

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

JAY RABKIN, Individually and on Behalf
of All Others Similarly Situated,

Plaintiff,

v.

LION BIOTECHNOLOGIES, INC.,
MANISH SINGH, MICHAEL HANDELMAN,
and KAMILLA BJORLIN,

Defendants.

Case No. 3:17-cv-02086-SI

CLASS ACTION

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

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

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (“Action”) pending in the United States District Court for the Northern District of California (“Court”), if, during the period between September 27, 2013 and April 10, 2017, inclusive (“Class Period”), you purchased or otherwise acquired Lion Biotechnologies, Inc. common stock and were damaged thereby.¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff Jay Rabkin (“Lead Plaintiff”), on behalf of himself and the Settlement Class (as defined in ¶19 below), have reached a proposed settlement of the Action for \$3,250,000 in cash that, if approved, will resolve all claims in the Action (“Settlement”).

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

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, the Defendants in the Action or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶61 below).

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation of Settlement and Release dated September 28, 2018 (“Stipulation”), which is available at www.LionBiotechnologiesLitigationSettlement.com.

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that defendants Lion Biotechnologies, Inc. (n/k/a Iovance Biotherapeutics, Inc.) (“Lion” or the “Company”),² Manish Singh and Michael Handelman (collectively, “Defendants”) violated the federal securities laws by making false and misleading statements regarding Lion.³ A more detailed description of the Action is set forth in ¶¶11-18 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in ¶19 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of himself and the Settlement Class, has agreed to settle the Action in exchange for a settlement payment of \$3,250,000 in cash (“Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (i.e., the Settlement Amount plus any and all interest earned thereon (“Settlement Fund”) less (i) any Taxes and Tax Expenses; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; and (iv) any attorneys’ fees awarded by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (“Plan of Allocation”) is attached hereto as Appendix A.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff’s damages expert’s estimate of the number of shares of Lion common stock purchased during the Class Period that may have been affected by the conduct at issue in the Action and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) per eligible share is approximately \$0.10. **Settlement Class Members should note, however, that the foregoing average recovery per eligible share is only an estimate.** Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors: (i) when and the price at which they purchased/acquired shares of Lion common stock; (ii) whether they sold their shares of Lion common stock; (iii) the total number and value of valid Claims submitted; (iv) the amount of Notice and Administration Costs; and (v) the amount of attorneys’ fees and Litigation Expenses awarded by the Court. Distributions to Settlement Class Members will be made based on the Plan of Allocation attached hereto as Appendix A or such other plan of allocation as may be ordered by the Court.

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

² Lion Biotechnologies, Inc. changed its name to Iovance Biotherapeutics, Inc. on June 27, 2018, and the Company’s NASDAQ ticker symbol changed to “IOVA” on June 28, 2018. Prior to June 28, 2018 and throughout the Class Period (i.e., September 27, 2013 to April 10, 2017, inclusive), the Company’s NASDAQ ticker symbol was “LBIO.”

³ Kamilla Bjorlin was also named as a defendant in the Action. In connection with the Settlement, Lead Plaintiff intends to voluntarily dismiss his claims against Ms. Bjorlin, and will file a notice of voluntary dismissal pursuant to Rule 41(a)(i) of the Federal Rules of Civil Procedure following the Effective Date. Accordingly, Ms. Bjorlin is not a party to the Settlement, and the Settlement is not contingent on her dismissal from the Action.

5. **Attorneys' Fees and Expenses Sought:** Court-appointed Lead Counsel, Kessler Topaz Meltzer & Check, LLP, has not received any payment of attorneys' fees for its representation of the Settlement Class in this Action and has advanced the funds to pay expenses necessarily incurred to prosecute this Action with the expectation that if it was successful in recovering money for the Settlement Class, it would receive fees and be paid for its expenses from the Settlement Fund, as is customary in this type of litigation. Lead Counsel will apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund, an amount which approximates Lead Counsel's lodestar (i.e., approximately \$800,000), a figure calculated by multiplying the hours expended to date on the Action by Lead Counsel for each attorney and professional who worked on the case by their respective hourly rates. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses incurred in connection with the institution, prosecution, and resolution of the claims against Defendants, in an amount not to exceed \$85,000, which amount may include a request for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to his representation of the Settlement Class in accordance with 15 U.S.C. §78u-4(a)(4), in an amount not to exceed \$5,000. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. The estimated average cost per eligible share of Lion common stock, if the Court approves Lead Counsel's fee and expense application, is \$0.027 per share. **Please note that this amount is only an estimate.**⁴

6. **Identification of Attorneys' Representatives:** Lead Plaintiff and the Settlement Class are represented by Jennifer L. Joost, Esq. of Kessler Topaz Meltzer & Check, LLP, One Sansome Street, Suite 1850, San Francisco, CA 94104, 1-415-400-3000, info@ktmc.com. Further information regarding the Action, the Settlement, and this Notice may be obtained by contacting Lead Counsel or the Court-appointed Claims Administrator at: *Lion Biotechnologies Securities Litigation Settlement*, c/o JND Legal Administration, P.O. Box 91227, Seattle, WA 98111, 1888-337-0001, info@LionBiotechnologiesLitigationSettlement.com.

7. **Reasons for the Settlement:** Lead Plaintiff's principal reason for entering into the Settlement is the immediate cash benefit for the Settlement Class without the risk or the delays and costs inherent in further litigation. Moreover, the cash benefit provided under the Settlement must be considered against the risk that a smaller recovery – or indeed no recovery at all – might be achieved after discovery, contested motions, a trial of the Action, and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

⁴ The Notice and Administration Costs for this Settlement, which shall be paid out of the Settlement Fund, are estimated to be between \$125,000 and \$150,000. This is only an estimate, however, as the administration has not fully commenced as of the date of this Notice. The costs of notice and administration will largely depend upon the number of Notices mailed and the number of Claim Forms submitted for processing. If the attorneys' fees and Litigation Expenses requested are approved by the Court and the Notice and Administration Costs are \$150,000, the average cost per eligible share of Lion common stock for all of these expenditures will be approximately \$0.031 per share.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN MARCH 22, 2019.	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶28 below) that you have against Defendants and the other Defendant Releasees (defined in ¶29 below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN MARCH 15, 2019.	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other current or future lawsuit against any of the Defendants or the other Defendant Releasees concerning the Released Plaintiffs' Claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS FILED OR POSTMARKED NO LATER THAN MARCH 15, 2019.	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the requested attorneys' fees and Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the proposed Plan of Allocation, or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.
GO TO A HEARING ON APRIL 12, 2019 AT 10:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS FILED OR POSTMARKED NO LATER THAN MARCH 15, 2019.	Submitting a written objection and notice of intention to appear by March 15, 2019 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING.	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

These rights and options – and the deadlines to exercise them – are further explained in this Notice. Please Note: The date and time of the Settlement Fairness Hearing – currently scheduled for April 12, 2019 at 10:00 a.m. – is subject to change without further notice to the Settlement Class. If you plan to attend the hearing, you should check the website www.LionBiotechnologiesLitigationSettlement.com, the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or with Lead Counsel as set forth above to confirm that no change to the date and/or time of the hearing has been made.

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WHY DID I GET THIS NOTICE?

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

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and Lead Counsel's application for an award of attorneys' fees and Litigation Expenses ("Settlement Fairness Hearing"). See ¶52 below for details about the Settlement Fairness Hearing, including the date and location of the hearing.

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

WHAT IS THIS CASE ABOUT?

11. This is a securities class action brought against Lion, its former President and Chief Executive Officer Manish Singh, its former Chief Financial Officer Michael Handelman, and Kamilla Bjorlin, the founder and owner of stock promotion firm Lidingo Holdings, LLC ("Lidingo").⁵ Lead Plaintiff alleges that, during the Class Period, defendants artificially inflated the price of Lion's common stock by arranging for the publication on investment websites of paid promotional articles designed to appear as unaffiliated investment advice from analysts/investors with no connection to the Company. Lead Plaintiff also alleges that defendants improperly failed to disclose Lion's retention of the stock promotion firm Lidingo, which facilitated such publications, and actively hid those facts (and in so doing made a number of false and misleading statements to the investing public).

12. The Action was commenced on April 14, 2017, with the filing of a putative securities class action complaint in this Court. By Order dated July 26, 2017, the Court appointed Jay Rabkin as Lead Plaintiff and approved his selection of Kessler Topaz Meltzer & Check, LLP as Lead Counsel.

13. On September 8, 2017, Lead Plaintiff filed the operative complaint in the Action – the Amended Complaint for Violation of the Federal Securities Laws ("Amended Complaint"). The Amended Complaint asserted claims under §§10(b) and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder, as well as §§11(a), 12(a)(2), and 15 of the Securities Act of 1933 ("Securities Act") against Defendants and Kamilla Bjorlin.

14. On November 3, 2017, defendants moved to dismiss the Amended Complaint, challenging all of Lead Plaintiff's claims. On December 1, 2017, Lead Plaintiff opposed the motions to dismiss, and on December 8, 2017, defendants filed their reply papers in support of their motions. By Order dated February 15, 2018, the Court granted in part and denied in part the motions to dismiss. More specifically, the Court denied the motions to dismiss in all respects, except for Lead Plaintiff's Securities Act claims, which were dismissed.

15. Defendants filed their answers and affirmative defenses to the Amended Complaint on April 9, 2018. Thereafter, the Parties commenced discovery, which included the Company's

⁵ As stated above, in connection with the Settlement of the Action, Lead Plaintiff intends to voluntarily dismiss his claims against defendant Kamilla Bjorlin, and will file his notice of voluntary dismissal pursuant to Rule 41(a)(i) of the Federal Rules of Civil Procedure following the Effective Date.

production of documents previously produced to the United States Securities and Exchange Commission (“SEC”). Each side also performed alleged damages analyses.

16. While discovery was ongoing, the Parties began discussing the possible resolution of the Action. To facilitate their discussions, the Parties scheduled a formal mediation with Jed D. Melnick, Esq. of JAMS for July 10, 2018 in New York, NY. In advance of the mediation, the Parties prepared and exchanged detailed mediation statements. Following a day of hard-fought, arm’s-length negotiations, the Parties reached an agreement in principle to settle the Action at the mediation. Negotiations on the specific terms of the Settlement continued for another forty-five (45) days following the agreement in principle.

17. On September 28, 2018, the Parties entered into the Stipulation, which sets forth the final terms and conditions of the Settlement. The Stipulation can be viewed at www.LionBiotechnologiesLitigationSettlement.com.

18. On November 30, 2018, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Fairness Hearing to consider whether to grant final approval to the Settlement.

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

19. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded from the Settlement Class. The Settlement Class provisionally certified by the Court for purposes of effectuating the Settlement consists of:

All persons and entities who purchased or otherwise acquired Lion common stock between September 27, 2013 and April 10, 2017, inclusive, and who were damaged thereby.

Excluded from the Settlement Class are: (i) Defendants, Kamilla Bjorlin and their Immediate Family members; (ii) the current and former officers and directors of the Company, and their Immediate Family members; (iii) the legal representatives, heirs, successors or assigns of any of the foregoing excluded party; and (iv) any entity in which Defendants, Kamilla Bjorlin, or Lidingo Holdings LLC have or had a controlling interest. Also excluded from the Settlement Class are any persons and entities who or which exclude themselves by submitting a request for exclusion that is accepted by the Court. *See* “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself,” on page 13 below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN MARCH 22, 2019.

WHAT ARE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENT?

20. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit; however, they also recognize the substantial risks in continuing to litigate the Action. For example, Defendants have raised a number of arguments and defenses that they did not make false and misleading statements in violation of the federal securities laws and that Lead Plaintiff would not be able to establish that Defendants acted with the requisite intent. Even assuming Lead Plaintiff could establish Defendants' liability, the amount of damages that could be attributed to the allegedly false statements would be hotly contested. Additionally, Lead Plaintiff and Lead Counsel recognize the significant expense and length of continued proceedings necessary to pursue their claims against Defendants through discovery, further motion practice, trial and appeals. Moreover, with each of the individual Defendants who are parties to this Settlement having indemnification agreements with the Company, any future recovery would likely have to be funded from limited insurance proceeds, which were being used for defense costs and would continue to be depleted if this case was not settled. Thus, there were very significant risks attendant to the continued prosecution of the Action.

21. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a favorable result for the Settlement Class, namely \$3,250,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after discovery, summary judgment, trial, and appeals, possibly years in the future.

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

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

23. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of his claims against Defendants, neither Lead Plaintiff nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

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

24. As a Settlement Class Member, you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice and at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf. *See* "When And Where Will The Court Decide Whether To Approve The Settlement?" on page 14 below.

25. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the

section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?,” on page 13 below.

26. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” on page 14 below.

27. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (“Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and their respective Immediate Family members, heirs, trusts, trustees, members, partners, including limited partners, shareholders, executors, estates, administrators, beneficiaries, agents, affiliates, insurers and reinsurers, predecessors, successors, assigns, advisors, corporate parents and subsidiaries in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment shall have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiffs’ Claim (as defined in ¶28 below) against the Defendant Releasees (as defined in ¶29 below), and shall be permanently barred and enjoined from prosecuting any or all of the Released Plaintiffs’ Claims against any of the Defendant Releasees.

28. “Released Plaintiffs’ Claims” means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments, and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule or regulation, at law or in equity, whether class or individual in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, that Lead Plaintiff, any other member of the Settlement Class, or any of Plaintiff Releasees (i) asserted in the Amended Complaint or (ii) could have asserted in any court or forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations, or omissions set forth in the Amended Complaint and that relate to the purchase or acquisition of shares of Lion common stock during the Class Period. “Released Plaintiffs’ Claims” do not include (i) any claims relating to the enforcement of the Settlement; (ii) any claims that members of the Settlement Class may have solely in a derivative capacity, including without limitation in the action captioned *In re Iovance Biotherapeutics, Inc. Stockholder Derivative Litigation*, Lead Case No. 1:17-cv-01806-LPS (D. Del.); or (iii) any claims of any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court. For the avoidance of doubt, “Released Plaintiffs’ Claims” also do not include any claims asserted against Kamilla Bjorlin in this Action.⁶

29. “Defendant Releasees” means (i) Defendants and their attorneys; (ii) the Defendants’ respective Immediate Family members, and the Defendants’ and Immediate Family members’ heirs, trusts, trustees, executors, estates, administrators, beneficiaries, entities, agents, affiliates, insurers

⁶ As noted above, in connection with the Settlement, Lead Plaintiff intends to voluntarily dismiss his claims against Ms. Bjorlin, and will file a notice of voluntary dismissal pursuant to Rule 41(a)(i) of the Federal Rules of Civil Procedure following the Effective Date.

and reinsurers, predecessors, successors, assigns, advisors, corporate parents and subsidiaries; and (iii) all current and former officers, directors, and employees of Lion, in their capacities as such. For the avoidance of doubt, “Defendant Releasees” does not include Kamilla Bjorlin.

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

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor 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.

The Parties acknowledge that they may hereafter discover facts in addition to or different from those which he, she or it or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims, but, upon the Effective Date, Lead Plaintiff and Defendants shall expressly settle and release, and each of the other Settlement Class Members and Plaintiff Releasees shall be deemed to have, and by operation of the Judgment or the Alternative Judgment, if applicable, shall have, settled and released, any and all Released Claims without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff and Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of the Judgment or the Alternative Judgment, if applicable, to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

31. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors and assigns in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants’ Claim (as defined in ¶32 below) against the Plaintiff Releasees (as defined in ¶33 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants’ Claims against any of the Plaintiff Releasees.

32. “Released Defendants’ Claims” means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments, and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule or regulation, at law or in equity, whether class or individual in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants.

“Released Defendants’ Claims” do not include any claims relating to the enforcement of the Settlement or claims asserted against Kamila Bjorlin in this Action.

33. “Plaintiff Releasees” means (i) Lead Plaintiff, his attorneys and all other Settlement Class Members; and (ii) the Immediate Family members, heirs, trusts, trustees, members, partners, including limited partners, shareholders, executors, estates, administrators, beneficiaries, agents, affiliates, insurers and reinsurers, predecessors, successors, assigns, advisors, corporate parents and subsidiaries of each of the Persons listed in (i), in their capacities as such.

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

34. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation *postmarked no later than March 22, 2019*. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, www.LionBiotechnologiesLitigationSettlement.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-888-337-0001 or by emailing the Claims Administrator at info@LionBiotechnologiesLitigationSettlement.com. Please retain all records of your ownership of and transactions in Lion common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

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

36. Pursuant to the Settlement, Defendants shall pay or cause to be paid \$3,250,000 in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (i) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (ii) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (iii) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

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

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

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

40. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form **postmarked on or before March 22, 2019** shall be fully and forever barred from receiving payment pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the Releases given. This means that each Settlement Class Member releases the Released Plaintiffs' Claims (as defined in ¶28 above) against the Defendant Releasees (as defined in ¶29 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs' Claims against any of the Defendant Releasees whether or not such Settlement Class Member submits a Claim Form.

41. Participants in and beneficiaries of any employee retirement and/or benefit plan ("Employee Plan") should NOT include any information relating to shares of Lion common stock purchased/acquired through an Employee Plan in any Claim Form they submit in this Action. They should include ONLY those shares of Lion common stock purchased/acquired during the Class Period outside of an Employee Plan. Claims based on any Employee Plan(s)' purchases/acquisitions of eligible Lion common stock during the Class Period may be made by the Employee Plan(s)' trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in an Employee Plan(s), such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by such Employee Plan(s).

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

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

44. Only Settlement Class Members, i.e., persons and entities who purchased or otherwise acquired Lion common stock during the Class Period and were damaged as a result of such purchases or acquisitions, will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

45. **Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Settlement Fund among Authorized Recipients, as proposed by Lead Plaintiff and Lead Counsel. At the Settlement Fairness Hearing, Lead Counsel will request the Court approve the Plan of Allocation. The Court may modify the Plan of Allocation, or approve a different plan of allocation, without further notice to the Settlement Class.**

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

46. Lead Counsel has not received any payment for its services in pursuing claims against the Defendants on behalf of the Settlement Class, nor has Lead Counsel been reimbursed for its out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$85,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to his representation of the Settlement Class in accordance with 15 U.S.C. §78u-4(a)(4), in an amount not to exceed \$5,000. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

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

47. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a letter requesting exclusion addressed to: *Lion Biotechnologies Securities Litigation Settlement, EXCLUSIONS*, c/o JND Legal Administration, P.O. Box 91227, Seattle, WA 98111. The request for exclusion must be **received no later than March 15, 2019**. You will not be able to exclude yourself from the Settlement Class after that date. Each letter requesting exclusion must: (i) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (ii) state that such person or entity "requests exclusion from the Settlement Class in *Rabkin v. Lion Biotechnologies, Inc., et al.*, Case No. 3:17-cv-02086-SI"; (iii) state the number of shares of Lion common stock that the person or entity requesting exclusion purchased/acquired and/or sold during the Class Period (i.e., between September 27, 2013 and April 10, 2017, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and/or sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A letter requesting exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

48. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendant Releasees. Excluding yourself from the Settlement Class is the only option that allows you to be part of any other current or future lawsuit against Defendants or any of the other Defendant Releasees concerning the Released Plaintiffs' Claims. Please note, however, if you decide to exclude yourself from the Settlement Class, you may be time-barred from asserting the claims covered by the Action by a statute of repose. In addition, Defendants and the other Defendant Releasees will have the right to assert any and all defenses they may have to any claims that you may seek to assert.

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

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

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

51. **Settlement Class Members do not need to attend the Settlement Fairness Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing.** Please Note: The date and time of the Settlement Fairness Hearing may change without further written notice to the Settlement Class. If you plan on attending the hearing, please check the website, www.LionBiotechnologiesLitigationSettlement.com, the Court's PACER site or contact Lead Counsel to confirm that the date and/or time of the hearing has not changed.

52. The Settlement Fairness Hearing will be held on **April 12, 2019 at 10:00 a.m.**, before the Honorable Susan Illston at the United States District Court for the Northern District of California, Phillip Burton Federal Building & United States Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102, Courtroom 1-17th Floor. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Fairness Hearing without further notice to the members of the Settlement Class.

53. Any Settlement Class Member may object to the Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses. You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a different settlement. The Court can only approve or reject the Settlement. If the Court denies approval of the Settlement, no settlement payments will be sent out and the Action will continue. If that is what you want to happen, then you must object.

54. Any objection to the proposed Settlement must be in writing and submitted only to the Court. If you submit a timely written objection, you may, but are not required to, appear at the Settlement Fairness Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must: (i) clearly identify the case name and number (*Rabkin v. Lion Biotechnologies, Inc., et al.*, Case No. 3:17-cv-02086-SI); (ii) be submitted to the Court either by mailing them to the Clerk of the Court at the United States District Court for the Northern District of California, Phillip Burton Federal Building & United States Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102, Courtroom 1- 17th Floor, or by filing them in person at any location of the United States District Court for the Northern District of California; and (iii) be ***filed or postmarked on or before March 15, 2019.***

55. Additionally, any objection must: (i) state the name, address, and telephone number of the person or entity objecting and be signed by the objector; (ii) state whether the objector is represented by counsel and, if so, the name, address, and telephone number of the objector's counsel; (iii) contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (iv) include documents sufficient to show membership

in the Settlement Class, consisting of documents showing the number of shares of Lion common stock that the objector purchased/acquired and/or sold during the Class Period (i.e., between September 27, 2013 and April 10, 2017, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and/or sale.⁷ **You may not object to the Settlement, Plan of Allocation, or Lead Counsel’s motion for attorneys’ fees and Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.**

56. You may submit an objection without having to appear at the Settlement Fairness Hearing. You may not, however, appear at the Settlement Fairness Hearing to present your objection unless you first submit a written objection in accordance with the procedures described above, unless the Court orders otherwise.

57. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel’s motion for an award of attorneys’ fees and Litigation Expenses, and if you timely submit a written objection as described above, you must also mail the notice of appearance to the Clerk of Court at the address set forth in ¶54 above or file the notice of appearance at any location of the United States District Court for the Northern District of California so that it is ***filed or postmarked on or before March 15, 2019***. Persons who intend to object and desire to present evidence at the Settlement Fairness Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

58. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must mail a notice of appearance to the Clerk of Court at the address set forth in ¶54 above or file the notice of appearance at any location of the United States District Court for the Northern District of California so that it is ***filed or postmarked on or before March 15, 2019***.

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

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE’S BEHALF?

60. If you purchased or otherwise acquired Lion common stock between September 27, 2013 and April 10, 2017, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either (i) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the “Notice Packet”) to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice

⁷ Documentation establishing membership in the Settlement Class must consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector’s broker containing the transactional and holding information found in a broker confirmation slip or account statement.

Packets forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses (and e-mail addresses, if available) of all such beneficial owners to *Lion Biotechnologies Securities Litigation Settlement*, c/o JND Legal Administration, P.O. Box 91227, Seattle, WA 98111. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the Settlement website, www.LionBiotechnologiesLitigationSettlement.com, by calling the Claims Administrator toll-free at 1-888-337-0001, or by emailing the Claims Administrator at info@LionBiotechnologiesLitigationSettlement.com.

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

61. This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Stipulation available at www.LionBiotechnologiesLitigationSettlement.com. A copy of the Stipulation and additional information regarding the Settlement can also be obtained by contacting Lead Counsel at the contact information set forth above, by accessing the Court docket in this case, for a fee, through the Court's PACER system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, Phillip Burton Federal Building & United States Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. You may also contact the Claims Administrator at *Lion Biotechnologies Securities Litigation Settlement*, c/o JND Legal Administration, P.O. Box 91227, Seattle, WA 98111; 1-888-337-0001; info@LionBiotechnologiesLitigationSettlement.com. **PLEASE DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.**

Dated: November 30, 2018

By Order of the Court
United States District Court
Northern District of California

Appendix A

Proposed Plan of Allocation of Net Settlement Fund Among Authorized Claimants

The Plan of Allocation set forth herein is the plan that is being proposed to the Court for approval by Lead Plaintiff after consultation with his damages expert. The Court may approve the Plan of Allocation with or without modification, or approve another plan of allocation, without further notice to the Settlement Class. Any Orders regarding a modification of the Plan of Allocation will be posted on the website for the Settlement, www.LionBiotechnologiesLitigationSettlement.com. The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. Defendants have had, and will have, no involvement or responsibility for the terms or application of the Plan of Allocation.

The objective of the proposed Plan of Allocation is to equitably distribute the Net Settlement Fund among those Settlement Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws set forth in the Amended Complaint, as opposed to economic losses caused by market or industry factors or company-specific factors unrelated thereto. To that end, Lead Plaintiff's damages expert calculated the estimated amount of alleged artificial inflation in the per share price of Lion common stock, over the course of the Class Period, that was allegedly proximately caused by Defendants' alleged materially false and misleading misrepresentations and omissions. In calculating the estimated artificial inflation allegedly caused by those misrepresentations and omissions, Lead Plaintiff's damages expert considered price changes in Lion common stock in reaction to public disclosures that allegedly corrected the respective alleged misrepresentations and omissions. The calculations made pursuant to the Plan of Allocation, however, do not represent a formal damages analysis that has been adjudicated in the Action and are not intended to measure the amounts that Settlement Class Members would recover after a trial. Nor are these calculations intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. Accordingly, to have a "Recognized Loss Amount" pursuant to the Plan of Allocation, the Lion common stock must have been purchased or otherwise acquired during the Class Period (i.e., between September 27, 2013 and April 10, 2017, inclusive) and **held through** at least one of the alleged corrective disclosures that removed alleged artificial inflation related to that information. To that end, Lead Plaintiff's damages expert has identified three dates on which alleged corrective disclosures removed alleged artificial inflation from the price of Lion common stock: May 14, 2014, November 12, 2014 and April 10, 2017.⁸

⁸ On May 14, 2014, Lion disclosed in its Form 10-k for the first quarter of 2014 that it had received a subpoena from the SEC in connection with its investigation into Galena Biopharma, Inc. *See* Amended Complaint ¶¶ 85, 207. Upon this news, Lion common stock fell \$1.00 per share, or 10.9%. *Id.*, ¶¶16, 251. Six months later, on November 12, 2014, Lion announced the resignation of Defendant Singh, and the price of Lion common stock declined by \$0.75 per share, or over 11%. *Id.*, ¶¶19, 89. Finally, on April 10, 2017, the SEC announced enforcement actions against 27 individuals and entities behind various alleged stock promotion schemes that left investors with the impression they were reading independent, unbiased analyses on investing websites while writers were being secretly compensated for touting company stocks. *Id.*, ¶92. On the same day, the SEC

CALCULATION OF RECOGNIZED LOSS AMOUNTS

1. For purposes of determining whether a Claimant has a “Recognized Claim,” purchases, acquisitions, and sales of Lion common stock will first be matched on a First In, First Out (“FIFO”) basis as set forth in ¶6 below.

2. A “Recognized Loss Amount” will be calculated as set forth below for each share of Lion common stock purchased or otherwise acquired between September 27, 2013 and April 10, 2017, inclusive, that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of a Claimant’s Recognized Loss Amount results in a negative number, that number shall be set to zero. The sum of a Claimant’s Recognized Loss Amounts will be the Claimant’s “Recognized Claim.”

3. For each share of Lion common stock purchased or otherwise acquired between September 27, 2013 and April 10, 2017, inclusive, and sold on or before July 7, 2017,⁹ an “Out of Pocket Loss” will be calculated. Out of Pocket Loss is defined as the per-share purchase/acquisition price (excluding all fees, taxes, and commissions) *minus* the per-share sale price (excluding all fees, taxes, and commissions). To the extent that the calculation of an Out of Pocket Loss results in a negative number, that number shall be set to zero.

4. A Claimant’s Recognized Loss Amount per share of Lion common stock purchased or otherwise acquired during the Class Period will be calculated as follows:

- A. For each share of Lion common stock purchased or otherwise acquired during the Class Period and subsequently sold prior to the opening of trading on May 14, 2014, the Recognized Loss Amount is \$0.
- B. For each share of Lion common stock purchased or otherwise acquired during the Class Period and subsequently sold after the opening of trading on May 14, 2014 and prior to the close of trading on April 10, 2017, the Recognized Loss Amount shall be *the lesser of*:

also published cease-and-desist orders in connection with administrative proceedings against Lion, Singh and Lavos, LLC (i.e., a stock promotion firm controlled and operated by Singh) for violations of the securities laws. *Id.*, ¶93. Following this news, Lion’s stock fell \$0.20 per share, or over 3%, to close at \$6.35 per share on April 10, 2017. *Id.*, ¶22.

⁹ July 7, 2017 represents the last day of the 90-day period subsequent to the end of the Class Period, i.e., April 10, 2017 (the “90-day look-back period”). The PSLRA imposes a statutory limitation on recoverable damages using the 90-day look-back period. This limitation is incorporated into the calculation of a Settlement Class Member’s Recognized Loss Amount. Specifically, a Settlement Class Member’s Recognized Loss Amount cannot exceed the difference between the purchase price paid for the Lion common stock and the average price of Lion common stock during the 90-day look-back period if the share was held through July 7, 2017, the end of this period. Losses on Lion common stock purchased/acquired during the period between September 27, 2013 and April 10, 2017 and sold during the 90-day look-back period cannot exceed the difference between the purchase price paid for the Lion common stock and the average price of Lion common stock during the portion of the 90-day look-back period elapsed as of the date of sale (the “90-Day Look-back Value”), as set forth in **Table 2** below.

- (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below *minus* the dollar amount of alleged artificial inflation applicable to each such share on the date of sale as set forth in **Table 1** below;¹⁰ or
- (ii) the Out of Pocket Loss.
- C. For each share of Lion common stock purchased or otherwise acquired during the Class Period and subsequently sold after the close of trading on April 10, 2017 and prior to the close of trading on July 7, 2017 (i.e., the last day of the 90-day look-back period), the Recognized Loss Amount shall be *the least of*:
- (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1**;
- (ii) the purchase/acquisition price of each such share (excluding all fees, taxes, and commissions) *minus* the 90-Day Look-back Value as set forth in **Table 2** below; or
- (iii) the Out of Pocket Loss.
- D. For each share of Lion common stock purchased or otherwise acquired during the Class Period and still held as of the close of trading on July 7, 2017 (i.e., the last day of the 90-day look-back period), the Recognized Loss Amount shall be *the lesser of*:
- (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below; or
- (ii) the purchase/acquisition price of each such share (excluding all fees, taxes, and commissions) *minus* \$6.37 (the average closing price of Lion common stock during the 90-day look-back period (i.e., April 10, 2017 through July 7, 2017), as shown on the last line in **Table 2** below).

¹⁰ Given that the allegedly corrective disclosures on May 14, 2014 and April 10, 2017 occurred during trading hours, the following adjustments have been made in order to properly assign artificial inflation at the time of purchase/acquisition and sale on those days:

- Artificial inflation for purchases/acquisitions on May 14, 2014 will be equal to \$0.94 plus the purchase/acquisition price *minus* \$8.20 (the closing price on May 14, 2014), not to exceed a total of \$1.94, and not to fall below \$0.94.
- Artificial inflation for sales on May 14, 2014 will be equal to \$0.94 plus the sales price *minus* \$8.20 (the closing price on May 14, 2014), not to exceed a total of \$1.94, and not to fall below \$0.94.
- Artificial inflation for purchases/acquisitions on April 10, 2017 will be equal to the purchase/acquisition price *minus* \$6.35 (the closing price on April 10, 2017), not to exceed a total of \$0.19, and not to fall below \$0.05.
- Artificial inflation for sales on April 10, 2017 will be equal to the sales price *minus* \$6.35 (the closing price on April 10, 2017), not to exceed a total of \$0.19, and not to fall below \$0.00.

ADDITIONAL PROVISIONS

5. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶10 below) is \$10.00 or greater.

6. If a Settlement Class Member has more than one purchase/acquisition or sale of Lion common stock during the Class Period, all purchases/acquisitions and sales shall be matched on a FIFO basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

7. Purchases/acquisitions and sales of Lion common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of Lion common stock during the Class Period, shall not be deemed a purchase, acquisition or sale of these shares of Lion common stock for the calculation of an Authorized Claimant’s Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of Lion common stock unless (i) the donor or decedent purchased or otherwise acquired such shares of Lion common stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of Lion common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

8. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Lion common stock. The date of a “short sale” is deemed to be the date of sale of Lion common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has an opening short position in Lion common stock, the earliest purchases or acquisitions during the Class Period shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

9. Lion common stock is the only security eligible for recovery under the Plan of Allocation. Option contracts to purchase or sell Lion common stock are not securities eligible to participate in the Settlement. With respect to Lion common stock purchased or sold through the exercise of an option, the purchase/sale date of the Lion common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option. Any Recognized Loss Amount arising from purchases of Lion common stock acquired during the Class Period through the exercise of an option on Lion common stock¹¹ shall be computed as provided for other purchases of Lion common stock in the Plan of Allocation.

10. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

¹¹ This includes (1) purchases of Lion common stock as the result of the exercise of a call option, and (2) purchases of Lion common stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

11. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel and approved by the Court.

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

TABLE 1		
Estimated Alleged Artificial Inflation in Lion Common Stock		
From	To	Estimated Alleged Artificial Inflation Per Share
9/27/2013	5/13/2014	\$1.94
5/14/2014	11/11/2014	\$0.94
11/12/2014	4/10/2017	\$0.19

TABLE 2
Lion Common Stock 90-Day Look-back Value by Sale/Disposition Date

Sale Date	90-Day Look-back Value		Sale Date	90-Day Look-back Value
4/10/2017	\$6.35		5/24/2017	\$6.30
4/11/2017	\$6.28		5/25/2017	\$6.30
4/12/2017	\$6.23		5/26/2017	\$6.28
4/13/2017	\$6.19		5/30/2017	\$6.25
4/17/2017	\$6.15		5/31/2017	\$6.21
4/18/2017	\$6.13		6/1/2017	\$6.19
4/19/2017	\$6.16		6/2/2017	\$6.19
4/20/2017	\$6.22		6/5/2017	\$6.19
4/21/2017	\$6.26		6/6/2017	\$6.19
4/24/2017	\$6.30		6/7/2017	\$6.19
4/25/2017	\$6.36		6/8/2017	\$6.20
4/26/2017	\$6.43		6/9/2017	\$6.19
4/27/2017	\$6.48		6/12/2017	\$6.19
4/28/2017	\$6.50		6/13/2017	\$6.19
5/1/2017	\$6.53		6/14/2017	\$6.19
5/2/2017	\$6.51		6/15/2017	\$6.18
5/3/2017	\$6.48		6/16/2017	\$6.18
5/4/2017	\$6.46		6/19/2017	\$6.19
5/5/2017	\$6.44		6/20/2017	\$6.20
5/8/2017	\$6.42		6/21/2017	\$6.20
5/9/2017	\$6.40		6/22/2017	\$6.21
5/10/2017	\$6.39		6/23/2017	\$6.24
5/11/2017	\$6.37		6/26/2017	\$6.25
5/12/2017	\$6.36		6/27/2017	\$6.27
5/15/2017	\$6.34		6/28/2017	\$6.28
5/16/2017	\$6.34		6/29/2017	\$6.30
5/17/2017	\$6.32		6/30/2017	\$6.31
5/18/2017	\$6.32		7/3/2017	\$6.33
5/19/2017	\$6.30		7/5/2017	\$6.35
5/22/2017	\$6.29		7/6/2017	\$6.36
5/23/2017	\$6.29		7/7/2017	\$6.37