name, address and telephone number of the  
7 person seeking exclusion, that the person requests to be excluded from the Settlement, and must be  
8 signed by such person. Such persons requesting exclusion are also requested to state the number of  
9 shares of Model N common stock they purchased or acquired that are subject to the Litigation. The  
10 request for exclusion shall not be effective unless it is made in writing within the time stated above, and  
11 the exclusion is accepted by the Court. Class Members requesting exclusion from the Class shall not be  
12 entitled to receive any payment out of the Net Settlement Fund as described in the Stipulation and  
13 Notice.

14           10.       The Court will consider objections to the Settlement, the Plan of Allocation, the payment  
15 of Plaintiffs' time and expenses, and/or the award of attorneys' fees and expenses. Any person wanting  
16 to object may do so in writing and/or by appearing at the Settlement Fairness Hearing. To the extent  
17 any person wants to object in writing, such objections and any supporting papers, accompanied by proof  
18 of Class membership, shall be filed with the Clerk of the Court, Superior Court of the State of  
19 California, County of San Mateo, 400 County Center, Redwood City, CA 94063, and copies of all such  
20 papers served no later than \_\_\_\_\_, 2016, which is twenty-one (21) calendar days prior to the  
21 date scheduled herein for the Settlement Fairness Hearing, upon the following: Jeffrey D. Light,  
22 Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101; and  
23 Joel H. Bernstein, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, on behalf of  
24 Plaintiffs and the Class. Persons who intend to object in writing to the Settlement, the Plan of  
25 Allocation, or the request for an award of attorneys' fees and expenses and/or the request for the  
26 payment of Plaintiffs' time and expenses in representing the Class and desire to present evidence at the  
27 Settlement Fairness Hearing must include in their written objections copies of any exhibits they intend  
28 to introduce into evidence at the Settlement Fairness Hearing. If an objector hires an attorney to

1 represent him, her, or it for the purposes of making an objection, the attorney must both effect service of  
2 a notice of appearance on counsel listed above and file it with the Court by no later than \_\_\_\_\_  
3 \_\_\_\_, 2016. A Class Member who files a written objection does not have to appear at the Settlement  
4 Fairness Hearing for the Court to consider his, her, or its objection. Any Member of the Class who does  
5 not make his, her, or its objection in the manner provided shall be deemed to have waived such  
6 objection and shall be foreclosed from making any objection to the fairness or adequacy of the  
7 Settlement set forth in the Stipulation, to the Plan of Allocation, and to the award of attorneys' fees and  
8 expenses to Plaintiffs' Counsel and Plaintiffs' for their time and expenses.

9 11. All papers in support of the Settlement, the Plan of Allocation, and any application by  
10 Plaintiffs' Counsel for attorneys' fees and expenses and payment of Plaintiffs' time and expenses shall  
11 be filed fourteen (14) calendar days prior to the deadline in paragraph 10 for objections to be filed. All  
12 reply papers shall be filed and served at least seven (7) calendar days prior to the Settlement Fairness  
13 Hearing.

14 12. All funds held by the Escrow Agent shall be deemed and considered to be *in custodia*  
15 *legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds  
16 shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

17 13. Defendants' counsel and Plaintiffs' Counsel shall promptly furnish each other with  
18 copies of any and all objections that come into their possession.

19 14. Pending final determination of whether the Settlement should be approved, the Plaintiffs,  
20 all Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not  
21 institute, commence, maintain or prosecute, and are hereby barred and enjoined from instituting,  
22 commencing, maintaining or prosecuting, any action in any court or tribunal that asserts any Released  
23 Claims against any Released Party.

24 15. All reasonable expenses incurred in identifying and notifying Class Members, as well as  
25 administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event the  
26 Settlement is not approved by the Court, or otherwise fails to become effective, neither Plaintiffs nor  
27 any of their counsel shall have any obligation to repay any amounts actually and properly disbursed, or  
28 due and owing from the Settlement Fund as provided for in the Stipulation.

1           16.     If any specified condition to the Settlement set forth in the Stipulation is not satisfied and  
2 Plaintiffs or Defendants elect to terminate the Settlement then, in any such event, the Stipulation,  
3 including any amendment(s) thereof, shall be null and void, of no further force or effect without  
4 prejudice to any party, and may not be introduced as evidence or referred to in any action or  
5 proceedings by any person or entity for any purpose, and each party shall be restored to his, her, or its  
6 respective position as it existed on November 4, 2015.

7           17.     The Court may adjourn or continue the Settlement Fairness Hearing without further  
8 written notice.

9           18.     The Court retains exclusive jurisdiction over the Litigation to consider all further matters  
10 arising out of or connected with the Settlement. The Court may approve the Settlement, with such  
11 modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the  
12 Class.

13                   IT IS SO ORDERED.

14

15 DATED: \_\_\_\_\_

\_\_\_\_\_  
HONORABLE MARIE S. WEINER  
JUDGE OF THE SUPERIOR COURT

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# EXHIBIT A-1



1 ROBBINS GELLER RUDMAN  
& DOWD LLP  
2 CHRISTOPHER P. SEEFER (201197)  
DAVID W. HALL (274921)  
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Telephone: 212/907-0700  
9 212/818-0477 (fax)

10 Lead Counsel for Plaintiffs

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF SAN MATEO

13 PLYMOUTH COUNTY RETIREMENT	)	Master Case No. CIV530291
SYSTEM, Individually and on Behalf of All	)	(Consolidated with Case No CIV532190)
14 Others Similarly Situated,	)	
	)	Assigned for all Purposes to
15 Plaintiff,	)	The Hon. Marie S. Weiner, Dept. 2
	)	
16 vs.	)	<u>CLASS ACTION</u>
	)	
17 MODEL N, INC., et al.,	)	DATE ACTION FILED: 09/05/14
	)	
18 Defendants.	)	
	)	

19 \_\_\_\_\_  
20 NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

21 EXHIBIT A-1  
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1 **TO: ALL PERSONS OR ENTITIES (“PERSONS”) THAT PURCHASED OR OTHERWISE**  
2 **ACQUIRED MODEL N, INC. (“MODEL N” OR THE “COMPANY”) COMMON**  
3 **STOCK PURSUANT OR TRACEABLE TO THE COMPANY’S REGISTRATION**  
4 **STATEMENT AND PROSPECTUS FOR THE COMPANY’S MARCH 20, 2013**  
5 **INITIAL PUBLIC OFFERING**

6 **THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER**  
7 **SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.**

8 **WHY SHOULD I READ THIS NOTICE?**

9 This Notice is given pursuant to an order issued by the Superior Court of California, County of  
10 San Mateo (the “Court”). This Notice serves to inform you of the proposed settlement of the above  
11 class action lawsuit (the “Settlement”) and the hearing (the “Settlement Fairness Hearing”) to be held  
12 by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the  
13 Stipulation of Settlement dated as of November 20, 2015 (the “Stipulation”).<sup>1</sup> The Stipulation is by and  
14 between: (i) plaintiffs Plymouth County Retirement System, James Small, and Dwight Bucher  
(collectively, “Plaintiffs”) (on behalf of themselves and each of the Class Members), by and through  
their counsel of record; (ii) defendants Model N, Zack Rinat, Sujan Jain, James W. Breyer, Sarah Friar,  
Mark Garrett, and Charles J. Robel (collectively, the “Model N Defendants”); and (iii) underwriters of  
the Company’s March 20, 2013 initial public offering (“IPO”), specifically J.P. Morgan Securities LLC,  
Deutsche Bank Securities, Inc., Stifel, Nicolaus & Company, Incorporated, Pacific Crest Securities  
LLC, Piper Jaffray & Co., and Raymond James & Associates, Inc. (the “Underwriter Defendants,” and  
together with the Model N Defendants, the “Defendants”) (Plaintiffs and Defendants collectively the  
“Settling Parties”). This Notice is not an expression of any opinion by the Court as to the merits of the  
claims or defenses asserted in the lawsuit.

15 **WHAT IS THIS LAWSUIT ABOUT?**

16 **The Allegations and Status of the Case**

17 On March 6, 2015, Plaintiffs filed a Consolidated Amended Class Action Complaint for  
18 Violations of the Securities Act of 1933 (“Complaint”). Plaintiffs brought the action on behalf of all  
19 persons who purchased or otherwise acquired the common stock of Model N pursuant or traceable to a  
20 registration statement and prospectus (collectively, the “Registration Statement”) issued in connection  
21 with the Company’s March 20, 2013 IPO. On March 25, 2013, Model N completed the IPO and issued  
22 7.551 million shares for \$15.50 per share, raising approximately \$108 million. Plaintiffs allege that the  
Model N Defendants and the Underwriter Defendants violated Sections 11 and 12(a)(2) of the  
Securities Act of 1933 (the “Securities Act”) and that the Model N Defendants violated Section 15 of  
the Securities Act because the Registration Statement contained untrue statements of material fact and  
omitted other facts necessary to make the statements made therein not misleading.

23 Plaintiffs allege that the Registration Statement violated the Securities Act by failing to disclose  
24 that, at the time of the IPO, Model N was experiencing sales execution challenges – the inability to  
25 close and book sales – that were reasonably likely to (and in fact did) reverse the growing bookings and  
26 revenue trends reported in the Registration Statement and cause future bookings and revenues to  
decline.

27 <sup>1</sup> The Stipulation and all of its Exhibits can be viewed at [www.modelnsecuritieslitigation.com](http://www.modelnsecuritieslitigation.com).  
28 All capitalized terms used herein have the same meanings as the terms defined in the Stipulation.

1 The Model N Defendants filed a demurrer to the Complaint on May 5, 2015, which the  
Underwriter Defendants joined. Plaintiffs filed their opposition on May 26, 2015, and the Model N  
2 Defendants filed a reply (which the Underwriter Defendants joined) on June 16, 2015. Judge Weiner  
overruled the demurrer on June 23, 2015.

3  
4 Defendants have denied and continue to deny each and all charges of wrongdoing or liability  
against them arising out of any of the conduct, statements, acts, or omissions alleged in the Complaint.

5 On January 30, 2015, Plaintiffs served document requests on Defendants. Defendants produced  
documents throughout the summer and fall of 2015.

6  
7 In August 2015, the parties agreed to participate in a mediation with Robert A. Meyer, Esq. On  
October 1, 2015, the Settling Parties exchanged mediation statements and also submitted them to the  
mediator. On October 8, 2015, the Settling Parties participated in the mediation but did not reach an  
8 agreement at that time. Settlement discussions continued with the assistance of the mediator, and on  
November 4, 2015, the parties agreed to settle the action for \$8,550,000.

9  
10 **THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO  
PLAINTIFFS OR TO THE CLASS. THIS NOTICE IS NOT INTENDED TO BE AN  
11 EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF  
THE ALLEGATIONS IN THIS LAWSUIT OR THE MERITS OF THE CLAIMS OR  
DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PENDENCY  
12 OF THE LITIGATION AND PROPOSED SETTLEMENT THEREOF AND YOUR RIGHTS IN  
CONNECTION WITH THAT SETTLEMENT.**

13  
14 **HOW DO I KNOW IF I AM A CLASS MEMBER?**

15 If you purchased or otherwise acquired the common stock of Model N pursuant or traceable to  
the Registration Statement filed in connection with the Company's March 20, 2013 IPO through  
September 16, 2013 (the "Class Period"), you are a Class Member. As set forth in the Stipulation,  
16 excluded from the Class are Defendants and their respective successors and assigns; past and current  
officers and directors of Model N and the Underwriter Defendants; members of the immediate families  
17 of the Individual Defendants; the legal representatives, heirs, successors or assigns of the Individual  
Defendants; any entity in which any of the above excluded Persons have or had a majority ownership  
18 interest; and any Person who validly requests exclusion from the Class.

19 **WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?**

20 The Settlement, if approved, will result in the creation of a cash settlement amount of  
\$8,550,000 (the "Settlement Amount"). The Settlement Amount, plus accrued interest (the "Settlement  
21 Fund") and minus the costs of this Notice and all costs associated with the administration of the  
Settlement, as well as attorneys' fees and expenses, and the payment of Plaintiffs' time and expenses in  
22 representing the Class, as approved by the Court (the "Net Settlement Fund"), will be distributed to  
Class Members pursuant to the Plan of Allocation that is described in the next section of this Notice.

23  
24 Plaintiffs estimate that there were approximately 7.75 million shares of Model N common stock  
which may have been damaged during the Class Period. Plaintiffs estimate that the average recovery  
25 under the Settlement is roughly \$1.10 per damaged share before deduction of any taxes on the income  
thereof, notice and administration costs, and the attorneys' fee and expense award, as well as payments  
26 to the Plaintiffs for their time and expenses in representing the Class as determined by the Court. A  
Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that  
27 claimant's recognized claim as compared to the total recognized claims submitted. An individual Class  
Member may receive more or less than this average amount depending on the number of claims  
28 submitted, when during the Class Period a Class Member purchased or acquired Model N common

1 stock, the purchase price paid, and whether those shares were held at the end of the Class Period or sold  
2 during the Class Period, and, if sold, when they were sold and the amount received. See Plan of  
Allocation below for more information on your recognized claim.

### 3 **WHAT IS THE PROPOSED PLAN OF ALLOCATION?**

4 Your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that  
5 Class Members send in and how many shares of Model N common stock you purchased or otherwise  
acquired during the relevant period and when you bought and sold them.

6 For purposes of determining the amount an Authorized Claimant may recover under the Plan of  
7 Allocation, Lead Counsel conferred with their damages consultants and the Plan of Allocation reflects  
an assessment of damages that they believe could have been recovered had Plaintiffs prevailed at trial.

8 In the unlikely event that there are sufficient funds in the Net Settlement Fund, each Authorized  
9 Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If,  
10 however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of  
each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net  
11 Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized  
Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

12 The calculation of claims below is not an estimate of the amount you will receive. It is a  
13 formula for allocating the Net Settlement Fund among all Authorized Claimants. Furthermore, if any of  
the formulas set forth below yield an amount less than \$0.00, the claim per share is \$0.00. A claim will  
be calculated as follows:

#### 14 **Claims for the March 20, 2013 Initial Public Offering**

15 Initial Public Offering Price: \$15.50 per share  
16 Closing price on the date the lawsuit was filed<sup>2</sup>: \$9.25 per share

17 For shares of Model N common stock purchased or otherwise acquired pursuant or traceable to the  
18 Company's Registration Statement dated March 20, 2013, through and including September 16,  
2013, and

- 19 1) sold on or before September 4, 2014, the claim per share is the lesser of (i) the purchase  
price per share less the sales price per share, or (ii) \$15.50 less the sales price per share.
- 20 2) retained at the close of trading on September 4, 2014, or, sold on or after September 5,  
21 2014, the claim per share is the lesser of (i) the purchase price per share less \$9.25, or  
(ii) \$6.25.

22 In the event a Class Member has more than one purchase, acquisition, or sale of Model N  
23 common stock during the Class Period, all purchases, acquisitions, and sales within the Class Period  
shall be matched on a First-In, First-Out ("FIFO") basis. Class Period sales will be matched first  
24 against any holdings at the beginning of the Class Period, and then against purchases or acquisitions in  
chronological order, beginning with the earliest purchase or acquisition made during the Class Period.

25 A purchase, acquisition, or sale of Model N common stock shall be deemed to have occurred on  
26 the "contract" or "trade" date as opposed to the "settlement" or "payment" date. All purchase,  
27 acquisition, and sale prices shall exclude any fees and commissions. The receipt or grant by gift,  
devise, or operation of law of Model N common stock during the Class Period shall not be deemed a

28 <sup>2</sup> The initial class action complaint was filed on September 5, 2014.

1 purchase, acquisition, or sale of Model N common stock for the calculation of a claimant's recognized  
2 claim nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such  
3 shares unless specifically provided in the instrument of gift or assignment. The receipt of Model N  
4 common stock during the Class Period in exchange for securities of any other corporation or entity shall  
5 not be deemed a purchase, acquisition, or sale of Model N common stock.

6 With respect to Model N common stock purchased or sold through the exercise of an option, the  
7 purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price of  
8 the stock is the exercise price of the option. Any recognized claim arising from purchases of Model N  
9 common stock acquired during the Class Period through the exercise of an option on Model N common  
10 stock shall be computed as provided for other purchases of Model N common stock in the Plan of  
11 Allocation.

12 The total of all profits shall be subtracted from the total of all losses from transactions during the  
13 Class Period to determine if a Class Member has a recognized claim. Only if a Class Member had a net  
14 market loss, after all profits from transactions in Model N common stock during the Class Period are  
15 subtracted from all losses, will such Class Member be eligible to receive a distribution from the Net  
16 Settlement Fund. Shares held as of the beginning of the Class Period will be excluded for purposes of  
17 calculating a market gain or loss.

18 If an Authorized Claimant has an overall market gain, the recognized claim for that Authorized  
19 Claimant will be \$0.00. If an Authorized Claimant has an overall market loss, that Authorized  
20 Claimant's recognized claim will be limited to the amount of total market loss. The Claims  
21 Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund  
22 based on his, her, or its recognized claim as compared to the total recognized claims of all Authorized  
23 Claimants. No distribution shall be made to Authorized Claimants who would otherwise receive a  
24 distribution of less than \$10.00.

25 If there is any balance remaining in the Net Settlement Fund after at least six (6) months from  
26 the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed  
27 checks, or otherwise), Lead Counsel shall, if feasible, reallocate such balance among Authorized  
28 Claimants in an equitable and economic fashion. These redistributions shall be repeated until the  
balance remaining in the Net Settlement Fund is no longer feasible to distribute to Class Members.  
Thereafter, any balance which still remains in the Net Settlement Fund shall be donated to Bay Area  
Legal Aid.

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

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all  
Authorized Claimants. No Person shall have any claim against Plaintiffs, any counsel for Plaintiffs, any  
claims administrator or other Person designated by Lead Counsel or Defendants and/or the Related  
Persons and/or the Released Parties and/or their counsel based on distributions made substantially in  
accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further  
orders of the Court. All Class Members who fail to complete and file a valid and timely Proof of Claim  
shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise  
ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the  
terms of any judgment entered and the releases given.

1 **DO I NEED TO CONTACT PLAINTIFFS' COUNSEL IN ORDER TO PARTICIPATE IN**  
2 **DISTRIBUTION OF THE SETTLEMENT FUND?**

3 No. If you have received this Notice and timely submit your Proof of Claim to the designated  
4 address, you need not contact Plaintiffs' Counsel. If you did not receive this Notice but believe you  
5 should have, or if your address changes, please contact the Claims Administrator at:

6 *Model N Securities Litigation*  
7 Claims Administrator  
8 c/o Gilardi & Co. LLC  
9 P.O. Box 990  
10 Corte Madera, CA 94976-0990  
11 Phone: 1-844-861-5485  
12 www.modelnsecuritieslitigation.com

13 **THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED**

14 The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation  
15 is terminated, the Litigation will proceed as if the Stipulation had not been entered into.

16 **WHAT ARE THE REASONS FOR SETTLEMENT?**

17 The Court has not reached any final decisions in connection with Plaintiffs' claims against  
18 Defendants. Instead, Plaintiffs and Defendants have agreed to this Settlement, which was reached with  
19 the substantial assistance of Robert A. Meyer, Esq., a highly experienced mediator of complex class  
20 actions. In reaching the Settlement, the Settling Parties have avoided the cost, delay, and uncertainty of  
21 further litigation.

22 As in any litigation, Plaintiffs and the Class would face an uncertain outcome if they did not  
23 agree to the Settlement. The Settling Parties expected that the case could continue for a lengthy period  
24 of time and that if Plaintiffs succeeded, Defendants would file appeals that would postpone final  
25 resolution of the case. Continuation of the case against Defendants could result in a judgment greater  
26 than this Settlement. Conversely, continuing the case could result in no recovery at all or a recovery  
27 that is less than the amount of the Settlement.

28 Plaintiffs and Plaintiffs' Counsel believe that this Settlement is fair and reasonable to the  
Members of the Class. They have reached this conclusion for several reasons. Specifically, if the  
Settlement is approved, the Class will receive a significant monetary recovery. Additionally, Plaintiffs'  
Counsel believe that the significant and immediate benefits of the Settlement, when weighed against the  
significant risk, delay, and uncertainty of continued litigation, are an excellent result for the Class.

**WHO REPRESENTS THE CLASS?**

The Court appointed the law firms of Robbins Geller Rudman & Dowd LLP and Labaton  
Sucharow LLP to represent you and other Class Members. These lawyers are called Lead Counsel.  
These lawyers will apply to the Court for payment of attorneys' fees and expenses from the Settlement  
Fund; you will not be otherwise charged for their work. If you want to be represented by your own  
lawyer, you may hire one at your own expense.

**HOW WILL THE PLAINTIFFS' LAWYERS BE PAID?**

Lead Counsel will file a motion for an award of attorneys' fees and expenses that will be  
considered at the Settlement Fairness Hearing. Lead Counsel will apply for an award of 30% of the  
Settlement Fund, plus payment of expenses incurred in connection with the Litigation in an amount not

1 to exceed \$100,000. In addition, each of the Plaintiffs may seek payment of up to \$2,500 for their time  
2 and expenses incurred in representing the Class. Such sums as may be approved by the Court will be  
paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

3 The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Counsel for  
4 their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly  
contingent basis. Plaintiffs' Counsel have committed significant time and expenses in litigating this  
5 case for the benefit of the Class. To date, Plaintiffs' Counsel have not been paid for their services in  
conducting this Litigation on behalf of the Plaintiffs and the Class, or for their expenses. The fees  
6 requested will compensate Plaintiffs' Counsel for their work in achieving the Settlement. The Court  
will decide what constitutes a reasonable fee award and may award less than the amounts requested by  
Lead Counsel.

7  
8 **CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?**

9 If you want to keep the right to sue or continue to sue Defendants on your own about the legal  
10 issues in this case, then you must take steps to get out of the Class. This is called excluding yourself  
from, or "opting out" of, the Class.

11 To exclude yourself from the Class, you must send a letter by mail saying that you want to be  
excluded from the Class in the following action: *Plymouth County Retirement System v. Model N, Inc.,  
12 et al.*, Master Case No. CIV530291. You must include your name, address, telephone number, and sign  
the letter. You should also include the number of shares of Model N common stock you purchased or  
13 acquired during the Class Period. Your exclusion request must be **postmarked no later than**  
\_\_\_\_\_, **2016** and sent to the Claims Administrator at:

14 *Model N Securities Litigation*  
15 Claims Administrator  
16 c/o Gilardi & Co. LLC  
P.O. Box 990  
Corte Madera, CA 94976-0990

17 You cannot exclude yourself by phone or by e-mail. If you make a proper request for exclusion,  
18 you will not receive a Settlement payment, and you cannot object to the Settlement. If you make a  
proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit.

19 **CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES AND**  
20 **EXPENSES, THE REQUESTED PAYMENT OF COSTS AND EXPENSES TO PLAINTIFFS**  
**AND/OR THE PLAN OF ALLOCATION?**

21 Yes. If you are a Class Member, you may object to the terms of the Settlement. Whether or not  
22 you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs,  
and expenses, the payment to Plaintiffs for their time and expenses, and/or the Plan of Allocation. In  
23 order for any objection to be considered, you must file a written statement, accompanied by proof of  
Class membership, with the Court, and send to Lead Counsel by \_\_\_\_\_, **2016**. The Court's  
24 address is Superior Court of San Mateo, Hall of Justice and Records, 400 County Center, Redwood  
City, CA 94063, and Lead Counsel's addresses are Robbins Geller Rudman & Dowd LLP, 655 West  
25 Broadway, Suite 1900, San Diego, CA 92101, c/o Jeffrey D. Light; and Labaton Sucharow LLP, 140  
Broadway, New York, NY 10005, c/o Joel H. Bernstein. Attendance at the Settlement Fairness Hearing  
26 is not necessary; however, persons wishing to be heard orally at the Settlement Fairness Hearing are  
required to indicate in their written objection their intention to appear at the hearing and identify any  
27 witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

1 **WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF**  
2 **FROM THE SETTLEMENT?**

3 Objecting is telling the Court that you do not like something about the proposed Settlement, the  
4 Plan of Allocation, Lead Counsel’s request for an award of attorneys’ fees and expenses, or payment to  
5 Plaintiffs for their time and expenses in representing the Class. You can object **only** if you stay in the  
6 Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you  
7 exclude yourself, you have no basis to object because the case no longer applies to you.

8 **HOW CAN I GET A PAYMENT?**

9 In order to qualify for a payment, you must submit a Proof of Claim. A Proof of Claim is  
10 enclosed with this Notice or it may be downloaded at [www.modelnsecuritieslitigation.com](http://www.modelnsecuritieslitigation.com). Read the  
11 instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it,  
12 and mail or submit it online so that it is **postmarked (if mailed) or received (if filed electronically) no**  
13 **later than \_\_\_\_\_, 2016.** The claim form may be submitted online at  
14 [www.modelnsecuritieslitigation.com](http://www.modelnsecuritieslitigation.com). If you do not submit a valid Proof of Claim with all of the  
15 required information, you will not receive a payment from the Net Settlement Fund; however, unless  
16 you expressly exclude yourself from the Class as described above, you will still be bound in all other  
17 respects by the Settlement, the Judgment, and the releases contained in them.

18 **WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?**

19 Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue,  
20 continue to sue, or be part of any other lawsuit against the Defendants about the same issues in this case  
21 or about issues that could have been asserted in this case. It also means that all of the Court’s orders  
22 will apply to you and legally bind you and you will release your Released Claims in this case against  
23 Defendants and their Related Persons. “Released Claims” shall collectively mean any and all claims  
24 (including “Unknown Claims” as defined in paragraph 1.28 of the Stipulation) against Defendants and  
25 their Related Persons, arising out of, relating to, or in connection with both (i) the facts, events,  
26 transactions, acts, occurrences, statements, representations, misrepresentations, or omissions, which  
27 were or could have been alleged in the Litigation, and (ii) the purchase or acquisition, holding, sale, or  
28 disposition of Model N common stock pursuant or traceable to the Registration Statement and  
Prospectus issued in connection with Model N’s March 20, 2013 initial public offering (except for  
claims to enforce the Settlement).

“Related Persons” means each of a Defendant’s past, present or future parents, subsidiaries and  
affiliates, and their respective directors, officers, employees, partners, members, principals, agents,  
underwriters, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or  
auditors, financial or investment advisors or consultants, banks or investment bankers, personal or legal  
representatives, predecessors, successors, assigns, spouses, heirs, related or affiliated entities, any entity  
in which a Defendant has a controlling interest, any member of an Individual Defendant’s immediate  
family, or any trust of which any Individual Defendant is the settlor or which is for the benefit of any  
Defendant and/or member(s) of his or her family.

**THE SETTLEMENT FAIRNESS HEARING**

The Court will hold a Settlement Fairness Hearing on \_\_\_\_\_, **2016, at \_:\_ .m.**, before the  
Honorable Marie S. Weiner at the Superior Court of California, County of San Mateo, Department 2,  
Courtroom 2E, 400 County Center, Redwood City, CA 94063, for the purpose of determining whether:  
(1) the Settlement of the Litigation for \$8,550,000 in cash should be approved by the Court as fair,  
reasonable, and adequate; (2) to award Plaintiffs’ Counsel attorneys’ fees and expenses out of the  
Settlement Fund; (3) to pay Plaintiffs for their time and expenses they incurred in representing the Class  
out of the Settlement Fund; and (4) the Plan of Allocation should be approved by the Court. The Court



1 may adjourn or continue the Settlement Fairness Hearing without further notice to Members of the  
2 Class.

3 Any Class Member may appear at the Settlement Fairness Hearing and be heard on any of the  
4 foregoing matters; provided, however, that no such person shall be heard unless his, her, or its objection  
5 is made in writing and is filed, together with proof of membership in the Class and with copies of all  
6 other papers and briefs to be submitted by him, her, or it to the Court at the Settlement Fairness  
7 Hearing, with the Court **no later than \_\_\_\_\_, 2016**, and showing proof of service on the following  
8 counsel:

6 Jeffrey D. Light  
7 ROBBINS GELLER RUDMAN  
8 & DOWD LLP  
9 655 West Broadway, Suite 1900  
10 San Diego, CA 92101

6 Joel H. Bernstein  
7 LABATON SUCHAROW LLP  
8 140 Broadway  
9 New York, NY 10005

9 Unless otherwise directed by the Court, any Class Member who does not make his, her, or its  
10 objection in the manner provided shall be deemed to have waived all objections to this Settlement and  
11 shall be foreclosed from raising (in this proceeding or on any appeal) any objection to the Settlement,  
12 and any untimely objection shall be barred.

### 12 **HOW DO I OBTAIN ADDITIONAL INFORMATION?**

13 This Notice contains only a summary of the terms of the proposed Settlement. The records in  
14 this Litigation may be examined and copied at any time during regular office hours, and subject to  
15 customary copying fees, at the Clerk of the Superior Court of California, County of San Mateo. In  
16 addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim, and  
17 proposed Judgment may be obtained by contacting the Claims Administrator at:

16 *Model N Securities Litigation*  
17 Claims Administrator  
18 c/o Gilardi & Co. LLC  
19 P.O. Box 990  
20 Corte Madera, CA 94976-0990  
21 Phone: 1-844-861-5485  
22 [www.modelnsecuritieslitigation.com](http://www.modelnsecuritieslitigation.com)

20 In addition, you may contact Rick Nelson, Shareholder Relations, Robbins Geller Rudman &  
21 Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900; or Nicole Zeiss,  
22 Settlement Counsel, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, 1-888-219-6877, if  
23 you have any questions about the Litigation or the Settlement.

### 23 **DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION**

### 24 **SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES**

25 If you hold any Model N common stock purchased or otherwise acquired between March 20,  
26 2013 and September 16, 2013, as a nominee for a beneficial owner, then, within ten (10) days after you  
27 receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such  
28 Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

1  
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*Model N Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 990  
Corte Madera, CA 94976-0990

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: \_\_\_\_\_

BY ORDER OF THE SUPERIOR COURT OF  
CALIFORNIA, COUNTY OF SAN MATEO  
HONORABLE MARIE S. WEINER

# EXHIBIT A-2

1 ROBBINS GELLER RUDMAN  
& DOWD LLP  
2 CHRISTOPHER P. SEEFER (201197)  
DAVID W. HALL (274921)  
3 Post Montgomery Center  
One Montgomery Street, Suite 1800  
4 San Francisco, CA 94104  
Telephone: 415/288-4545  
5 415/288-4534 (fax)

6 LABATON SUCHAROW LLP  
JOEL H. BERNSTEIN  
7 DAVID J. GOLDSMITH  
140 Broadway  
8 New York, NY 10005  
Telephone: 212/907-0700  
9 212/818-0477 (fax)

10 Lead Counsel for Plaintiffs

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF SAN MATEO

13 PLYMOUTH COUNTY RETIREMENT	)	Master Case No. CIV530291
SYSTEM, Individually and on Behalf of All	)	(Consolidated with Case No CIV532190)
14 Others Similarly Situated,	)	
	)	Assigned for all Purposes to
15 Plaintiff,	)	The Hon. Marie S. Weiner, Dept. 2
	)	
16 vs.	)	<u>CLASS ACTION</u>
	)	
17 MODEL N, INC., et al.,	)	DATE ACTION FILED: 09/05/14
	)	
18 Defendants.	)	

19 \_\_\_\_\_  
20 PROOF OF CLAIM AND RELEASE

21 EXHIBIT A-2  
22  
23  
24  
25  
26  
27  
28

1 **I. GENERAL INSTRUCTIONS**

2 1. To recover as a Member of the Class based on your claims in the action entitled  
3 *Plymouth County Retirement System v. Model N, Inc., et al.*, Master Case No. CIV530291 (the  
4 “Litigation”), you must complete and, on page \_\_\_ hereof, sign this Proof of Claim and Release form  
5 (“Proof of Claim”). If you fail to file a properly addressed (as set forth in paragraph 3 below) Proof of  
6 Claim, your claim may be rejected and you may be precluded from any recovery from the Net  
7 Settlement Fund created in connection with the proposed settlement.

9 2. Submission of this Proof of Claim, however, does not assure that you will share in the  
10 proceeds of the settlement of the Litigation.

11 3. YOU MUST MAIL OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED  
12 PROOF OF CLAIM, ACCOMPANIED BY COPIES OF THE DOCUMENTS REQUESTED  
13 HEREIN, **ON OR BEFORE \_\_\_\_\_, 2016**, ADDRESSED AS FOLLOWS:

14  
15 *Model N Securities Litigation*  
16 Claims Administrator  
17 c/o Gilardi & Co. LLC  
18 P.O. Box 990  
19 Corte Madera, CA 94976-0990  
20 online submissions: [www.modelnsecuritieslitigation.com](http://www.modelnsecuritieslitigation.com)

21 If you are NOT a Member of the Class, as defined in the Notice of Proposed Settlement of Class Action  
22 (“Notice”), DO NOT submit a Proof of Claim.

23 4. If you are a Member of the Class and you did not timely request exclusion in connection  
24 with the proposed settlement, you are bound by the terms of any judgment entered in the Litigation,  
25 including the releases provided therein, **WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.**

26 **II. CLAIMANT IDENTIFICATION**

27 If you purchased or otherwise acquired Model N, Inc. (“Model N” or the “Company”) common  
28 stock pursuant or traceable to the Registration Statement and Prospectus filed in connection with Model  
N’s initial public offering (“IPO”) on March 20, 2013, through and including September 16, 2013 and  
held the certificate(s) in your name, you are the beneficial purchaser or acquirer as well as the record

1 purchaser or acquirer. If, however, you purchased or otherwise acquired Model N common stock  
2 pursuant or traceable to Model N’s IPO on March 20, 2013 through and including September 16, 2013  
3 and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm,  
4 you are the beneficial purchaser or acquirer and the third party is the record purchaser or acquirer.

5 Use Part I of this form entitled “Claimant Identification” to identify each purchaser of record  
6 (“nominee”), if different from the beneficial purchaser or acquirer of the Model N common stock which  
7 forms the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL  
8 PURCHASER(S) OR ACQUIRER(S) OR THE LEGAL REPRESENTATIVE OF SUCH  
9 PURCHASER(S) OR ACQUIRER(S) OF THE MODEL N COMMON STOCK UPON WHICH THIS  
10 CLAIM IS BASED.

11 All joint purchasers or acquirers must sign this claim. Executors, administrators, guardians,  
12 conservators, and trustees must complete and sign this claim on behalf of persons represented by them  
13 and their authority must accompany this claim and their titles or capacities must be stated. The Social  
14 Security (or taxpayer identification) number and telephone number of the beneficial owner may be used  
15 in verifying the claim. Failure to provide the foregoing information could delay verification of your  
16 claim or result in rejection of the claim.

17 **III. CLAIM FORM**

18 Use Part II of this form entitled “Schedule of Transactions in Model N Common Stock” to  
19 supply all required details of your transaction(s). If you need more space or additional schedules, attach  
20 separate sheets giving all of the required information in substantially the same form. Sign and print or  
21 type your name on each additional sheet.

22 On the schedules, provide all of the requested information with respect to *all* of your purchases  
23 and acquisitions of Model N common stock which took place pursuant or traceable to Model N’s IPO  
24 on March 20, 2013 through and including September 16, 2013 (the “Class Period”), and *all* of your  
25 sales of Model N common stock which took place during the period March 20, 2013 through and  
26 including September 4, 2014, whether such transactions resulted in a profit or a loss. You must also  
27 provide all of the requested information with respect to *all* of the shares of Model N common stock you  
28

1 held at the close of trading on September 4, 2014. Failure to report all such transactions may result in  
2 the rejection of your claim.

3 List each transaction in the Class Period separately and in chronological order, by trade date,  
4 beginning with the earliest. You must accurately provide the month, day, and year of each transaction  
5 you list.

6 The date of covering a “short sale” is deemed to be the date of purchase of Model N common  
7 stock. The date of a “short sale” is deemed to be the date of sale of Model N common stock.

8 Copies of broker confirmations or other documentation of your transactions in Model N  
9 common stock should be attached to your claim. Failure to provide this documentation could delay  
10 verification of your claim or result in rejection of your claim.

11 NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of  
12 transactions may request, or may be requested, to submit information regarding their transactions in  
13 electronic files. All claimants MUST submit a manually signed paper Proof of Claim whether or not  
14 they also submit electronic copies. If you wish to file your claim electronically, you must contact the  
15 Claims Administrator at 1-844-861-5485 to obtain the required file layout. No electronic files will be  
16 considered to have been properly submitted unless the Claims Administrator issues to the claimant a  
17 written acknowledgment of receipt and acceptance of electronically submitted data.

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1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 COUNTY OF SAN MATEO

3 *Plymouth County Retirement System v. Model N, Inc., et al.*

4 Master Case No. CIV530291

5 **PROOF OF CLAIM AND RELEASE**

6 **Must Be Postmarked or Received No Later Than:**

7 \_\_\_\_\_, 2016

8 Please Type or Print

9  
10 **PART I: CLAIMANT IDENTIFICATION**

11 Last Name  M.I.  First Name

12 Last Name (Co-Beneficial Owner)  M.I.  First Name (Co-Beneficial Owner)

13  IRA  Joint Tenancy  Employee  Individual  Other \_\_\_\_\_ (specify)

14 Company Name (Beneficial Owner - If Claimant is not an Individual) or Custodian Name if an IRA

15 Trustee/Asset Manager/Nominee/Record Owner's Name (If Different from Beneficial Owner Listed Above)

16 Account#/Fund# (Not Necessary for Individual Filers)

17 Social Security Number  -  -  or Taxpayer Identification Number  -

18 Telephone Number (Primary Daytime)  -  -  Telephone Number (Alternate)  -  -

19 Email Address

20 **MAILING INFORMATION**

21 Address

22 Address

23 City  State  Zip Code

24 Foreign Province  Foreign Postal Code  Foreign Country Name/Abbreviation



1 PART II: SCHEDULE OF TRANSACTIONS IN MODEL N COMMON STOCK

2 A. Purchases or acquisitions of Model N common stock (March 20, 2013 –  
3 September 16, 2013, inclusive):

Trade Date Month Day Year	Number of Shares Purchased or Acquired	Total Purchase or Acquisition Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

9 IMPORTANT: (i) If any purchase listed covered a “short sale,” please mark Yes:  Yes

10 (ii) If you received shares through an acquisition or merger, please identify the  
11 date, the share amount, and the company acquired:

12 \_\_\_\_\_  
MM/ DD/ YYYY Merger Shares Company

13 B. Sales of Model N common stock (March 20, 2013 – September 4, 2014,  
14 inclusive):

Trade Date Month Day Year	Number of Shares Sold	Total Sales Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

15 C. Number of shares of Model N common stock held at the close of trading on  
16 September 4, 2014: \_\_\_\_\_

17 **YOU MUST READ AND SIGN THE RELEASE ON PAGE \_\_. FAILURE TO SIGN THE**  
18 **RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF**  
19 **YOUR CLAIM.**

1 **IV. SUBMISSION TO JURISDICTION OF COURT AND**  
2 **ACKNOWLEDGMENTS**

3 I (We) submit this Proof of Claim under the terms of the Stipulation of Settlement described in  
4 the Notice. I (We) also submit to the jurisdiction of the Superior Court of the State of California,  
5 County of San Mateo, with respect to my (our) claim as a Class Member and for purposes of enforcing  
6 the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the  
7 terms of any judgment that may be entered in the Litigation. I (We) agree to furnish additional  
8 information to the Claims Administrator to support this claim if requested to do so. I (We) have not  
9 submitted any other claim covering the same purchases, acquisitions, or sales of Model N common  
10 stock during the Class Period and know of no other person having done so on my (our) behalf.

11 **V. RELEASE**

12 1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully,  
13 finally, and forever settle, release, and discharge from the Released Claims each and all of the  
14 “Released Parties,” defined as each and all of the Defendants and their Related Persons. “Related  
15 Persons” means each of a Defendant’s past, present or future parents, subsidiaries and affiliates, and  
16 their respective directors, officers, employees, partners, members, principals, agents, underwriters,  
17 insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or auditors, financial or  
18 investment advisors or consultants, banks or investment bankers, personal or legal representatives,  
19 predecessors, successors, assigns, spouses, heirs, related or affiliated entities, any entity in which a  
20 Defendant has a controlling interest, any member of an Individual Defendant’s immediate family, or  
21 any trust of which any Individual Defendant is the settlor or which is for the benefit of any Defendant  
22 and/or member(s) of his or her family.

24 2. “Released Claims” shall collectively mean any and all claims (including “Unknown  
25 Claims” as defined below) against Defendants and their Related Persons, arising out of, relating to, or in  
26 connection with both (i) the facts, events, transactions, acts, occurrences, statements, representations,  
27 misrepresentations, or omissions, which were or could have been alleged in the Litigation; and (ii) the  
28

1 purchase or acquisition, holding, sale, or disposition of Model N common stock pursuant or traceable to  
2 the Registration Statement and Prospectus issued in connection with Model N's March 20, 2013 initial  
3 public offering (except for claims to enforce the Settlement).

4           3.       “Unknown Claims” means any Released Claims that Plaintiffs or Class Members do not  
5 know or suspect to exist in his, her, or its favor at the time of the release of the Released Parties which,  
6 if known by him, her, or it, might have affected his, her, or its settlement with and release of the  
7 Released Parties, or might have affected his, her, or its decision(s) with respect to the settlement. With  
8 respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective  
9 Date, Plaintiffs shall expressly waive, and each of the Class Members shall be deemed to have, and by  
10 operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits  
11 conferred by California Civil Code §1542 and any law of any state or territory of the United States, or  
12 principle of common law, which is similar, comparable, or equivalent to California Civil Code §1542,  
13 which provides:

14                           **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH**  
15                           **THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR**  
16                           **HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF**  
17                           **KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR**  
18                           **HER SETTLEMENT WITH THE DEBTOR.**

19 Plaintiffs and Class Members may hereafter discover facts in addition to or different from those that any  
20 of them now knows or believes to be true related to the subject matter of the Released Claims, but  
21 Plaintiffs shall expressly and each Class Member, upon the Effective Date, shall be deemed to have, and  
22 by operation of the Judgment shall have, fully, finally, and forever settled and released any and all  
23 Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent,  
24 disclosed or undisclosed, matured or unmatured, which now exist, or heretofore have existed upon any  
25 theory of law or equity now existing or coming into existence in the future, including, but not limited to,  
26 conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule,  
27 without regard to the subsequent discovery or existence of such different or additional facts. The  
28 Settling Parties acknowledge, and Plaintiffs and the Class Members shall be deemed by operation of the  
Judgment to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released

1 Claims was separately bargained for and is a key element of the settlement of which these releases are a  
2 part.

3 4. I (We) hereby warrant and represent that I (we) have not assigned or transferred or  
4 purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release  
5 or any other part or portion thereof.

6 5. I (We) hereby warrant and represent that I (we) have included information about all of  
7 my (our) transactions in Model N common stock which occurred during the Class Period as well as the  
8 number of shares of Model N common stock held by me (us) at the close of trading on September 4,  
9 2014.

11 I (We) declare under penalty of perjury under the laws of the United States of America that all  
12 of the foregoing information supplied on this Proof of Claim by the undersigned is true and correct.

13 Executed this \_\_\_\_\_ day of \_\_\_\_\_  
14 (Month/Year)

15 in \_\_\_\_\_  
16 (City) (State/Country)

17 \_\_\_\_\_  
(Sign your name here)

18 \_\_\_\_\_  
(Type or print your name here)

19 \_\_\_\_\_  
20 (Capacity of person(s) signing,  
21 e.g., Beneficial Purchaser or Acquirer,  
22 Executor or Administrator)

23 **ACCURATE CLAIMS PROCESSING TAKES A  
24 SIGNIFICANT AMOUNT OF TIME.  
25 THANK YOU FOR YOUR PATIENCE.**

26 Reminder Checklist:

- 27 1. Please sign the above release and declaration.  
28 2. Remember to attach copies of supporting documentation.  
3. **Do not send** originals of certificates or other documentation as they will not be returned.

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- 4. Keep a copy of your claim form and all supporting documentation for your records.
- 5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
- 6. If you move, please send your new address to the address below.
- 7. **Do not use red pen or highlighter** on the Proof of Claim or supporting documentation.

**THIS PROOF OF CLAIM MUST BE SUBMITTED ONLINE OR MAILED NO LATER THAN \_\_\_\_\_, 2016, ADDRESSED AS FOLLOWS:**

*Model N Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 990  
Corte Madera, CA 94976-0990  
[www.modelnsecuritieslitigation.com](http://www.modelnsecuritieslitigation.com)

# EXHIBIT A-3

1 ROBBINS GELLER RUDMAN  
& DOWD LLP  
2 CHRISTOPHER P. SEEFER (201197)  
DAVID W. HALL (274921)  
3 Post Montgomery Center  
One Montgomery Street, Suite 1800  
4 San Francisco, CA 94104  
Telephone: 415/288-4545  
5 415/288-4534 (fax)

6 LABATON SUCHAROW LLP  
JOEL H. BERNSTEIN  
7 DAVID J. GOLDSMITH  
140 Broadway  
8 New York, NY 10005  
Telephone: 212/907-0700  
9 212/818-0477 (fax)

10 Lead Counsel for Plaintiffs

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF SAN MATEO

13 PLYMOUTH COUNTY RETIREMENT	)	Master Case No. CIV530291
SYSTEM, Individually and on Behalf of All	)	(Consolidated with Case No CIV532190)
14 Others Similarly Situated,	)	
	)	Assigned for all Purposes to
15 Plaintiff,	)	The Hon. Marie S. Weiner, Dept. 2
	)	
16 vs.	)	<u>CLASS ACTION</u>
	)	
17 MODEL N, INC., et al.,	)	DATE ACTION FILED: 09/05/14
	)	
18 Defendants.	)	
	)	

19  
20 SUMMARY NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

21 EXHIBIT A-3  
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1 **TO: ALL PERSONS OR ENTITIES (“PERSONS”) THAT PURCHASED OR OTHERWISE**  
2 **ACQUIRED MODEL N, INC. (“MODEL N” OR THE “COMPANY”) COMMON**  
3 **STOCK PURSUANT OR TRACEABLE TO THE COMPANY’S REGISTRATION**  
4 **STATEMENT AND PROSPECTUS FOR THE COMPANY’S MARCH 20, 2013**  
5 **INITIAL PUBLIC OFFERING**

6 **THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER**  
7 **SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.**

8 YOU ARE HEREBY NOTIFIED that a hearing will be held on \_\_\_\_\_, 2016, at \_:\_\_\_ .m.,  
9 before the Honorable Marie S. Weiner at the Superior Court of California, County of San Mateo,  
10 Department 2, Courtroom 2E, 400 County Center, Redwood City, CA 94063, to determine whether:  
11 (1) the proposed settlement as set forth in the Stipulation of Settlement dated as of November 20, 2015  
12 (“Stipulation”) of the above-captioned action (“Litigation”) for \$8,550,000 in cash should be approved  
13 by the Court as fair, reasonable, and adequate; (2) to award Plaintiffs’ Counsel attorneys’ fees and  
14 expenses out of the Settlement Fund (as defined in the Notice of Proposed Settlement of Class Action  
15 (“Notice”), which is discussed below); (3) to pay Plaintiffs for their time and expenses they incurred in  
16 representing the Class in this Litigation out of the Settlement Fund; and (4) the Plan of Allocation  
17 should be approved by the Court as fair, reasonable, and adequate.

18 This Litigation is a securities class action brought on behalf of those Persons who purchased or  
19 otherwise acquired the common stock of Model N pursuant or traceable to the Registration Statement  
20 and Prospectus (“Registration Statement”) issued in connection with the Company’s March 20, 2013  
21 initial public offering (“IPO”) during the period beginning on March 20, 2013 and ending on September  
22 16, 2013 (“Class Members”), against Model N, certain of its key executives and directors, and  
23 underwriters of Model N’s IPO (collectively, “Defendants”) for allegedly misstating and omitting  
24 material facts from the Registration Statement filed with the SEC in connection with the IPO, including:  
25 by failing to disclose in the Registration Statement that, at the time of the IPO, Model N was  
26 experiencing sales execution challenges – the inability to close and book sales – that were reasonably  
27 likely to (and in fact did) reverse the growing bookings and revenue trends reported in the Registration  
28 Statement and cause future bookings and revenues to decline. Defendants deny all of Plaintiffs’  
allegations.



1 IF YOU PURCHASED OR OTHERWISE ACQUIRED MODEL N COMMON STOCK  
2 PURSUANT OR TRACEABLE TO THE COMPANY'S REGISTRATION STATEMENT FILED  
3 WITH THE SEC IN CONNECTION WITH THE COMPANY'S MARCH 20, 2013 IPO, YOUR  
4 RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF THIS LITIGATION.

5 To share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim by  
6 mail (postmarked no later than \_\_\_\_\_, 2016) or electronically no later than \_\_\_\_\_, 2016. Your  
7 failure to submit your Proof of Claim by \_\_\_\_\_, 2016, will subject your claim to rejection and  
8 preclude your receiving any of the recovery in connection with the settlement of this Litigation. If you  
9 are a Member of the Class and do not request exclusion, you will be bound by the settlement and any  
10 judgment and release entered in the Litigation, including, but not limited to, the Judgment, whether or  
11 not you submit a Proof of Claim.

12 If you have not received a copy of the Notice, which more completely describes the settlement  
13 and your rights thereunder (including your right to object to the settlement or exclude yourself from the  
14 settlement), and a Proof of Claim form, you may obtain these documents, as well as a copy of the  
15 Stipulation (which, among other things, contains definitions for the defined terms used in this Summary  
16 Notice) and other settlement documents, online at [www.modelnsecuritieslitigation.com](http://www.modelnsecuritieslitigation.com), or by writing  
17 to:

18 *Model N Securities Litigation*  
19 Claims Administrator  
20 c/o Gilardi & Co. LLC  
21 P.O. Box 990  
Corte Madera, CA 94976-0990  
Phone: 1-844-861-5485

22 Inquiries should NOT be directed to Defendants, the Court, or the Clerk of the Court. Inquiries  
23 may also be made to a representative of Lead Counsel:

24 ROBBINS GELLER RUDMAN  
25 & DOWD LLP  
26 Shareholder Relations  
27 Rick Nelson  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
28 Phone: 1-800-449-4900

1 IF YOU DESIRE TO BE EXCLUDED FROM THE CLASS, YOU MUST SUBMIT A  
2 REQUEST FOR EXCLUSION SUCH THAT IT IS POSTMARKED NO LATER THAN  
3 \_\_\_\_\_, 2016, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE. ALL  
4 MEMBERS OF THE CLASS WHO HAVE NOT REQUESTED EXCLUSION FROM THE CLASS  
5 WILL BE BOUND BY THE SETTLEMENT ENTERED IN THE LITIGATION EVEN IF THEY DO  
6 NOT FILE A TIMELY PROOF OF CLAIM.

7 IF YOU ARE A CLASS MEMBER, YOU HAVE THE RIGHT TO OBJECT TO THE  
8 SETTLEMENT, THE PLAN OF ALLOCATION, THE REQUEST BY PLAINTIFFS' COUNSEL  
9 FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES, AND/OR THE PAYMENT TO  
10 PLAINTIFFS FOR THEIR TIME AND EXPENSES. ANY OBJECTIONS MUST BE FILED WITH  
11 THE COURT AND SENT TO LEAD COUNSEL BY \_\_\_\_\_, 2016, IN THE MANNER AND  
12 FORM EXPLAINED IN THE NOTICE.

13  
14 DATED: \_\_\_\_\_

BY ORDER OF THE SUPERIOR COURT OF  
CALIFORNIA, COUNTY OF SAN MATEO  
HONORABLE MARIE S. WEINER

# **EXHIBIT B**

1 ROBBINS GELLER RUDMAN  
& DOWD LLP  
2 CHRISTOPHER P. SEEFER (201197)  
DAVID W. HALL (274921)  
3 Post Montgomery Center  
One Montgomery Street, Suite 1800  
4 San Francisco, CA 94104  
Telephone: 415/288-4545  
5 415/288-4534 (fax)

6 LABATON SUCHAROW LLP  
JOEL H. BERNSTEIN  
7 DAVID J. GOLDSMITH  
140 Broadway  
8 New York, NY 10005  
Telephone: 212/907-0700  
9 212/818-0477 (fax)

10 Lead Counsel for Plaintiffs

11

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA

13 COUNTY OF SAN MATEO

14 PLYMOUTH COUNTY RETIREMENT	)	Master Case No. CIV530291
SYSTEM, Individually and on Behalf of All	)	(Consolidated with Case No CIV532190)
15 Others Similarly Situated,	)	
	)	Assigned for all Purposes to
16 Plaintiff,	)	The Hon. Marie S. Weiner, Dept. 2
	)	
17 vs.	)	<u>CLASS ACTION</u>
	)	
18 MODEL N, INC., et al.,	)	DATE ACTION FILED: 09/05/14
	)	
19 Defendants.	)	
	)	

20

21 JUDGMENT AND ORDER GRANTING FINAL APPROVAL OF CLASS ACTION  
22 SETTLEMENT

23 EXHIBIT B

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1           WHEREAS, the Court is advised that the Settling Parties,<sup>1</sup> through their counsel, have agreed,  
2 subject to Court approval following notice to the Class and a hearing, to settle this Litigation upon the  
3 terms and conditions set forth in the Stipulation of Settlement dated as of November 20, 2015 (the  
4 “Stipulation”), which was filed with the Court; and

5           WHEREAS, on \_\_\_\_\_, the Court entered its Order Preliminarily Approving Settlement and  
6 Providing for Notice, which preliminarily approved the settlement, and approved the form and manner  
7 of notice to the Class of the settlement, and said notice has been made, and the fairness hearing having  
8 been held; and

9           NOW, THEREFORE, based upon the Stipulation and all of the filings, records and proceedings  
10 herein, and it appearing to the Court upon examination that the settlement set forth in the Stipulation is  
11 fair, reasonable and adequate, and upon a Settlement Fairness Hearing having been held after notice to  
12 the Class of the settlement to determine if the settlement is fair, reasonable, and adequate and whether  
13 the Judgment should be entered in this Litigation;

14           **THE COURT HEREBY FINDS AND CONCLUDES THAT:**

15           A.       The provisions of the Stipulation, including definitions of the terms used therein, are  
16 hereby incorporated by reference as though fully set forth herein.

17           B.       This Court has jurisdiction of the subject matter of this Litigation and over all of the  
18 Settling Parties and all Members of the Class.

19           C.       With respect to the Class, the Court finds that:

20                   (i)       The Members of the Class are so numerous that their joinder in the Litigation is  
21 impracticable. There were approximately 7.751 million shares of Model N common stock offered  
22 through the IPO. The Class is, therefore, sufficiently numerous to render joinder impracticable.

23                   (ii)       The Class is ascertainable because Members of the Class share common  
24 characteristics that are sufficient for persons to determine whether they are Members of the Class, *i.e.*,

25 <sup>1</sup>           As used herein, the term “Settling Parties” means Plaintiffs: Plymouth County Retirement  
26 System, James Small, and Dwight Bucher, on behalf of themselves and the Class (as defined below),  
27 and Defendants: Model N, Inc. (“Model N” or the “Company”), Zack Rinat, Sujan Jain, James W.  
28 Breyer, Sarah Friar, Mark Garrett, Charles J. Robel, J.P. Morgan Securities LLC, Deutsche Bank  
Securities, Inc., Stifel, Nicolaus & Company, Incorporated, Pacific Crest Securities LLC, Piper Jaffray  
& Co., and Raymond James & Associates, Inc.

1 whether they purchased or otherwise acquired Model N common stock pursuant or traceable to the  
2 Registration Statement issued in connection with Model N's IPO.

3 (iii) There are questions of law and fact common to the Class. Those questions  
4 include whether the Defendants violated the Securities Act of 1933, whether the Registration Statement  
5 contained misstatements or omissions, whether any misstatements or omissions were material, and  
6 whether any misstatements or omissions caused harm to the Members of the Class.

7 (iv) The claims of the Plaintiffs are typical of the claims of the Class Members.  
8 Plaintiffs claim to have purchased or otherwise acquired the Model N common stock pursuant or  
9 traceable to the same Registration Statement as the Members of the Class. Consequently, Plaintiffs  
10 claim that they and the other Members of the Class sustained damages as a result of the same  
11 misconduct by Defendants.

12 (v) Plaintiffs and Plaintiffs' Counsel have fairly and adequately represented and  
13 protected the interests of the Class Members. Plaintiffs have no interests in conflict with absent  
14 Members of the Class. The Court is satisfied that Plaintiffs' Counsel are qualified, experienced, and  
15 have represented the Class to the best of their abilities.

16 (vi) The questions of law or fact common to the Members of the Class predominate  
17 over any questions affecting only individual members.

18 (vii) A class action is the superior means of resolving the Litigation.

19 D. The form, content, and method of dissemination of notice given to the Class was  
20 adequate and reasonable and constituted the best notice practicable under the circumstances, including  
21 individual notice to all Class Members who could be identified through reasonable effort.

22 E. Notice, as given, complied with the requirements of California law, satisfied the  
23 requirements of due process, and constituted due and sufficient notice of the matters set forth herein.

24 F. The settlement set forth in the Stipulation in the amount of \$8,550,000 is fair, reasonable,  
25 and adequate.

26 (i) The settlement was vigorously negotiated at arm's length by Plaintiffs on behalf  
27 of the Class and by Defendants, all of whom were represented by highly experienced and skilled  
28 counsel. The case settled only after: (a) a mediation conducted by an experienced mediator who was

1 thoroughly familiar with this Litigation; (b) the exchange of detailed mediation statements prior to the  
2 mediation which highlighted the factual and legal issues in dispute; (c) Plaintiffs' Counsel's extensive  
3 investigation, which included, among other things, a review of Model N's press releases, U.S. Securities  
4 Exchange Commission filings, analyst reports, media reports, and other publicly disclosed reports and  
5 information about the Defendants; (d) the removal of this Litigation to federal court and a successful  
6 remand motion to state court; (e) the drafting and submission of a detailed Consolidated Amended Class  
7 Action Complaint for Violations of the Securities Act of 1933 ("Complaint") that survived Defendants'  
8 demurrer; and (f) the review and analysis of non-public documents produced by Defendants.  
9 Accordingly, both the Plaintiffs and Defendants were well-positioned to evaluate the settlement value of  
10 this Litigation. The Stipulation has been entered into in good faith and is not collusive.

11 (ii) If the settlement had not been achieved, both Plaintiffs and Defendants faced the  
12 expense, risk, and uncertainty of extended litigation. The Court takes no position on the merits of either  
13 Plaintiffs' or Defendants' arguments, but notes these arguments as evidence in support of the  
14 reasonableness of the settlement.

15 G. Plaintiffs and Plaintiffs' Counsel have fairly and adequately represented the interest of  
16 the Class Members in connection with the settlement.

17 H. Plaintiffs, all Class Members, and Defendants are hereby bound by the terms of the  
18 settlement set forth in the Stipulation.

19 **IT IS HEREBY ORDERED THAT:**

20 1. The Class, defined in the Stipulation as: "all Persons who purchased or otherwise  
21 acquired the common stock of Model N pursuant or traceable to the Registration Statement and  
22 Prospectus issued in connection with Model N's March 20, 2013 initial public offering. Excluded from  
23 the Class are: the Defendants and their respective successors and assigns; past and current officers and  
24 directors of Model N and the Underwriter Defendants; members of the immediate families of the  
25 Individual Defendants; the legal representatives, heirs, successors or assigns of the Individual  
26 Defendants; any entity in which any of the above excluded Persons have or had a majority ownership  
27 interest; and any Person who validly requests exclusions from the Class," is certified solely for purposes  
28 of this settlement.

1           2.       The settlement on the terms set forth in the Stipulation is finally approved as fair,  
2 reasonable, and adequate. The settlement shall be consummated in accordance with the terms and  
3 provisions of the Stipulation. The Settling Parties are to bear their own costs, except as otherwise  
4 provided in the Stipulation.

5           3.       All Released Parties as defined in the Stipulation are released in accordance with, and as  
6 defined in, the Stipulation.

7           4.       Upon the Effective Date, Plaintiffs and each Class Member shall be deemed to have, and  
8 by operation of this Judgment shall have, fully, finally, and forever released, relinquished, and  
9 discharged all Released Claims against the Released Parties, whether or not such Class Member  
10 executes and delivers a Proof of Claim and Release.

11          5.       Upon the Effective Date, each of the Released Parties, shall be deemed to have, and by  
12 operation of this Judgment shall have, fully, finally, and forever released Plaintiffs, Plaintiffs' Counsel,  
13 and each and all of the Class Members from all Settled Defendants' Claims.

14          6.       All Class Members who have not made their objections to the settlement in the manner  
15 provided in the Notice are deemed to have waived any objections by appeal, collateral attack, or  
16 otherwise.

17          7.       All Class Members who have failed to properly file requests for exclusion (requests to  
18 opt out) from the Class are bound by the terms and conditions of the Stipulation and this Final  
19 Judgment.

20          8.       The requests for exclusion, if any, by the persons or entities identified in Exhibit A to  
21 this Judgment are accepted by the Court.

22          9.       All other provisions of the Stipulation are incorporated into this Judgment as if fully  
23 rewritten herein.

24          10.       Plaintiffs and all Class Members are hereby barred and enjoined from instituting,  
25 commencing, maintaining, or prosecuting in any court or tribunal any of the Released Claims against  
26 any of the Released Parties.

27          11.       Neither the Stipulation nor the settlement, nor any act performed or document executed  
28 pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be deemed to be, or may



1 be used as, a presumption, concession, or admission of, or evidence of, the validity of any Released  
2 Claim or of any wrongdoing or liability of the Defendants and the Released Parties; or (b) is or may be  
3 deemed to be, or may be used, as a presumption, concession, or admission of, or evidence of, any fault  
4 or omission of any of the Defendants and the Released Parties in any civil, criminal, or administrative  
5 proceeding in any court, administrative agency, or other tribunal; or (c) is or may be deemed to be an  
6 admission or evidence that any claims asserted by Plaintiffs were not valid in any civil, criminal, or  
7 administrative proceeding. Defendants and the Released Parties may file the Stipulation and/or this  
8 Judgment in any action that may be brought against them in order to support a defense or counterclaim  
9 based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or  
10 reduction, or any other theory of claim preclusion or issue preclusion or similar defense or  
11 counterclaim.

12       12. Pursuant to and in full compliance with California law, this Court hereby finds and  
13 concludes that due and adequate notice was directed to all Persons and entities who are Class Members  
14 advising them of the Plan of Allocation and of their right to object thereto, and a full and fair  
15 opportunity was accorded to all Persons and entities who are Class Members to be heard with respect to  
16 the Plan of Allocation.

17       13. The Court hereby finds and concludes that the Litigation was brought, prosecuted and/or  
18 defended in good faith, with a reasonable basis.

19       14. The Court hereby finds and concludes that the formula for the calculation of the claims  
20 of Authorized Claimants, which is set forth in the Notice of Proposed Settlement of Class Action (the  
21 “Notice”) sent to Class Members, provides a fair and reasonable basis upon which to allocate the  
22 proceeds of the Net Settlement Fund established by the Stipulation among Class Members, with due  
23 consideration having been given to administrative convenience and necessity.

24       15. The Court hereby awards Plaintiffs’ Counsel attorneys’ fees of \$\_\_\_\_\_, plus  
25 expenses in the amount of \$\_\_\_\_\_, together with the interest earned thereon for the same time  
26 period and at the same rate as that earned on the Settlement Fund until paid. The Court finds that the  
27 amount of fees awarded is appropriate and that the amount of fees awarded is fair and reasonable given  
28

1 the contingent nature of the case and the substantial risks of non-recovery, the time and effort involved,  
2 and the result obtained for the Class.

3 16. The awarded attorneys' fees and expenses and interest earned thereon shall immediately  
4 be paid to Lead Counsel from the Settlement Fund subject to the terms, conditions, and obligations of  
5 the Stipulation, which terms, conditions, and obligations are incorporated herein.

6 17. Time and expenses are awarded to the following Plaintiffs in the amounts indicated:  
7 Plymouth County Retirement System \$\_\_\_\_\_, James Small \$\_\_\_\_\_, and Dwight Bucher  
8 \$\_\_\_\_\_. Such reimbursement is appropriate considering their active participation as Plaintiffs in  
9 this action, as attested to by the declarations submitted to the Court. Such reimbursement is to be paid  
10 from the Settlement Fund.

11 18. In the event that the Stipulation is terminated in accordance with its terms: (i) this  
12 Judgment shall be rendered null and void and shall be vacated *nunc pro tunc*; and (ii) this Litigation  
13 shall proceed as provided in the Stipulation.

14 19. Without affecting the finality of this Judgment in any way, this Court retains continuing  
15 jurisdiction over: (a) implementation of this settlement and any award or distribution of the Settlement  
16 Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and  
17 determining applications for attorneys' fees, interest, and expenses in the Litigation; and (d) all parties  
18 hereto for the purpose of construing, enforcing, and administering the Stipulation.

19 IT IS SO ORDERED.

20 DATED: \_\_\_\_\_

\_\_\_\_\_  
21 THE HONORABLE MARIE S. WEINER  
22 JUDGE OF THE SUPERIOR COURT  
23  
24  
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28