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18 *Counsel for Plaintiff Public Employees'*  
19 *Retirement System of Mississippi*

20 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

21 **IN AND FOR THE COUNTY OF MARICOPA**

22 PUBLIC EMPLOYEES' RETIREMENT )  
23 SYSTEM OF MISSISSIPPI, individually ) **Case No.: CV2016-050480**  
and on behalf of all others similarly situated,) **Final Order and Judgment**  
Plaintiffs )  
v. ) (*Complex case*)  
SPROUTS FARMERS MARKET, INC., et )  
al., ) **(Assigned to the Hon. Roger Brodman)**  
Defendants. )  
\_\_\_\_\_)

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1           WHEREAS:

2           A.     As of December 27, 2018, the Public Employees' Retirement System of  
3 Mississippi ("PERS" or "Lead Plaintiff"), on behalf of itself and all other members of the  
4 proposed Settlement Class (defined below), on the one hand, and Sprouts Farmers  
5 Market, Inc. ("Sprouts" or the "Company"), J. Douglas Sanders, Amin N. Maredia,  
6 Donna Berlinski, Andrew S. Jhawar, Shon Boney, Joseph Fortunato, Lawrence P.  
7 Molloy, and Steven H. Townshend (together, the "Individual Defendants" and with  
8 Sprouts, the "Sprouts Defendants"), AP Sprouts Holdings, LLC, and AP Sprouts  
9 Holdings (Overseas), L.P. (together "AP"), Barclays Capital Inc., and Morgan Stanley &  
10 Co. LLC (the "Underwriter Defendants", and with AP and the Sprouts Defendants, the  
11 "Defendants"), on the other, entered into a Stipulation and Agreement of Settlement (the  
12 "Stipulation") in the above-titled litigation (the "Action");

13           B.     Pursuant to the Order Granting Preliminary Approval of Class Action  
14 Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on  
15 Final Approval of Settlement, entered January 30, 2019 (the "Preliminary Approval  
16 Order"), the Court scheduled a hearing for May 31, 2019, at 9:00 a.m. (the "Settlement  
17 Hearing") to, among other things: (i) determine whether the proposed Settlement of the  
18 Action on the terms and conditions provided for in the Stipulation is fair, reasonable, and  
19 adequate, and should be approved by the Court; (ii) determine whether a judgment as  
20 provided for in the Stipulation should be entered; (iii) determine whether the proposed  
21 Plan of Allocation for the proceeds of the Settlement should be approved; and (iv) rule on  
22 Counsel's Fee and Expense Application;

1 C. The Court ordered that the Notice of Pendency of Class Action, Proposed  
2 Settlement, and Motion for Attorneys' Fees and Expenses (the "Notice") and a Proof of  
3 Claim and Release form ("Claim Form"), substantially in the forms attached to the  
4 Preliminary Approval Order as Exhibits 1 and 2, respectively, be mailed by first-class  
5 mail, postage prepaid, on or before ten (10) business days after the date of entry of the  
6 Preliminary Approval Order ("Notice Date") to all potential Settlement Class Members  
7 who could be identified through reasonable effort, and that a Summary Notice of  
8 Pendency of Class Action, Proposed Settlement, and Motion for Attorneys' Fees and  
9 Expenses (the "Summary Notice"), substantially in the form attached to the Preliminary  
10 Approval Order as Exhibit 3, be published in *Investor's Business Daily* and transmitted  
11 over *PR Newswire* within fourteen (14) calendar days of the Notice Date;

12 D. The Notice and the Summary Notice advised potential Settlement Class  
13 Members of the date, time, place, and purpose of the Settlement Hearing. The Notice  
14 further advised that any objections to the Settlement were required to be filed with the  
15 Court and served on counsel for the Parties such that they were received by May 10,  
16 2019;

17 E. The provisions of the Preliminary Approval Order as to notice were  
18 complied with;

19 F. On April 25, 2019, Lead Plaintiff moved for final approval of the  
20 Settlement and the proposed Plan of Allocation, as set forth in the Preliminary Approval  
21 Order, and Lead Counsel moved for approval of the Fee and Expense Application. The  
22 Settlement Hearing was duly held before this Court on May 31, 2019, at which time all  
23 interested Persons were afforded the opportunity to be heard; and

1 G. This Court has duly considered Lead Plaintiff's motion, Lead Counsel's  
2 motion, the affidavits, declarations, memoranda of law submitted in support thereof, the  
3 Stipulation, and all of the submissions and arguments presented with respect to the  
4 proposed Settlement;

5 NOW, THEREFORE, after due deliberation, IT IS ORDERED, ADJUDGED  
6 AND DECREED that:

7 1. This Judgment incorporates and makes a part hereof: (i) the Stipulation  
8 filed with the Court on December 28, 2018; and (ii) the Notice, which was filed with the  
9 Court on April 25, 2019. Capitalized terms not defined in this Judgment shall have the  
10 meaning set forth in the Stipulation.

11 2. This Court has jurisdiction over the subject matter of the Action and over  
12 all parties to the Action, including all Settlement Class Members.

13 3. The Court hereby affirms its determinations in the Preliminary Approval  
14 Order and finally certifies, for purposes of the Settlement only, pursuant to Rules 23(a)  
15 and (b)(3) of the Arizona Rules of Civil Procedure, the Settlement Class of: all persons  
16 and entities that purchased or otherwise acquired Sprouts common stock in or traceable to  
17 the Company's secondary public offering of 15,847,800 shares that occurred on or about  
18 March 5, 2015, and who were allegedly damaged thereby. Excluded from the Settlement  
19 Class are: (i) the Defendants; (ii) the officers and directors of Sprouts, AP Sprouts  
20 Holdings LLC, AP Sprouts Holdings (Overseas), L.P., and the Underwriter Defendants at  
21 all relevant times; (iii) members of the immediate families of the Individual Defendants  
22 and of the excluded officers and directors; (iv) any entity in which any of the foregoing,  
23 other than the Underwriter Defendants, has or had a controlling interest (and in the case

1 of the Underwriter Defendants, only such entities in which they have a majority  
2 ownership interest); (v) any affiliates, parents or subsidiaries of Sprouts, including  
3 Sprouts' employee retirement and/or benefit plan(s) and their participants or  
4 beneficiaries, to the extent they made purchases through such plan(s); (vi) affiliates,  
5 parents or subsidiaries of AP Sprouts Holdings LLC, and AP Sprouts Holdings  
6 (Overseas), L.P. (but, for the avoidance of doubt, not excluding Persons that are members  
7 or partners of such affiliates, parents or subsidiaries); (vii) Persons who have no  
8 compensable damages; and (viii) the legal representatives, heirs, successors or assigns of  
9 any of the foregoing, in their capacities as such. Also excluded from the Settlement Class  
10 is the Person listed on Exhibit A hereto, who submitted a request for exclusion from the  
11 Settlement Class.

12 4. Pursuant to Ariz. R. Civ. P. 23, and for purposes of the Settlement only, the  
13 Court hereby re-affirms its determinations in the Preliminary Approval Order and finally  
14 certifies PERS as Class Representative for the Settlement Class; and finally appoints the  
15 law firm of Labaton Sucharow LLP as Class Counsel for the Settlement Class and the  
16 law firm of Christian Anderson PLC as Liaison Counsel for the Settlement Class.

17 5. The Court finds that the mailing and publication of the Notice, Summary  
18 Notice, and Claim Form: (i) complied with the Preliminary Approval Order; (ii)  
19 constituted the best notice practicable under the circumstances; (iii) constituted notice  
20 that was reasonably calculated to apprise Settlement Class Members of the effect of the  
21 Settlement, of the proposed Plan of Allocation, of Lead Counsel's request for an award of  
22 attorney's fees and payment of litigation expenses incurred in connection with the  
23 prosecution of the Action, of Settlement Class Members' right to object or seek exclusion

1 from the Settlement Class, and of their right to appear at the Settlement Hearing; (iv)  
2 constituted due, adequate, and sufficient notice to all Persons entitled to receive notice of  
3 the proposed Settlement; and (v) satisfied the notice requirements of Rule 23 of the  
4 Arizona Rules of Civil Procedure, the United States Constitution (including the Due  
5 Process Clause), and Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-1(a)(7), as  
6 amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”).

7       6.       There have been no objections to the Settlement.

8       7.       In light of the benefits to the Settlement Class, the complexity, expense and  
9 possible duration of further litigation against Defendants, the risks of establishing liability  
10 and damages, and the costs of continued litigation, the Court hereby fully and finally  
11 approves the Settlement as set forth in the Stipulation in all respects, and finds that the  
12 Settlement is, in all respects, fair, reasonable and adequate, and in the best interests of  
13 Lead Plaintiff and the Settlement Class. This Court further finds the Settlement set forth  
14 in the Stipulation is the result of arm’s-length negotiations between experienced counsel  
15 representing the interests of Lead Plaintiff, the Settlement Class, and Defendants. The  
16 Settlement shall be consummated in accordance with the terms and provisions of the  
17 Stipulation.

18       8.       The Complaint for Violation of the Securities Act of 1933, filed on March  
19 4, 2016, is dismissed in its entirety, with prejudice, and without costs to any Party, except  
20 as otherwise provided in the Stipulation.

21       9.       The Court finds that during the course of the Action, the Parties and their  
22 respective counsel at all times complied with the requirements of Rule 11 of the Arizona  
23 Rules of Civil Procedure.

1           10.    Upon the Effective Date, Lead Plaintiff and each and every other  
2 Settlement Class Member, on behalf of themselves and each of their respective heirs,  
3 executors, trustees, administrators, predecessors, successors, and assigns, shall be deemed  
4 to have fully, finally, and forever waived, released, discharged, covenanted not to sue  
5 with respect to, and dismissed each and every one of the Released Claims against each  
6 and every one of the Released Defendant Parties and shall forever be barred and  
7 permanently enjoined and restrained from bringing, commencing, instituting,  
8 prosecuting, asserting, or maintaining any and all of the Released Claims against any and  
9 all of the Released Defendant Parties.

10           11.    Upon the Effective Date, Defendants, on behalf of themselves and each of  
11 their respective heirs, executors, trustees, administrators, predecessors, successors, and  
12 assigns, shall be deemed to have fully, finally, and forever waived, released, discharged,  
13 covenanted not to sue with respect to, and dismissed each and every one of the Released  
14 Defendants' Claims against each and every one of the Released Plaintiff Parties and shall  
15 forever be barred, enjoined and restrained from bringing, commencing, instituting,  
16 prosecuting, asserting, or maintaining any and all of the Released Defendants' Claims  
17 against any and all of the Released Plaintiff Parties.

18           12.    Upon the Effective Date, any and all Persons are permanently barred and  
19 enjoined, to the fullest extent permitted by law, from commencing, prosecuting or  
20 asserting any and all claims for contribution, indemnification, or any other claim where  
21 the alleged injury to that Person is that Person's actual or threatened liability to the  
22 Settlement Class or a Settlement Class Member in the Action, arising out of, based upon,  
23 relating to, concerning, or in connection with the Released Claims against each and every

1 one of the Released Defendant Parties, whether arising under state, federal, local,  
2 common, or foreign law, as claims, cross-claims, counterclaims, or third-party claims, in  
3 the Action or a separate action, in the Court or in any other court, arbitration proceeding,  
4 administration, or other forum in the United States or elsewhere.

5 13. Upon the Effective Date, each and every Released Defendant Party is  
6 permanently barred and enjoined, to the fullest extent permitted by law, from  
7 commencing, prosecuting, or asserting any and all claims for contribution,  
8 indemnification, or any other claim where the alleged injury to that Released Defendant  
9 Party is that Released Defendant Party's actual or threatened liability to the Settlement  
10 Class or a Settlement Class Member in the Action, arising out of, based upon, relating to,  
11 concerning, or in connection with the Released Claims against any and all Persons,  
12 whether arising under state, federal, local, common, or foreign law, as claims, cross-  
13 claims, counterclaims, or third-party claims, in the Action or a separate action, in the  
14 Court or in any other court, arbitration proceeding, administration, or other forum in the  
15 United States or elsewhere.

16 14. Nothing in this Final Judgment shall bar any action to enforce the  
17 Settlement or release, bar or alter the contractual rights, if any, under the terms of any  
18 written agreement (i) between or among the Underwriter Defendants, or (ii) between the  
19 Underwriter Defendants, the Individual Defendants, or AP, on the one hand, and Sprouts,  
20 on the other hand.

21 15. Each Settlement Class Member, whether or not such Settlement Class  
22 Member executes and delivers a Claim Form, is bound by this Judgment, including,  
23 without limitation, the release of claims as set forth in the Stipulation.

1           16.    This Judgment and the Stipulation, whether or not consummated, and any  
2 discussion, negotiation, proceeding, or agreement relating to the Stipulation, the  
3 Settlement, and any matter arising in connection with settlement discussions or  
4 negotiations, proceedings, or agreements, shall not be offered or received against or to the  
5 prejudice of any of the Parties or their respective counsel, for any purpose other than in  
6 an action to enforce the terms hereof, and in particular:

7                   (a)    do not constitute, and shall not be offered or received against or to  
8 the prejudice of any of the Defendants as evidence of, or construed as, or deemed to be  
9 evidence of any presumption, concession, or admission by any of the Defendants with  
10 respect to the truth of any allegation by Lead Plaintiff and the Settlement Class, or the  
11 validity of any claim that has been or could have been asserted in the Action or in any  
12 litigation, including but not limited to the Released Claims, the deficiency of any defense  
13 that has been or could have been asserted by any of the Defendants in this Action or in  
14 any other litigation, or of any liability, damages, negligence, fault or wrongdoing of  
15 Defendants or any person or entity whatsoever;

16                   (b)    do not constitute, and shall not be offered or received against or to  
17 the prejudice of any of the Defendants as evidence of a presumption, concession, or  
18 admission of any fault, misrepresentation, or omission with respect to any statement or  
19 written document approved or made by any of the Defendants, or against or to the  
20 prejudice of Lead Plaintiff, or any other member of the Settlement Class as evidence of  
21 any infirmity in the claims of Lead Plaintiff, or the other members of the Settlement  
22 Class;

1 (c) do not constitute, and shall not be offered or received against or to  
2 the prejudice of any of the Defendants, Lead Plaintiff, any other member of the  
3 Settlement Class, or their respective counsel, as evidence of a presumption, concession,  
4 or admission with respect to any liability, damages, negligence, fault, infirmity, or  
5 wrongdoing, or in any way referred to for any other reason against or to the prejudice of  
6 any of the Defendants, Lead Plaintiff, other members of the Settlement Class, or their  
7 respective counsel, in any other civil, criminal, or administrative action or proceeding,  
8 other than such proceedings as may be necessary to effectuate the provisions of the  
9 Stipulation;

10 (d) do not constitute, and shall not be construed against any of the  
11 Defendants, Lead Plaintiff, or any other member of the Settlement Class, as an admission  
12 or concession that the consideration to be given hereunder represents the amount that  
13 could be or would have been recovered after trial; and

14 (e) do not constitute, and shall not be construed as or received in  
15 evidence as an admission, concession, or presumption against Lead Plaintiff, or any other  
16 member of the Settlement Class that any of their claims are without merit or infirm or  
17 that damages recoverable under the Complaint would not have exceeded the Settlement  
18 Amount.

19 17. Notwithstanding the foregoing, the Parties and other Released Parties may  
20 file or refer to this Judgment, the Stipulation, and/or any Proof of Claim: (i) to effectuate  
21 the liability protections granted hereunder, including without limitation, to support a  
22 defense or counterclaim based on principles of res judicata, collateral estoppel, release,  
23 good-faith settlement, judgment bar or reduction, or any theory of claim preclusion or

1 issue preclusion or similar defense or counterclaim; (ii) to enforce any applicable  
2 insurance policies and any agreements relating thereto; or (iii) to enforce the terms of the  
3 Stipulation and/or this Judgment. The Parties and other Released Parties submit to the  
4 jurisdiction of the Court for purposes of implementing and enforcing the Settlement.

5 18. The administration of the Settlement, and the decision of all disputed  
6 questions of law and fact with respect to the validity of any claim or right of any Person  
7 to participate in the distribution of the Net Settlement Fund, shall remain under the  
8 authority of this Court.

9 19. In the event that the Settlement does not become effective in accordance  
10 with the terms of the Stipulation, then this Judgment shall be rendered null and void to  
11 the extent provided by and in accordance with the Stipulation and shall be treated as  
12 vacated, *nunc pro tunc*, and in such event, all orders entered and releases delivered in  
13 connection herewith shall be null and void to the extent provided by and in accordance  
14 with the Stipulation.

15 20. Without further order of the Court, the Parties may agree to reasonable  
16 extensions of time to carry out any of the provisions of the Stipulation.

17 21. The Parties are hereby directed to consummate the Stipulation and to  
18 perform its terms.

19 **Approval of the Plan of Allocation**

20 22. Copies of the Notice, which included the proposed Plan of Allocation, were  
21 mailed to 71,319 potential Settlement Class Members and nominees. No objections to  
22 the Plan of Allocation have been received.

1           23.    The Court hereby finds and concludes that the Plan of Allocation for the  
2 calculation of the claims of claimants that is set forth in the Notice disseminated to  
3 Settlement Class Members, provides a fair and reasonable basis upon which to allocate  
4 the Net Settlement Fund among eligible Settlement Class Members.

5           24.    The Court hereby finds and concludes that the Plan of Allocation, as set  
6 forth in the Notice, is, in all respects, fair and reasonable and the Court hereby approves  
7 the Plan of Allocation.

8           25.    The Court's approval of the Plan of Allocation is a matter separate and  
9 distinct from approval of the Settlement and shall in no way disturb or affect the finality  
10 of the Judgment entered with respect to the Settlement.

11 **Lead Counsel's Fee and Expense Application**

12           26.    Lead Counsel is hereby awarded, on behalf of all Plaintiffs' Counsel,  
13 attorneys' fees in the amount of \$1,615,000, plus interest at the same rate earned by the  
14 Settlement Fund, and payment of litigation expenses in the amount of \$98,598.40, which  
15 sums the Court finds to be fair and reasonable.

16           27.    The award of attorneys' fees and litigation expenses may be paid to Lead  
17 Counsel from the Settlement Fund immediately upon entry of this Judgment, subject to  
18 the terms, conditions, and obligations of the Stipulation, which terms, conditions, and  
19 obligations are incorporated herein.

20           28.    In making this award of attorneys' fees and payment of litigation expenses  
21 to be paid from the Settlement Fund, the Court has found that:

1 (a) The Settlement has created a common fund of \$9.5 million in cash  
2 and that numerous Settlement Class Members who submit acceptable Claim Forms will  
3 benefit from the Settlement created by the efforts of Plaintiffs' Counsel;

4 (b) The requested attorneys' fees and payment of litigation expenses  
5 have been reviewed and approved as fair and reasonable by Lead Plaintiff, a sophisticated  
6 institutional investor that was directly involved in the prosecution and resolution of the  
7 Action and which has a substantial interest in ensuring that any fees paid to Plaintiffs'  
8 Counsel are duly earned and not excessive;

9 (c) Plaintiffs' Counsel undertook the Action on a contingent basis, and  
10 have received no compensation during the Action, and any fee and expense award has  
11 been contingent on the result achieved;

12 (d) The Action involves complex factual and legal issues and, in the  
13 absence of settlement, would involve lengthy proceedings whose resolution would be  
14 uncertain;

15 (e) Plaintiffs' Counsel conducted the Action and achieved the  
16 Settlement with skillful and diligent advocacy;

17 (f) Plaintiffs' Counsel have devoted approximately 3,233 hours, with a  
18 lodestar value of \$1,876,113.00 to achieve the Settlement;

19 (g) The amount of attorneys' fees awarded are fair and reasonable and  
20 consistent with fee awards approved in cases with similar recoveries;

21 (h) Notice was disseminated to putative Settlement Class Members  
22 stating that Lead Counsel would be submitting an application for attorneys' fees in an  
23 amount not to exceed 25% of the Settlement Fund, which includes interest, and payment

1 of litigation expenses incurred in connection with the prosecution of this Action in an  
2 amount not to exceed \$220,000, plus interest, and that such application also might  
3 include a request for a service award for Lead Plaintiff related to its representation of the  
4 Settlement Class; and

5 (i) There were no objections to the application for attorneys' fees or  
6 expenses.

7 29. The Court hereby awards Lead Plaintiff \$25,050 for its representation of  
8 the Settlement Class.

9 30. The Court's approval of the Fee and Expense Application is a matter  
10 separate and distinct from approval of the Settlement and shall in no way disturb or affect  
11 the finality of the Judgment entered with respect to the Settlement.

12 31. Without affecting the finality of this Judgment in any way, this Court  
13 hereby retains continuing jurisdiction over: (i) implementation of the Settlement; (ii) the  
14 allowance, disallowance or adjustment of any Settlement Class Member's claim on  
15 equitable grounds; (iii) all parties for the purpose of construing, enforcing and  
16 administering the Settlement and this Judgment; and (iv) other matters related or ancillary  
17 to the foregoing.

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32. No further matters remain pending and this Judgment is entered under Arizona Rules of Civil Procedure Rule 54(c) and immediate entry by the Clerk of the Court is expressly directed.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2019

BY THE COURT:

\_\_\_\_\_  
Honorable Roger Brodman  
Maricopa County Superior Court Judge

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**EXHIBIT A**

1. Katherine Watanabe - Campbell, CA

# eSignature Page 1 of 1

Filing ID: 10510744 Case Number: CV2016-050480  
Original Filing ID: 10487170

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**Granted with Modifications**



/S/ Roger Brodman Date: 5/31/2019  
Judicial Officer of Superior Court

**ENDORSEMENT PAGE**

CASE NUMBER: CV2016-050480

SIGNATURE DATE: 5/31/2019

E-FILING ID #: 10510744

FILED DATE: 6/3/2019 8:00:00 AM

HART L ROBINOVITCH

JAMIE L HALAVAIS

MAUREEN BEYERS