

**ENDORSED FILED  
SAN MATEO COUNTY**

APR 04 2016

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**RECEIVED**  
MAR 28 2016  
CLERK OF THE SUPERIOR COURT  
SAN MATEO COUNTY

10 Lead Counsel for Plaintiffs  
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13 SUPERIOR COURT OF THE STATE OF CALIFORNIA

14 COUNTY OF SAN MATEO

15	PLYMOUTH COUNTY RETIREMENT	)	Master Case No. CIV530291
16	SYSTEM, Individually and on Behalf of All	)	(Consolidated with Case No CIV532190)
16	Others Similarly Situated,	)	
17		)	Assigned for all Purposes to
17	Plaintiff,	)	The Hon. Marie S. Weiner, Dept. 2
18		)	
18	vs.	)	<u>CLASS ACTION</u>
19		)	
19	MODEL N, INC., et al.,	)	DATE: April 4, 2016
20		)	TIME: 2:00 p.m.
20	Defendants.	)	DEPT: 2
21		)	DATE ACTION FILED: 09/05/14

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24 JUDGMENT AND ORDER GRANTING FINAL APPROVAL OF CLASS ACTION  
SETTLEMENT  
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File By Fax

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 November 20, 2015 (the  
4 “Stipulation”), which was filed with the Court; and

5           WHEREAS, on December 7, 2015, the Court entered its Order Preliminarily Approving  
6 Settlement and Providing for Notice, which preliminarily approved the settlement, and approved the  
7 form and manner of notice to the Class of the settlement, and said notice has been made, and the  
8 Settlement Fairness Hearing having 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 and Exchange Commission filings, analyst reports, media reports, and other publicly disclosed reports  
5 and information about the Defendants; (d) the removal of this Litigation to federal court and a  
6 successful remand motion to state court; (e) the drafting and submission of a detailed Consolidated  
7 Amended Class Action Complaint for Violations of the Securities Act of 1933 ("Complaint") that  
8 survived Defendants' demurrer; and (f) the review and analysis of non-public documents produced by  
9 Defendants. Accordingly, both the Plaintiffs and Defendants were well-positioned to evaluate the  
10 settlement value of this Litigation. The Stipulation has been entered into in good faith and is not  
11 collusive.

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

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

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

20 **IT IS HEREBY ORDERED THAT:**

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

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

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

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

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

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

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

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

24         9.       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         10.       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       11. 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       12. The Court hereby finds and concludes that the Litigation was brought, prosecuted and/or  
18 defended in good faith, with a reasonable basis.

19       13. 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       14. The Court hereby awards Plaintiffs' Counsel attorneys' fees of \$2,565,000, plus  
25 expenses in the amount of \$67,155.72, 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  
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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 15. 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 16. Plaintiffs Plymouth County Retirement System, James Small, and Dwight Bucher shall  
7 each be awarded \$2,500 for their time and expenses in this Litigation. Such reimbursement is  
8 appropriate considering their active participation as Plaintiffs in this action, as attested to by the  
9 declarations submitted to the Court. Such reimbursement is to be paid from the Settlement Fund.

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

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

18 IT IS SO ORDERED.

19 DATED: APR 04 2016

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

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DECLARATION OF SERVICE BY MAIL

I, the undersigned, declare:

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

2. That on March 28, 2016, declarant served the JUDGMENT AND ORDER GRANTING FINAL APPROVAL OF CLASS ACTION SETTLEMENT by depositing a true copy thereof in a United States mailbox at San Diego, California in a sealed envelope with postage thereon fully prepaid and addressed to the parties listed on the attached Service List.

3. That there is a regular communication by mail between the place of mailing and the places so addressed.

I declare under penalty of perjury that the foregoing is true and correct. Executed on March 28, 2016, at San Diego, California.

  
DONNA S. SCOTT



MODEL N

Service List - 3/28/2016 (14-0118)

Page 1 of 1

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