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 Steamfitters Local 449 Pension Plan
 and the Settlement Class*

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**UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA
 WESTERN DIVISION**

STEAMFITTERS LOCAL 449
 PENSION PLAN, Individually and on
 Behalf of all Others Similarly Situated,

Plaintiff,

vs.

MOLINA HEALTHCARE, INC., J.
 MARIO MOLINA, JOHN C. MOLINA,
 TERRY P. BAYER and RICK HOPFER,

Defendants.

Case No. 2:18-cv-03579 AB (JCx)

CLASS ACTION

STIPULATION AND AGREEMENT OF SETTLEMENT

1 This Stipulation and Agreement of Settlement (“Settlement Agreement”) is
2 made and entered into by and between Court-appointed Lead Plaintiff Steamfitters
3 Local 449 Pension Plan (“Steamfitters” or “Plaintiff”), individually and on behalf
4 of all other members of the Settlement Class defined below, on the one hand, and
5 Molina Healthcare, Inc. (“Molina” or the “Company”), J. Mario Molina, John C.
6 Molina, Terry P. Bayer, and Rick Hopfer (collectively, “Defendants”), on the
7 other. This Settlement Agreement is intended to fully, finally, and forever resolve,
8 discharge, and settle the Released Claims and Released Defendants’ Claims, both
9 as defined herein, subject to the approval of the Court and the terms and conditions
10 set forth herein.

11 **WHEREAS:**

12 A. All words or terms used herein that are capitalized shall have the
13 meanings ascribed to those words or terms herein and in Paragraph 1 below, titled
14 “Definitions.”

15 B. On April 27, 2018, Steamfitters filed a securities class action
16 complaint in the United States District Court for the Central District of California
17 (the “Court” or “District Court”) on behalf of purchasers of Molina common stock.
18 The Action ultimately was assigned to the Hon. Manuel Real, United States
19 District Judge.

20 C. On June 29, 2018, Steamfitters moved pursuant to Section 21D of the
21 Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(3)(B), as amended by the
22 Private Securities Litigation Reform Act of 1995 (the “PSLRA”), for appointment
23 as lead plaintiff and for the appointment of its counsel, Labaton Sucharow LLP as
24 lead counsel.

25 D. On August 21, 2018, the Court issued an Order appointing
26 Steamfitters as Lead Plaintiff and approving its selection of Labaton Sucharow
27 LLP as Lead Counsel for the Class.

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1 E. Lead Plaintiff, through Lead Counsel, conducted a thorough
2 investigation relating to the claims, defenses, and underlying events and
3 transactions that are the subject of this Action. This process included reviewing
4 and analyzing: (i) documents filed publicly by the Company with the U.S.
5 Securities and Exchange Commission (“SEC”); (ii) publicly available information,
6 including press releases, news articles, and other public statements issued by or
7 concerning the Company and Defendants; (iii) research reports issued by financial
8 analysts concerning the Company; (iv) publicly available data concerning Molina
9 common stock; (v) certain internal, nonpublic documents provided to Lead
10 Counsel by former employees of Molina; (vi) documents produced by Defendants
11 in connection with the mediation; and (vii) the applicable law governing the claims
12 and potential defenses. Lead Counsel also interviewed former Molina employees
13 and other persons with relevant knowledge and consulted with experts on damages
14 and causation issues and healthcare industry information technology (IT) systems.

15 F. Steamfitters filed the operative Amended Class Action Complaint (the
16 “Complaint”) on October 5, 2018. The Complaint alleges violations of Sections
17 10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”), 15
18 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the SEC,
19 17 C.F.R. § 240.10b-5, on behalf of a class of all persons and entities that
20 purchased or otherwise acquired Molina publicly traded common stock during the
21 period from October 31, 2014 through August 2, 2017, inclusive, and were
22 damaged thereby.

23 G. Defendants filed a motion to dismiss the Complaint on October 19,
24 2018. Lead Plaintiff filed a memorandum of law in opposition to the motion on
25 November 9, 2018. Defendants filed a reply in support of the motion to dismiss on
26 November 19, 2018.

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1 H. On December 13, 2018, the Court issued an Order granting
2 Defendants' motion and dismissing the Complaint with prejudice. The Court ruled
3 that Lead Plaintiff failed to sufficiently plead falsity and scienter.

4 I. On January 9, 2019, Lead Plaintiff appealed from the Order to the
5 United States Court of Appeals for the Ninth Circuit (the "Court of Appeals").
6 Lead Plaintiff filed its opening brief and record excerpts on April 24, 2019.
7 Defendants filed their answering brief and supplemental record excerpts on June
8 24, 2019. Lead Plaintiff filed its reply brief on August 14, 2019.

9 J. On June 26, 2019, during the pendency of the appeal, the Hon.
10 Manuel Real passed away.

11 K. After the appeal was fully briefed, Lead Plaintiff and Defendants
12 agreed to engage Michelle Yoshida, Esq. of Phillips ADR, a well-respected and
13 experienced mediator, to assist the Parties in exploring a potential negotiated
14 resolution of the claims asserted in this Action. On February 27, 2020, the Parties
15 met with Ms. Yoshida in an attempt to reach a settlement. The mediation involved
16 an extended effort to settle the claims and was preceded by the exchange of
17 mediation statements and the provision of certain nonpublic documents by Molina
18 to Lead Plaintiff. While these discussions narrowed the differences between Lead
19 Plaintiff and Defendants, the Parties did not reach an accord that day.

20 L. On March 1, 2020, the Court of Appeals scheduled oral argument to
21 proceed on May 13, 2020.

22 M. Thereafter, on March 5, 2020, following continued arm's-length
23 negotiations facilitated and supervised by Ms. Yoshida, the Parties reached an
24 agreement-in-principle to settle this Action.

25 N. On March 19, 2020, the Parties filed a Joint Motion to Vacate Oral
26 Argument and Stay Appeal Pending Settlement with the Court of Appeals ("Joint
27 Motion"). The Joint Motion advised the Court of Appeals that the Parties had
28 reached an agreement-in-principle to settle the Action, and asked the Court of

1 Appeals to stay the appeal and vacate the May 13, 2020 oral argument date to
2 allow the Parties time to negotiate the formal settlement documents.

3 O. On March 26, 2020, the Court of Appeals granted the Joint Motion.
4 The Court of Appeals stayed the appeal until September 18, 2020 or until such
5 time as the District Court grants final approval to the Settlement, whichever comes
6 first. The Court of Appeals directed the Parties, within seven (7) days after the
7 stay expires, either to voluntarily withdraw the appeal pursuant to Federal Rule of
8 Appellate Procedure 42(b), or file a status report and motion for appropriate relief.

9 P. On April 21, 2020, the Parties filed a Joint Motion for Limited
10 Remand Pending Consideration of Proposed Class Action Settlement with the
11 Court of Appeals. On April 22, 2020, the Court of Appeals granted the motion and
12 remanded the matter to the District Court for the limited purpose of allowing the
13 District Court to consider the Settlement and related matters. On April 24, 2020,
14 the District Court reassigned this Action to the Hon. André Birotte Jr., United
15 States District Judge.

16 Q. Defendants have denied and continue to deny any wrongdoing or that
17 they have committed any act or omission giving rise to any liability or violation of
18 law, including the U.S. securities laws. Defendants have denied and continue to
19 deny each and every one of the claims alleged by Lead Plaintiff in the Action on
20 behalf of the proposed Settlement Class, including all claims in the Complaint. For
21 example, Defendants deny the allegations that they knowingly, or otherwise, made
22 any material misstatements or omissions; that any Member of the Settlement Class
23 has suffered damages; that the prices of Molina common stock were artificially
24 inflated by reason of the alleged misrepresentations, omissions, or otherwise; or
25 that the conduct alleged in the Complaint caused any losses allegedly experienced
26 by, or otherwise harmed, any Member of the Settlement Class. Nonetheless,
27 Defendants have concluded that continuation of the Action would be protracted,
28 time-consuming, and expensive, and that it is desirable that the Action be fully and

1 finally settled in the manner and upon the terms and conditions set forth in the
2 Settlement Agreement. Defendants also have taken into account the uncertainty
3 and risks inherent in any litigation, especially a complex case like this Action, and
4 believe that it is desirable and beneficial that the Action be settled in the manner
5 and upon the terms and conditions set forth in the Settlement Agreement.

6 R. Lead Plaintiff believes that the claims asserted in the Action have
7 merit and that the information developed to date supports the claims asserted.
8 However, Lead Plaintiff and Lead Counsel recognize and acknowledge the
9 expense and length of continued proceedings necessary to prosecute the Action
10 through trial and appeals. They also have taken into account the uncertain
11 outcome and the risk of any litigation, especially in complex actions such as the
12 Action, as well as the difficulties and delays inherent in such litigation. Lead
13 Counsel is mindful of the inherent problems of proof and the possible defenses to
14 the claims alleged in the Action. Based on their evaluation, Lead Plaintiff and
15 Lead Counsel believe that the Settlement set forth in this Settlement Agreement
16 confers substantial monetary benefits upon the Settlement Class and is in the best
17 interests of Lead Plaintiff and the Settlement Class.

18 **NOW THEREFORE**, without any concession by Lead Plaintiff that the
19 Action lacks merit, and without any concession by Defendants of any liability or
20 wrongdoing or lack of merit in their defenses, it is hereby **STIPULATED AND**
21 **AGREED**, by and among the parties to this Settlement Agreement (the “Parties”),
22 through their respective attorneys, subject to approval by the Court pursuant to
23 Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the
24 benefits flowing to the Parties hereto, all Released Claims and all Released
25 Defendants’ Claims, as against all Released Parties, shall be fully, finally, and
26 forever compromised, settled, released, discharged, and dismissed with prejudice,
27 and without costs, upon and subject to the following terms and conditions:
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DEFINITIONS

1. As used in this Settlement Agreement, the following terms shall have the meanings set forth below. In the event of any inconsistency between any definition set forth below and any definition in any other document related to the Settlement, the definition set forth below shall control.

(a) “Action” means the civil action titled *Steamfitters Local 449 Pension Plan v. Molina Healthcare, Inc., et al.*, Case No. 2:18-cv-03579 AB (JCx) (C.D. Cal.), pending in the United States District Court for the Central District of California.

(b) “Alternative Judgment” means a form of final judgment that may be entered by the Court but in a form other than the form of Judgment provided for in this Settlement Agreement and where none of the Parties hereto elects to terminate this Settlement by reason of such variance.

(c) “Authorized Claimant” means a Settlement Class Member who submits a valid Proof of Claim and Release form to the Claims Administrator that is accepted for payment.

(d) “Claim Form” or “Proof of Claim” mean the Proof of Claim and Release form for submitting a claim, which, subject to approval of the Court, shall be substantially in the form annexed as Exhibit 2 to Exhibit A hereto.

(e) “Claims Administrator” means the firm to be retained by Lead Counsel, subject to Court approval, to provide all notices approved by the Court to Settlement Class Members, to process proofs of claim, and to administer the Settlement.

(f) “Class Period” means the period from October 31, 2014 through August 2, 2017, inclusive.

(g) “Court” or “District Court” means the United States District Court for the Central District of California.

1 (h) “Defendants” means Molina Healthcare, Inc., J. Mario Molina,
2 John C. Molina, Terry P. Bayer, and Rick Hopfer.

3 (i) “Defendants’ Counsel” means the law firms of Latham &
4 Watkins LLP and Cooley LLP.

5 (j) “Effective Date” means the date upon which the Settlement
6 shall have become effective, as set forth in Paragraph 38 below.

7 (k) “Escrow Account” means the separate escrow account at
8 Citibank, N.A., a national banking institution, established to receive the Settlement
9 Amount for the benefit of the Settlement Class pursuant to this Settlement
10 Agreement and subject to the jurisdiction of the Court.

11 (l) “Escrow Agent” means Citibank, N.A.

12 (m) “Fee and Expense Application” means Lead Counsel’s
13 application, on behalf of all Plaintiffs’ Counsel, for an award of attorneys’ fees and
14 payment of litigation expenses incurred in prosecuting the case, including any
15 expenses pursuant to 15 U.S.C. § 78u-4(a)(4).

16 (n) “Final,” with respect to a court order, including a judgment,
17 means the later of: (i) if there is an appeal from a court order, the date of final
18 affirmance on appeal and the expiration of the time for any further judicial review
19 whether by appeal, reconsideration or a petition for a writ of certiorari and, if
20 certiorari is granted, the date of final affirmance of the order following review
21 pursuant to the grant; or (ii) the date of final dismissal of any appeal from the order
22 or the final dismissal of any proceeding on certiorari to review the order; or (iii) the
23 expiration of the time for the filing or noticing of any appeal or petition for
24 certiorari from the order (or, if the date for taking an appeal or seeking review of
25 the order shall be extended beyond this time by order of the issuing court, by
26 operation of law or otherwise, or if such extension is requested, the date of
27 expiration of any extension if any appeal or review is not sought), without any such
28 filing or noticing being made. However, any appeal or proceeding seeking

1 subsequent judicial review pertaining solely to the Plan of Allocation of the Net
2 Settlement Fund, or to the Court’s award of attorneys’ fees or expenses, shall not
3 in any way delay or affect the time set forth above for the Judgment or Alternative
4 Judgment to become Final or otherwise preclude the Judgment or Alternative
5 Judgment from becoming Final.

6 (o) “Individual Defendants” means J. Mario Molina, John C.
7 Molina, Terry P. Bayer, and Rick Hopfer.

8 (p) “Judgment” means the proposed judgment to be entered by the
9 Court approving the Settlement, substantially in the form annexed hereto as
10 Exhibit B.

11 (q) “Lead Counsel” means Labaton Sucharow LLP.

12 (r) “Lead Plaintiff” means Steamfitters Local 449 Pension Plan.

13 (s) “Liaison Counsel” means Glancy Prongay & Murray LLP.

14 (t) “Mediator” means Michelle Yoshida, Esq. of Phillips ADR.

15 (u) “Net Settlement Fund” means the Settlement Fund less: (i)
16 Court-awarded attorneys’ fees and expenses; (ii) Notice and Administration
17 Expenses; (iii) Taxes; and (iv) any other fees or expenses approved by the Court.

18 (v) “Notice” means the Notice of Pendency of Class Action,
19 Proposed Settlement, and Motion for Attorneys’ Fees and Expenses to be sent to
20 Settlement Class Members, which, subject to approval of the Court, shall be
21 substantially in the form annexed hereto as Exhibit 1 to Exhibit A hereto.

22 (w) “Notice and Administration Expenses” means all costs, fees,
23 and expenses incurred in connection with providing notice to the Settlement Class
24 and the administration of the Settlement, including but not limited to: (i) providing
25 notice of the proposed Settlement by mail, publication, and other means to
26 potential Settlement Class Members; (ii) receiving and reviewing claims for
27 payment from the Net Settlement Fund; (iii) applying the Plan of Allocation; (iv)
28 communicating with Persons regarding the proposed Settlement and claims

1 administration process; (v) distributing the proceeds of the Settlement; and (vi)
2 fees related to the Escrow Account and investment of the Settlement Fund.

3 (x) “Person(s)” means any individual, corporation (including all
4 divisions and subsidiaries), general or limited partnership, association, joint stock
5 company, joint venture, limited liability company, professional corporation, estate,
6 legal representative, trust, unincorporated association, government or any political
7 subdivision or agency thereof, and any other business or legal entity.

8 (y) “Plaintiffs’ Counsel” means the law firms of Labaton Sucharow
9 LLP and Glancy Prongay & Murray LLP.

10 (z) “Plan of Allocation” means the proposed Plan of Allocation for
11 distribution of the Net Settlement Fund, which, subject to the approval of the
12 Court, shall be substantially in the form described in the Notice.

13 (aa) “Preliminary Approval Order” means the proposed Order
14 Granting Preliminary Approval of Class Action Settlement, Approving Form and
15 Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement,
16 which, subject to the approval of the Court, shall be substantially in the form
17 annexed hereto as Exhibit A.

18 (bb) “Released Claims” means any and all claims and causes of
19 action of every nature and description, including both known claims and Unknown
20 Claims (defined below), whether arising under federal, state, common or foreign
21 law, or any other law, whether class or individual in nature, that Lead Plaintiff or
22 any other Settlement Class Member (i) asserted in the Action; or (ii) could have
23 asserted in the Action, or in any forum, that arise out of, relate to, or are based
24 upon both (a) the allegations, transactions, facts, events, acts, occurrences,
25 statements, representations and/or omissions alleged in the Action and (b) the
26 purchase or acquisition of Molina publicly traded common stock during the Class
27 Period. For the avoidance of doubt, Released Claims do not include claims
28 relating to the enforcement of the Settlement.

1 (cc) “Released Defendant Parties” means Defendants, Defendants’
2 Counsel, and each of their respective past or present subsidiaries, parents,
3 affiliates, principals, successors and predecessors, assigns, officers, directors,
4 shareholders, trustees, partners, agents, fiduciaries, contractors, employees,
5 attorneys, auditors, and insurers; the spouses, members of the immediate families,
6 representatives, and heirs of the Individual Defendants, as well as any trust of
7 which any Individual Defendant is the settlor or which is for the benefit of any of
8 their immediate family members; any firm, trust, corporation, or entity in which
9 any Defendant has a controlling interest; and any of the legal representatives, heirs,
10 successors in interest or assigns of Defendants.

11 (dd) “Released Defendants’ Claims” means all claims and causes of
12 action of every nature and description, including both known claims and Unknown
13 Claims (as defined below), whether arising under federal, state, common or foreign
14 law, or any other law, that Defendants could have asserted against any of the
15 Released Plaintiff Parties that arise out of or relate in any way to the institution,
16 prosecution, or settlement of the claims in the Action, except for claims relating to
17 the enforcement of the Settlement.

18 (ee) “Released Parties” means the Released Defendant Parties and
19 the Released Plaintiff Parties.

20 (ff) “Released Plaintiff Parties” means each and every Settlement
21 Class Member, Lead Plaintiff, Lead Counsel, Liaison Counsel, and each of their
22 respective past or present trustees, officers, directors, partners, employees,
23 affiliates, contractors, auditors, principals, agents, attorneys, predecessors,
24 successors, assigns, insurers, parents, subsidiaries, general or limited partners or
25 partnerships, and limited liability companies; and the spouses, members of the
26 immediate families, representatives, and heirs of any Released Plaintiff Party who
27 is an individual, as well as any trust of which any Released Plaintiff Party is the
28 settlor or which is for the benefit of any of their immediate family members.

1 Released Plaintiff Parties does not include any Person who timely and validly
2 seeks exclusion from the Settlement Class.

3 (gg) “Settlement” means the resolution of the Action in accordance
4 with the terms and provisions of this Settlement Agreement.

5 (hh) “Settlement Agreement” means this Stipulation and Agreement
6 of Settlement.

7 (ii) “Settlement Amount” means the total principal amount of
8 Seven Million Five Hundred Thousand United States dollars (\$7,500,000) in cash.

9 (jj) “Settlement Class” or “Settlement Class Member” means all
10 persons and entities that purchased or otherwise acquired Molina publicly traded
11 common stock during the period from October 31, 2014 through August 2, 2017,
12 inclusive, and were damaged thereby. Excluded from the Settlement Class are: (i)
13 the Defendants; (ii) the present and former officers and directors of the Company;
14 (iii) the Company’s subsidiaries and affiliates; (iv) the Company’s employee
15 retirement and benefit plan(s) and their participants or beneficiaries, to the extent
16 they made purchases through such plan(s); (v) members of the immediate families
17 of the Individual Defendants; (vi) any entity in which any Defendant has or had a
18 controlling interest; and (vii) the legal representatives, heirs, successors, and
19 assigns of any such excluded party. Also excluded from the Settlement Class will
20 be any Person that timely and validly seeks exclusion from the Settlement Class.

21 (kk) “Settlement Fund” means the Settlement Amount and any
22 interest earned thereon.

23 (ll) “Settlement Hearing” means the hearing to be held by the Court
24 to determine, among other things, whether the proposed Settlement is fair,
25 reasonable, and adequate and should be approved.

26 (mm) “Summary Notice” means the Summary Notice of Pendency of
27 Class Action, Proposed Settlement, and Motion for Attorneys’ Fees and Expenses
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1 for publication, which, subject to approval of the Court, shall be substantially in
2 the form annexed as Exhibit 3 to Exhibit A hereto.

3 (nn) "Taxes" means all federal, state, or local taxes of any kind on
4 any income earned by the Settlement Fund and the expenses and costs incurred in
5 connection with the taxation of the Settlement Fund (including, without limitation,
6 interest, penalties and the reasonable expenses of tax attorneys and accountants).

7 (oo) "Unknown Claims" means any and all Released Claims that
8 Lead Plaintiff or any other Settlement Class Member does not know or suspect to
9 exist in his, her, or its favor at the time of the release of the Released Defendant
10 Parties, and any and all Released Defendants' Claims that any Defendant does not
11 know or suspect to exist in his, her, or its favor at the time of the release of the
12 Released Plaintiff Parties, which if known by him, her, or it might have affected
13 his, her, or its decision(s) with respect to the Settlement, including the decision to
14 object to the terms of the Settlement or to exclude himself, herself, or itself from
15 the Settlement Class. With respect to any and all Released Claims and Released
16 Defendants' Claims, the Parties stipulate and agree that, upon the Effective Date,
17 Lead Plaintiff and Defendants shall expressly, and each other Settlement Class
18 Member shall be deemed to have, and by operation of the Judgment or Alternative
19 Judgment shall have, to the fullest extent permitted by law, expressly waived and
20 relinquished any and all provisions, rights and benefits conferred by any law of any
21 state or territory of the United States or foreign law, or principle of common law,
22 which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which
23 provides:

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

1 Lead Plaintiff, other Settlement Class Members, or Defendants may hereafter
2 discover facts, legal theories, or authorities in addition to or different from those
3 which any of them now knows or believes to be true with respect to the subject
4 matter of the Released Claims and the Released Defendants' Claims, but Lead
5 Plaintiff and Defendants shall expressly, fully, finally, and forever settle and
6 release, and each Settlement Class Member shall be deemed to have settled and
7 released, and upon the Effective Date and by operation of the Judgment or
8 Alternative Judgment shall have settled and released, fully, finally, and forever,
9 any and all Released Claims and Released Defendants' Claims as applicable,
10 without regard to the subsequent discovery or existence of such different or
11 additional facts, legal theories, or authorities. Lead Plaintiff and Defendants
12 acknowledge, and other Settlement Class Members by operation of law shall be
13 deemed to have acknowledged, that the inclusion of "Unknown Claims" in the
14 definition of Released Claims and Released Defendants' Claims was separately
15 bargained for and was a material element of the Settlement.

16 **SCOPE AND EFFECT OF SETTLEMENT**

17 2. The obligations incurred pursuant to this Settlement Agreement are
18 (a) subject to approval by the Court and the Judgment, or Alternative Judgment,
19 reflecting such approval becoming Final; and (b) in full and final disposition of the
20 Action with respect to the Released Parties and any and all Released Claims and
21 Released Defendants' Claims.

22 3. For purposes of this Settlement only, the Parties agree to: (i)
23 certification of the Action as a class action, pursuant to Fed. R. Civ. P. 23(a) and
24 23(b)(3), on behalf of the Settlement Class as defined in Paragraph 1(jj) above; (ii)
25 the appointment of Lead Plaintiff as Class Representative for the Settlement Class;
26 and (iii) the appointment of Lead Counsel as Class Counsel for the Settlement
27 Class pursuant to Fed. R. Civ. P. 23(g).
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1 payment address, and a complete and executed Form W-9 for the Settlement Fund
2 that reflects a valid tax identification number.

3 7. With the sole exception of Defendants' obligation to secure payment
4 of the Settlement Amount into the Escrow Account as provided for in Paragraph 6
5 above, and Molina's obligations pursuant to Paragraphs 21 and 36 below,
6 Defendants and Defendants' Counsel shall have no responsibility for, interest in, or
7 liability whatsoever with respect to: (i) any act, omission, or determination by Lead
8 Counsel or the Claims Administrator, or any of their respective designees or
9 agents, in connection with the administration of the Settlement or otherwise; (ii)
10 the management, investment, or distribution of the Settlement Fund; (iii) the Plan
11 of Allocation; (iv) the determination, administration, calculation, or payment of
12 any claims asserted against the Settlement Fund; (v) any loss suffered by, or
13 fluctuation in value of, the Settlement Fund; or (vi) the payment or withholding of
14 any Taxes, expenses, and/or costs incurred in connection with the taxation of the
15 Settlement Fund, distributions or other payments from the Escrow Account, or the
16 filing of any federal, state, or local returns.

17 8. Other than the obligation of Defendants to cause the payment of the
18 Settlement Amount pursuant to Paragraph 6 above, Defendants shall have no
19 obligation to make any other payments into the Escrow Account or to any
20 Settlement Class Member pursuant to this Settlement Agreement.

21 **USE AND TAX TREATMENT OF SETTLEMENT FUND**

22 9. The Settlement Fund shall be used: (i) to pay any Taxes; (ii) to pay
23 Notice and Administration Expenses; (iii) to pay any attorneys' fees and expenses
24 awarded by the Court; (iv) to pay any other fees and expenses awarded by the
25 Court; and (v) to pay the claims of Authorized Claimants.

26 10. The Net Settlement Fund shall be distributed to Authorized Claimants
27 as provided in Paragraphs 22-34 below. The Net Settlement Fund shall remain in
28 the Escrow Account prior to the Effective Date. All funds held in the Escrow

1 Account, and all earnings thereon, shall be deemed to be in the custody of the
2 Court and shall remain subject to the jurisdiction of the Court until such time as the
3 funds shall have been disbursed or returned, pursuant to the terms of this
4 Settlement Agreement, and/or further order of the Court. The Escrow Agent shall
5 invest funds in the Escrow Account in instruments backed by the full faith and
6 credit of the United States Government (or a mutual fund invested solely in such
7 instruments), or deposit some or all of the funds in non-interest-bearing transaction
8 account(s) that are fully insured by the Federal Deposit Insurance Corporation
9 (“FDIC”) in amounts that are up to the limit of FDIC insurance. Defendants and
10 Defendants’ Counsel shall have no responsibility for, interest in, or liability
11 whatsoever with respect to investment decisions executed by the Escrow Agent.
12 All risks related to the investment of the Settlement Fund shall be borne solely by
13 the Settlement Fund.

14 11. After the Settlement Amount has been paid into the Escrow Account,
15 the Parties agree to treat the Settlement Fund as a “qualified settlement fund”
16 within the meaning of Treas. Reg. § 1.468B-1. All provisions of this Settlement
17 Agreement shall be interpreted in a manner that is consistent with the Settlement
18 Amount being a “qualified settlement fund” within the meaning of Treas. Reg. §
19 1.468B-1. In addition, Lead Counsel shall timely make, or cause to be made, such
20 elections as necessary or advisable to carry out the provisions of this Paragraph 11,
21 including the “relation-back election” (as defined in Treas. Reg. § 1.468B-1) back
22 to the earliest permitted date. Such election shall be made in compliance with the
23 procedures and requirements contained in such regulations. It shall be the
24 responsibility of Lead Counsel to timely and properly prepare and deliver, or cause
25 to be prepared and delivered, the necessary documentation for signature by all
26 necessary parties, and thereafter take all such actions as may be necessary or
27 appropriate to cause the appropriate filing(s) to timely occur. Consistent with the
28 foregoing:

1 (a) For the purposes of Section 468B of the Internal Revenue Code
2 of 1986, as amended, and Treas. Reg. § 1.468B promulgated thereunder, the
3 “administrator” shall be Lead Counsel or its successors, who shall timely and
4 properly file, or cause to be filed, all federal, state, or local tax returns and
5 information returns (together, “Tax Returns”) necessary or advisable with respect
6 to the earnings on the funds deposited in the Escrow Account (including without
7 limitation the returns described in Treas. Reg. § 1.468B-2(k)). Such Tax Returns
8 (as well as the election described above) shall be consistent with this subparagraph
9 and in all events shall reflect that all Taxes (including any estimated taxes,
10 earnings, or penalties) on the income earned on the funds deposited in the Escrow
11 Account shall be paid out of such funds as provided in subparagraph (c) of this
12 Paragraph 11.

13 (b) All Taxes shall be paid out of the Settlement Fund. In all
14 events, Defendants and Defendants’ Counsel shall have no liability or
15 responsibility whatsoever for the Taxes or the filing of any Tax Return or other
16 document with the Internal Revenue Service or any other state or local taxing
17 authority. Defendants shall have no liability or responsibility for the Taxes of the
18 Escrow Account with respect to the Settlement Amount nor the filing of any Tax
19 Returns or other documents with the Internal Revenue Service or any other taxing
20 authority. In the event any Taxes are owed by any of the Defendants on any
21 earnings on the funds on deposit in the Escrow Account, such amounts shall also
22 be paid out of the Settlement Fund.

23 (c) Taxes with respect to the Settlement Amount and the Escrow
24 Account shall be treated as, and considered to be, a cost of administration of the
25 Settlement and shall be timely paid, or caused to be paid, by Lead Counsel out of
26 the Settlement Fund without prior order from the Court or approval by Defendants.
27 The Claims Administrator shall be obligated (notwithstanding anything herein to
28 the contrary) to withhold from distribution to Authorized Claimants any funds

1 necessary to pay such amounts (as well as any amounts that may be required to be
2 withheld under Treas. Reg. § 1.468B-2(1)(2)). The Parties agree to cooperate with
3 each other, and their tax attorneys and accountants to the extent reasonably
4 necessary, to carry out the provisions of this Paragraph 11.

5 12. This is not a claims-made settlement. As of the Effective Date,
6 Defendants, and/or any other Person funding the Settlement on a Defendant's
7 behalf, shall not have any right to the return of the Settlement Fund or any portion
8 thereof for any reason.

9 **ATTORNEYS' FEES AND EXPENSES**

10 13. Lead Counsel, on behalf of all Plaintiffs' Counsel, will apply to the
11 Court for an award from the Settlement Fund of attorneys' fees and payment of
12 litigation expenses incurred in prosecuting the Action, including reimbursement to
13 Lead Plaintiff pursuant to the PSLRA, plus earnings on such amounts at the same
14 rate and for the same periods as earned by the Settlement Fund. Defendants shall
15 take no position with respect to any Fee and Expense Application.

16 14. The amount of attorneys' fees and expenses awarded by the Court is
17 within the sole discretion of the Court. Any attorneys' fees and expenses awarded
18 by the Court shall be paid from the Settlement Fund to Lead Counsel immediately
19 after entry of the Order awarding such attorneys' fees and expenses and entry of
20 the Judgment or Alternative Judgment, notwithstanding the existence of any timely
21 filed objections thereto or to the Settlement, or potential for appeal therefrom, or
22 collateral attack on the Fee and Expense Application, the Settlement, or any part
23 thereof. Lead Counsel shall allocate any Court-awarded attorneys' fees and
24 expenses among Plaintiffs' Counsel.

25 15. Any payment of attorneys' fees and expenses pursuant to Paragraphs
26 13 and 14 above shall be subject to Lead Counsel's obligation to make refunds or
27 repayments to the Settlement Fund of any paid amounts, plus accrued earnings at
28 the same net rate as is earned by the Settlement Fund, if the Settlement is

1 terminated pursuant to the terms of this Settlement Agreement or fails to become
2 effective for any reason, or if, as a result of any appeal or further proceedings on
3 remand or successful collateral attack, the award of attorneys' fees and/or expenses
4 is reduced or reversed by Final non-appealable court order. Lead Counsel shall
5 make the appropriate refund or repayment in full no later than thirty (30) calendar
6 days after receiving notice of the termination of the Settlement pursuant to this
7 Settlement Agreement, notice from a court of appropriate jurisdiction of the
8 disapproval of the Settlement by Final non-appealable court order, or notice of any
9 reduction or reversal of the award of attorneys' fees and/or expenses by Final non-
10 appealable court order.

11 16. With the sole exception of Defendants' obligation to pay the
12 Settlement Amount into the Escrow Account as provided for in Paragraph 6 above,
13 Defendants shall have no responsibility for, and no liability whatsoever with
14 respect to, any payment whatsoever to Plaintiffs' Counsel in the Action that may
15 occur at any time.

16 17. Defendants shall have no responsibility for, and no liability
17 whatsoever with respect to, any allocation of any attorneys' fees or expenses
18 among Plaintiffs' Counsel in the Action, or to any other Person who may assert
19 some claim thereto, or any fee or expense awards the Court may make in the
20 Action.

21 18. Defendants shall have no responsibility for, and no liability
22 whatsoever with respect to, any attorneys' fees, costs, or expenses incurred by or
23 on behalf of Settlement Class Members, whether or not paid from the Escrow
24 Account. The Settlement Fund will be the sole source of payment from
25 Defendants for any award of attorneys' fees and expenses ordered by the Court.

26 19. The procedure for and the allowance or disallowance by the Court of
27 any Fee and Expense Application are not part of the Settlement set forth in this
28 Settlement Agreement, and any order or proceeding relating to any Fee and

1 Expense Application, including an award of attorneys' fees or expenses in an
2 amount less than the amount requested by Lead Counsel, or any appeal from any
3 order relating thereto or reversal or modification thereof, shall not operate to
4 terminate or cancel the Settlement Agreement, or affect or delay the finality of the
5 Judgment or Alternative Judgment approving the Settlement Agreement and the
6 Settlement set forth herein. Lead Plaintiff and Lead Counsel may not cancel or
7 terminate the Settlement Agreement or the Settlement in accordance with
8 Paragraph 39 below or otherwise based on the Court's or any appellate court's
9 ruling with respect to fees and expenses in the Action.

10 **NOTICE AND ADMINISTRATION EXPENSES**

11 20. Except as otherwise provided herein, the Net Settlement Fund shall be
12 held in the Escrow Account until the Effective Date.

13 21. Prior to the Effective Date, without further approval from Defendants
14 or further order of the Court, Lead Counsel may expend up to \$500,000 from the
15 Settlement Fund to pay Notice and Administration Expenses actually incurred.
16 Additional sums for this purpose prior to the Effective Date may be paid from the
17 Settlement Fund upon agreement of the Parties or order of the Court. Taxes and
18 fees related to the Escrow Account and investment of the Settlement Fund may be
19 paid as incurred, without further approval of Defendants or further order of the
20 Court. After the Effective Date, without approval of Defendants or further order of
21 the Court, Notice and Administration Expenses may be paid as incurred.
22 Defendants shall be responsible for providing any required notice under the Class
23 Action Fairness Act of 2005, if any, at their own expense.

24 **DISTRIBUTION TO AUTHORIZED CLAIMANTS**

25 22. The Claims Administrator, subject to such supervision and direction
26 of Lead Counsel and/or the Court as may be necessary or as circumstances may
27 require, shall administer the Settlement in accordance with the terms of this
28 Settlement Agreement, the Court-approved Plan of Allocation, and subject to the

1 jurisdiction of the Court. Defendants and Defendants' Counsel shall have no
2 responsibility for (except as stated in Paragraphs 6 and 36 hereof), interest in, or
3 liability whatsoever with respect to the administration of the Settlement or the
4 actions or decisions of the Claims Administrator, and shall have no liability to the
5 Settlement Class in connection with such administration.

6 23. The Claims Administrator shall determine each Authorized
7 Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized
8 Claimant's recognized loss, as defined in the Plan of Allocation included in the
9 Notice, or in such other plan of allocation as the Court may approve.

10 24. Defendants have no role in the development of, and will take no
11 position with respect to, the Plan of Allocation. Any decision by the Court
12 concerning the Plan of Allocation shall not affect the validity or finality of the
13 proposed Settlement. The Plan of Allocation is not a necessary term of this
14 Settlement Agreement and it is not a condition of this Settlement Agreement that
15 any particular plan of allocation be approved by the Court. Lead Plaintiff and Lead
16 Counsel may not cancel or terminate the Settlement Agreement or the Settlement
17 in accordance with Paragraph 39 below or otherwise based on the Court's or any
18 appellate court's ruling with respect to the Plan of Allocation or any plan of
19 allocation in the Action. Defendants and Defendants' Counsel shall have no
20 responsibility or liability for reviewing or challenging claims, the allocation of the
21 Net Settlement Fund, or the distribution of the Net Settlement Fund.

22 25. Upon the Effective Date and thereafter, and in accordance with the
23 terms of the Settlement Agreement, the Plan of Allocation, or such further
24 approval and further order(s) of the Court as may be necessary or as circumstances
25 may require, the Net Settlement Fund shall be distributed to Authorized Claimants.

26 26. If there is any balance remaining in the Net Settlement Fund (whether
27 by reason of tax refunds, uncashed checks or otherwise) after at least six (6)
28 months from the date of initial distribution of the Net Settlement Fund, the Claims

1 Administrator shall, if feasible and economical after payment of Notice and
2 Administration Expenses, Taxes, and attorneys' fees and expenses, if any,
3 redistribute such balance among Authorized Claimants who have cashed their
4 checks in an equitable and economic fashion. Once it is no longer feasible or
5 economical to make further distributions, any balance that still remains in the Net
6 Settlement Fund after re-distribution(s) and after payment of outstanding Notice
7 and Administration Expenses, Taxes, and attorneys' fees and expenses, if any,
8 shall be contributed to a non-sectarian, not-for-profit charitable organization
9 serving the public interest designated by Lead Plaintiff and approved by the Court.

10 **ADMINISTRATION OF THE SETTLEMENT**

11 27. Any Settlement Class Member who fails to timely submit a valid
12 Claim Form (substantially in the form of Exhibit 2 to Exhibit A) will not be
13 entitled to receive any of the proceeds from the Net Settlement Fund, except as
14 otherwise ordered by the Court, but will otherwise be bound by all of the terms of
15 this Settlement Agreement and the Settlement, including the terms of the Judgment
16 or Alternative Judgment to be entered in the Action and all releases provided for
17 herein, and will be barred from bringing any action against the Released Defendant
18 Parties concerning the Released Claims.

19 28. Lead Counsel shall be responsible for supervising the administration
20 of the Settlement and disbursement of the Net Settlement Fund by the Claims
21 Administrator. Lead Counsel shall have the right, but not the obligation, to advise
22 the Claims Administrator to waive what Lead Counsel deems to be *de minimis* or
23 formal or technical defects in any Claim Form submitted. Defendants and
24 Defendants' Counsel shall have no liability, obligation or responsibility for the
25 administration of the Settlement, the allocation of the Net Settlement Fund, or the
26 reviewing or challenging of claims. Lead Counsel shall be solely responsible for
27 designating the Claims Administrator, subject to approval by the Court.
28

1 29. For purposes of determining the extent, if any, to which a claimant
2 shall be entitled to be treated as an Authorized Claimant, the following conditions
3 shall apply:

4 (a) Each claimant shall be required to submit a Claim Form,
5 substantially in the form annexed hereto as Exhibit 2 to Exhibit A, supported by
6 such documents as are designated therein, including proof of the claimant's loss, or
7 such other documents or proof as the Claims Administrator or Lead Counsel, in
8 their discretion, may deem acceptable;

9 (b) All Proofs of Claim must be submitted by the date set by the
10 Court in the Preliminary Approval Order and specified in the Notice, unless such
11 deadline is extended by Lead Counsel in its discretion or by Order of the Court.
12 Any Settlement Class Member who fails to submit a Claim Form by such date
13 shall be barred from receiving any distribution from the Net Settlement Fund or
14 payment pursuant to this Settlement Agreement (unless, by Order of the Court or
15 the discretion of Lead Counsel, late-filed Proofs of Claim are accepted), but shall
16 in all other respects be bound by all of the terms of this Settlement Agreement and
17 the Settlement, including the terms of the Judgment or Alternative Judgment and
18 all releases provided for herein, and will be permanently barred and enjoined from
19 bringing any action, claim or other proceeding of any kind against any Released
20 Defendant Party. A Claim Form shall be deemed to be submitted when mailed, if
21 received with a postmark on the envelope and if mailed by first-class or overnight
22 U.S. Mail and addressed in accordance with the instructions thereon. In all other
23 cases, the Claim Form shall be deemed to have been submitted when actually
24 received by the Claims Administrator;

25 (c) Each Claim Form shall be submitted to and reviewed by the
26 Claims Administrator, under the supervision of Lead Counsel, which shall
27 determine in accordance with this Settlement Agreement the extent, if any, to
28 which each claim shall be allowed;

1 (d) Proofs of Claim that do not meet the submission requirements
2 may be rejected. Prior to rejecting a Claim Form in whole or in part, the Claims
3 Administrator shall communicate with the claimant in writing to give the claimant
4 the chance to remedy any curable deficiencies in the Claim Form submitted. The
5 Claims Administrator, under supervision of Lead Counsel, shall notify, in a timely
6 fashion and in writing, all claimants whose claims the Claims Administrator
7 proposes to reject in whole or in part for curable deficiencies, setting forth the
8 reasons therefor, and shall indicate in such notice that the claimant whose claim is
9 to be rejected has the right to a review by the Court if the claimant so desires and
10 complies with the requirements of subparagraph (e) below; and

11 (e) If any claimant whose timely claim has been rejected in whole
12 or in part for curable deficiency desires to contest such rejection, the claimant
13 must, within twenty (20) calendar days after the date of mailing of the notice
14 required in subparagraph (d) above, or a lesser period of time if the claim was
15 untimely, serve upon the Claims Administrator a notice and statement of reasons
16 indicating the claimant's grounds for contesting the rejection along with any
17 supporting documentation, and requesting a review thereof by the Court. If a
18 dispute concerning a claim cannot be otherwise resolved, Lead Counsel shall
19 thereafter present the request for review to the Court.

20 30. Each claimant who submits a Claim Form shall be deemed to have
21 submitted to the jurisdiction of the Court with respect to the claimant's claim,
22 including but not limited to, all releases provided for herein and in the Judgment or
23 Alternative Judgment, and the claim will be subject to investigation and discovery
24 under the Federal Rules of Civil Procedure, provided that such investigation and
25 discovery shall be limited to the claimant's status as a Settlement Class Member
26 and the validity and amount of the claimant's claim. In connection with processing
27 the Proofs of Claim, no discovery shall be allowed on the merits of the Action or
28 the Settlement.

1 31. Payment pursuant to the Settlement Agreement and Court-approved
2 Plan of Allocation shall be deemed final and conclusive against any and all
3 claimants. All Settlement Class Members whose claims are not approved shall be
4 barred from participating in distributions from the Net Settlement Fund, but
5 otherwise shall be bound by all of the terms of this Settlement Agreement and the
6 Settlement, including the terms of the Judgment or Alternative Judgment to be
7 entered in the Action and the releases provided for herein and therein, and will be
8 barred from bringing any action against the Released Defendant Parties concerning
9 the Released Claims.

10 32. All proceedings with respect to the administration, processing and
11 determination of claims described by this Settlement Agreement and the
12 determination of all controversies relating thereto, including disputed questions of
13 law and fact with respect to the validity of claims, shall be subject to the
14 jurisdiction of the Court, but shall not in any event delay or affect the finality of the
15 Judgment or Alternative Judgment.

16 33. No Person shall have any claim of any kind against the Released
17 Defendant Parties or Defendants' Counsel with respect to the matters set forth in
18 this section (*i.e.*, Paragraphs 27-34) or any of its subsections, or otherwise related
19 in any way to the administration of the Settlement, including without limitation the
20 processing of claims and distributions.

21 34. No Person shall have any claim against Lead Plaintiff, Lead Counsel,
22 or the Claims Administrator, or other agent designated by Lead Counsel, based on
23 the distributions made substantially in accordance with this Settlement Agreement
24 and the Settlement contained herein, the Plan of Allocation, or further order(s) of
25 the Court.

26 **TERMS OF THE PRELIMINARY APPROVAL ORDER**

27 35. Concurrently with their application for preliminary approval by the
28 Court of the Settlement contemplated by this Settlement Agreement and promptly

1 upon execution of this Settlement Agreement, Lead Counsel shall apply to the
2 Court for entry of the Preliminary Approval Order, which shall be substantially in
3 the form annexed hereto as Exhibit A. The Preliminary Approval Order will, *inter*
4 *alia*, preliminarily approve the Settlement, set the date for the Settlement Hearing,
5 approve the form of notice, and prescribe the method for giving notice of the
6 Settlement to the Settlement Class.

7 36. Molina shall provide, or cause to be provided, to Lead Counsel or the
8 Claims Administrator, at no cost to Lead Plaintiff or the Settlement Class, within
9 five (5) business days of entry of the Preliminary Approval Order, transfer records
10 in electronic searchable form, such as Excel, containing the names and addresses
11 of shareholders of record who purchased or acquired the common stock of Molina
12 during the Class Period.

13 **TERMS OF THE JUDGMENT**

14 37. If the Settlement contemplated by this Settlement Agreement is
15 approved by the Court, Lead Counsel and Defendants' Counsel shall jointly
16 request that the Court enter a Judgment substantially in the form annexed hereto as
17 Exhibit B.

18 **EFFECTIVE DATE OF SETTLEMENT**

19 38. The Effective Date of this Settlement shall be the first business day on
20 which all of the following shall have occurred or been waived:

- 21 (a) entry of the Preliminary Approval Order, which shall be in all
22 material respects substantially in the form set forth in Exhibit A annexed hereto;
23 (b) payment of the Settlement Amount into the Escrow Account;
24 (c) approval by the Court of the Settlement, following notice to the
25 Settlement Class and the Settlement Hearing, as prescribed by Rule 23 of the
26 Federal Rules of Civil Procedure; and
27 (d) a Judgment, which shall be in all material respects substantially
28 in the form set forth in Exhibit B annexed hereto, has been entered by the Court

1 and has become Final; or in the event that an Alternative Judgment has been
2 entered, the Alternative Judgment has become Final.

3 **WAIVER OR TERMINATION**

4 39. Defendants and Lead Plaintiff shall have the right to terminate the
5 Settlement and this Settlement Agreement by providing written notice of their
6 election to do so (“Termination Notice”), through counsel, to all other Parties
7 hereto within fourteen (14) calendar days of: (i) the Court’s Final refusal to enter
8 the Preliminary Approval Order in any material respect; (ii) the Court’s Final
9 refusal to approve this Settlement Agreement or any material part of it; (iii) the
10 Court’s Final refusal to enter (a) the Judgment in any material respect or (b) an
11 Alternative Judgment; or (iv) the date upon which the Judgment or Alternative
12 Judgment is modified or reversed in any material respect by a Final order of the
13 Court, the United States Court of Appeals for the Ninth Circuit, or the Supreme
14 Court of the United States. For the avoidance of doubt, Lead Plaintiff shall not
15 have the right to terminate the Settlement due to any decision, ruling, or order
16 respecting the Fee and Expense Application or any plan of allocation.

17 40. In addition to the foregoing, Defendants shall also have the right to
18 withdraw from the Settlement in the event the Termination Threshold (defined
19 below) has been reached. Simultaneously herewith, Defendants’ Counsel and
20 Lead Counsel are executing a confidential Supplemental Agreement Regarding
21 Requests for Exclusion (“Supplemental Agreement”). The Supplemental
22 Agreement sets forth certain conditions under which Defendants shall have the sole
23 option, which must be exercised unanimously, to terminate the Settlement and
24 render this Settlement Agreement null and void in the event that requests for
25 exclusion from the Settlement Class exceed certain agreed-upon criteria (the
26 “Termination Threshold”). The Parties agree to maintain the confidentiality of the
27 Supplemental Agreement, which shall not be filed with the Court unless a dispute
28 arises as to its terms, or as otherwise ordered by the Court, nor shall the

1 Supplemental Agreement otherwise be disclosed unless ordered by the Court. If
2 submission of the Supplemental Agreement is required for resolution of a dispute
3 or is otherwise ordered by the Court, the Parties will undertake to have the
4 Termination Threshold submitted to the Court *in camera* or under seal. In the
5 event of a termination of this Settlement pursuant to the Supplemental Agreement,
6 this Settlement Agreement shall become null and void and of no further force and
7 effect, with the exception of the provisions of Paragraphs 45-47 which shall
8 continue to apply.

9 41. The Preliminary Approval Order, annexed hereto as Exhibit A, shall
10 provide that requests for exclusion shall be received no later than twenty-one (21)
11 calendar days prior to the Settlement Hearing. Upon receiving any request for
12 exclusion pursuant to the Notice, Lead Counsel shall promptly, and certainly no
13 later than five (5) calendar days after receiving a request for exclusion or fifteen
14 (15) calendar days prior to the Settlement Hearing, whichever is earlier, notify
15 Defendants' Counsel of such request for exclusion and provide copies of such
16 request for exclusion and any documentation accompanying it by e-mail.

17 42. In addition to all of the rights and remedies that Lead Plaintiff have
18 under the terms of this Settlement Agreement, Lead Plaintiff shall also have the
19 right to terminate the Settlement in the event that the Settlement Amount has not
20 been paid in the time period provided for in Paragraph 6 above, by providing
21 written notice of the election to terminate to all other Parties and, thereafter, there
22 is a failure to pay the Settlement Amount within fourteen (14) calendar days of
23 such written notice.

24 43. If, before the Settlement become Final, any Defendant files for
25 protection under the Bankruptcy Code or any similar law or a trustee, receiver,
26 conservator, or other fiduciary is appointed under Bankruptcy, or any similar law,
27 and in the event of the entry of a final order of a court of competent jurisdiction
28 determining the transfer of money or any portion thereof to the Settlement Fund by

1 or on behalf of such Defendant to be a preference, voidable transfer, fraudulent
2 transfer or similar transaction and any portion thereof is required to be returned,
3 and such amount is not promptly deposited into the Settlement Fund by others,
4 then, at the election of Lead Plaintiff, the Parties shall jointly move the Court to
5 vacate and set aside the release given and the Judgment or Alternative Judgment
6 entered in favor of that Defendant and that Defendant and Lead Plaintiff and the
7 members of the Settlement Class shall be restored to their litigation positions
8 immediately prior to March 5, 2020. All releases and the Judgment or Alternative
9 Judgment as to other Defendants shall remain unaffected. Defendants each
10 warrant, as to themselves and the payments made on their respective behalves, that,
11 at the time of such payment, each will not be insolvent, nor will payment render
12 each insolvent, within the meaning of and/or for the purposes of the United States
13 Bankruptcy Code, including Sections 101 and 547 thereof.

14 44. If an option to withdraw from and terminate this Settlement
15 Agreement and Settlement arises under any of Paragraphs 39-43 above: (i) neither
16 Defendants nor Lead Plaintiff (as the case may be) will be required for any reason
17 or under any circumstance to exercise that option; and (ii) any exercise of that
18 option shall be made in good faith, but in the sole and unfettered discretion of
19 Defendants or Lead Plaintiff, as applicable.

20 45. With the exception of the provisions of Paragraphs 45-47 which shall
21 continue to apply, in the event the Settlement is terminated as set forth herein or
22 cannot become effective for any reason, then the Settlement shall be without
23 prejudice, and none of its terms shall be effective or enforceable except as
24 specifically provided herein; the Parties shall be deemed to have reverted to their
25 respective litigation positions in the Action immediately prior to March 5, 2020;
26 and, except as specifically provided herein, the Parties shall proceed in all respects
27 as if this Settlement Agreement and any related order had not been entered. In
28 such event, this Settlement Agreement, and any aspect of the discussions or

1 negotiations leading to this Settlement Agreement shall not be admissible in this
2 Action and shall not be used against or to the prejudice of Defendants or against or
3 to the prejudice of Lead Plaintiff, in any court filing, deposition, at trial, or
4 otherwise.

5 46. In the event the Settlement is terminated or fails to become effective
6 for any reason, any portion of the Settlement Amount previously paid, together
7 with any earnings thereon, less any Taxes paid or due, less Notice and
8 Administration Expenses actually incurred and paid or payable from the Settlement
9 Amount, shall be returned to the Person(s) that made the deposit(s) within twenty
10 (20) business days after written notification of such event in accordance with
11 instructions provided by Defendants' Counsel to Lead Counsel. At the request of
12 Defendants' Counsel, Lead Counsel or its designees shall apply for any tax refund
13 owed on the amounts in the Escrow Account and pay the proceeds, after any
14 deduction of any fees or expenses incurred in connection with such application(s),
15 of such refund to the Person(s) that made the deposits or as otherwise directed.

16 **NO ADMISSION**

17 47. Except as set forth in Paragraph 48 below, this Settlement Agreement,
18 whether or not consummated, and whether or not approved by the Court, and any
19 discussion, negotiation, proceeding, or agreement relating to the Settlement
20 Agreement, the Settlement, and any matter arising in connection with settlement
21 discussions or negotiations, proceedings, or agreements, shall not be offered or
22 received against or to the prejudice of the Parties or their respective counsel, for
23 any purpose other than in an action to enforce the terms hereof, and in particular:

24 (a) do not constitute, and shall not be offered or received against or
25 to the prejudice of Defendants as evidence of, or construed as, or deemed to be
26 evidence of any presumption, concession, or admission by Defendants with respect
27 to the truth of any allegation by Lead Plaintiff and the Settlement Class, or the
28 validity of any claim that has been or could have been asserted in the Action or in

1 any litigation, including but not limited to the Released Claims, or of any liability,
2 damages, negligence, fault or wrongdoing of Defendants or any person or entity
3 whatsoever;

4 (b) do not constitute, and shall not be offered or received against or
5 to the prejudice of Defendants as evidence of a presumption, concession, or
6 admission of any fault, misrepresentation, or omission with respect to any
7 statement or written document approved or made by Defendants, or against or to
8 the prejudice of Lead Plaintiff, or any other member of the Settlement Class as
9 evidence of any infirmity in the claims of Lead Plaintiff, or the other members of
10 the Settlement Class;

11 (c) do not constitute, and shall not be offered or received against or
12 to the prejudice of Defendants, Lead Plaintiff, any other member of the Settlement
13 Class, or their respective counsel, as evidence of a presumption, concession, or
14 admission with respect to any liability, damages, negligence, fault, infirmity, or
15 wrongdoing, or in any way referred to for any other reason against or to the
16 prejudice of any of the Defendants, Lead Plaintiff, other members of the
17 Settlement Class, or their respective counsel, in any other civil, criminal, or
18 administrative action or proceeding, other than such proceedings as may be
19 necessary to effectuate the provisions of this Settlement Agreement;

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

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

1 good faith by the Parties and their respective counsel and reflect a settlement that
2 was reached voluntarily based upon adequate information and after consultation
3 with experienced legal counsel.

4 51. This Settlement Agreement, along with its exhibits and the
5 Supplemental Agreement may not be modified or amended, nor may any of its
6 provisions be waived, except by a writing signed by counsel for the Parties hereto,
7 or their successors, that are materially and adversely affected by the modification,
8 amendment, or waiver.

9 52. The headings herein are used for the purpose of convenience only and
10 are not meant to have legal effect.

11 53. The administration and consummation of the Settlement as embodied
12 in this Settlement Agreement shall be under the authority of the Court, and the
13 Court shall retain jurisdiction for the purpose of entering orders providing for
14 awards of attorneys' fees and any expenses, and implementing and enforcing the
15 terms of this Settlement Agreement.

16 54. The waiver by one Party of any breach of this Settlement Agreement
17 by any other Party shall not be deemed a waiver of any other prior or subsequent
18 breach of this Settlement Agreement.

19 55. This Settlement Agreement, its exhibits, and the Supplemental
20 Agreement constitute the entire agreement among the Parties concerning the
21 Settlement as against the Defendants, and no representation, warranty, or
22 inducement has been made by any Party concerning this Settlement Agreement and
23 its exhibits other than those contained and memorialized in such documents.

24 56. Nothing in the Settlement Agreement, or the negotiations relating
25 thereto, is intended to or shall be deemed to constitute a waiver of any applicable
26 privilege or immunity, including, without limitation, attorney-client privilege, joint
27 defense privilege, or work product protection.

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1 57. Without further order of the Court, the Parties may agree to
2 reasonable extensions of time to carry out any of the provisions of this Settlement
3 Agreement.

4 58. All designations and agreements made, or orders entered during the
5 course of the Action relating to the confidentiality of documents or information
6 shall survive this Settlement Agreement.

7 59. This Settlement Agreement may be executed in one or more
8 counterparts. All executed counterparts and each of them shall be deemed to be
9 one and the same instrument. Signatures sent by facsimile or via e-mail in pdf
10 format shall be deemed originals.

11 60. This Settlement Agreement shall be binding when signed, but the
12 Settlement shall be effective upon the entry of the Judgment or Alternative
13 Judgment and the payment in full of the Settlement Amount, subject only to the
14 condition that the Effective Date will have occurred.

15 61. This Settlement Agreement shall be binding upon, and inure to the
16 benefit of, the successors and assigns of the Parties.

17 62. The construction, interpretation, operation, effect, and validity of this
18 Settlement Agreement, and all documents necessary to effectuate it, shall be
19 governed by the laws of the State of California without regard to conflicts of laws,
20 except to the extent that federal law requires that federal law govern.

21 63. This Settlement Agreement shall not be construed more strictly
22 against one Party than another merely by virtue of the fact that it, or any part of it,
23 may have been prepared by counsel for one of the Parties, it being recognized that
24 it is the result of arm's-length negotiations among the Parties, and all Parties have
25 contributed substantially and materially to the preparation of this Settlement
26 Agreement.

27 64. All counsel and any other person executing this Settlement Agreement
28 and any of the exhibits hereto, or any related Settlement document, warrant and

1 represent that they have the full authority to do so, and that they have the authority
2 to take appropriate action required or permitted to be taken pursuant to the
3 Settlement Agreement to effectuate its terms.

4 65. The Parties and their respective counsel agree to cooperate fully with
5 one another in promptly applying for preliminary approval by the Court of the
6 Settlement and for the scheduling of a hearing for consideration of Final approval
7 of the Settlement and Lead Counsel’s Fee and Expense Application, and to agree
8 promptly upon and execute all such other documentation as reasonably may be
9 required to obtain Final approval by the Court of the Settlement.

10 66. If any disputes arise out of the finalization of the settlement
11 documentation or the Settlement itself prior to joint submission to the Court of the
12 application for preliminary approval of the Settlement as set forth in Paragraph 35
13 above, those disputes will be resolved by the Mediator first by way of expedited
14 telephonic mediation and, if unsuccessful, then by way of final, binding, non-
15 appealable arbitration.

16 67. Except as otherwise provided herein, each Party shall bear its own
17 costs.

18 **IN WITNESS WHEREOF**, the Parties have caused this Settlement
19 Agreement to be executed, by their duly authorized attorneys, as of May 5, 2020.
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LABATON SUCHAROW LLP

By:  _____

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Steamfitters Local 449 Pension Plan
and the Settlement Class*

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*Counsel for Defendants
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EXHIBIT A

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

STEAMFITTERS LOCAL 449 PENSION
PLAN, Individually and on Behalf of all
Others Similarly Situated,

Plaintiff,

vs.

MOLINA HEALTHCARE, INC., J.
MARIO MOLINA, JOHN C. MOLINA,
TERRY P. BAYER and RICK HOPFER,

Defendants.

Case No. 2:18-cv-03579 AB (JCx)
CLASS ACTION

**[PROPOSED] ORDER GRANTING PRELIMINARY
APPROVAL OF CLASS ACTION SETTLEMENT,
APPROVING FORM AND MANNER OF NOTICE, AND SETTING
DATE FOR HEARING ON FINAL APPROVAL OF SETTLEMENT**

WHEREAS, as of May 5, 2020, Lead Plaintiff Steamfitters Local 449 Pension Plan (“Steamfitters” or “Lead Plaintiff”), individually and on behalf all other members of the Settlement Class, on the one hand, and Molina Healthcare, Inc. (“Molina” or the “Company”), J. Mario Molina, John C. Molina, Terry P. Bayer, and Rick Hopfer (collectively, “Defendants”), on the other, entered into a Stipulation and Agreement of Settlement (the “Settlement Agreement”) in the above-titled litigation (the “Action”), which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits thereto, sets forth the terms and conditions of the proposed settlement of the Action and the claims alleged in the Amended Class Action Complaint for Violation of the Federal Securities Laws, filed on October 5, 2018, on the merits and with prejudice (the “Settlement”); and

WHEREAS, the Court has reviewed and considered the Settlement Agreement and the accompanying exhibits; and

1 WHEREAS, the Parties to the Settlement Agreement have consented to the
2 entry of this order; and

3 WHEREAS, all capitalized terms used in this order that are not otherwise
4 defined herein have the meanings defined in the Settlement Agreement;

5 NOW, THEREFORE, IT IS HEREBY ORDERED, this _____ day of _____
6 _____, 2020, that:

7 1. The Court has reviewed the Settlement Agreement and preliminarily
8 finds, pursuant to Fed. R. Civ. P. 23(e)(1), that the Court will likely be able to
9 approve the proposed Settlement as fair, reasonable, and adequate under Fed. R.
10 Civ. P. 23(e)(2), subject to further consideration at the Settlement Hearing
11 described below.

12 2. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil
13 Procedure, the Court hereby preliminarily certifies, for purposes of the Settlement
14 only, the Settlement Class of: All persons and entities that purchased or otherwise
15 acquired Molina publicly traded common stock during the period from October 31,
16 2014 through August 2, 2017, inclusive, and were damaged thereby. Excluded
17 from the Settlement Class are: (i) the Defendants; (ii) the present and former
18 officers and directors of the Company; (iii) the Company's subsidiaries and
19 affiliates; (iv) the Company's employee retirement and benefit plan(s) and their
20 participants or beneficiaries, to the extent they made purchases through such
21 plan(s); (v) members of the immediate families of the Individual Defendants; (vi)
22 any entity in which any Defendant has or had a controlling interest; and (vii) the
23 legal representatives, heirs, successors, and assigns of any such excluded party.
24 Also excluded from the Settlement Class are any Settlement Class Members who
25 properly exclude themselves by submitting a valid and timely request for exclusion
26 in accordance with the requirements set forth below and in the Notice.

27 The Court finds and preliminarily concludes that the prerequisites of class
28 action certification under Fed. R. Civ. P. 23(a) and (b)(3) have been satisfied for

1 the Settlement Class defined herein and for the purposes of the Settlement only, in
2 that:

3 (a) the members of the Settlement Class are so numerous that
4 joinder of all Settlement Class Members is impracticable;

5 (b) there are questions of law and fact common to the Settlement
6 Class Members;

7 (c) the claims of Lead Plaintiff are typical of the claims of
8 Settlement Class Members;

9 (d) Lead Plaintiff and Lead Counsel have fairly and adequately
10 represented and protected the interests of the Settlement Class;

11 (e) the questions of law and fact common to Settlement Class
12 Members predominate over any individual questions; and

13 (f) a class action is superior to other available methods for the fair
14 and efficient adjudication of the controversy, considering that the claims of
15 Settlement Class Members in the Action are substantially similar and would, if
16 tried, involve substantially identical proofs and may therefore be efficiently
17 litigated and resolved on an aggregate basis as a class action; the amounts of the
18 claims of many of the Settlement Class Members are too small to justify the
19 expense of individual actions; and it does not appear that there is significant
20 interest among Settlement Class Members in individually controlling the litigation
21 of their claims.

22 3. Pursuant to Fed. R. Civ. P. 23, and for purposes of the Settlement
23 only, Lead Plaintiff is preliminarily certified as Class Representative for the
24 Settlement Class. The law firm of Labaton Sucharow LLP is preliminarily
25 appointed Class Counsel for the Settlement Class, and Glancy Prongay & Murray
26 LLP is preliminarily appointed as Liaison Counsel for the Settlement Class.

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1 4. A hearing (the “Settlement Hearing”) pursuant to Fed. R. Civ. P. 23(e)
2 is hereby scheduled to be held before the Court on _____,
3 2020, at ____:____.m. for the following purposes:

4 (a) to determine whether the proposed Settlement is fair,
5 reasonable, and adequate, and should be approved by the Court;

6 (b) to determine whether the proposed Final Order and Judgment
7 (“Judgment”) as provided under the Settlement Agreement should be entered, and
8 to determine whether the release by the Settlement Class of the Released Claims,
9 as set forth in the Settlement Agreement, should be provided to the Released
10 Defendant Parties;

11 (c) to determine, for purposes of the Settlement only, whether the
12 Settlement Class should be finally certified; whether Lead Plaintiff should be
13 finally certified as Class Representative for the Settlement Class; whether the law
14 firm of Labaton Sucharow LLP should be finally appointed as Class Counsel for
15 the Settlement Class; and whether the law firm of Glancy Prongay & Murray LLP
16 should be finally appointed as Liaison Counsel for the Settlement Class;

17 (d) to determine whether the proposed Plan of Allocation for the
18 proceeds of the Settlement is fair and reasonable and should be approved by the
19 Court;

20 (e) to consider Lead Counsel’s application for an award of
21 attorneys’ fees and expenses (which may include an application for an award to
22 Lead Plaintiff for reimbursement of its reasonable costs and expenses directly
23 related to its representation of the Settlement Class, pursuant to the Private
24 Securities Litigation Reform Act of 1995 (“PSLRA”)); and

25 (f) to rule upon such other matters as the Court may deem
26 appropriate.

27 5. The Court reserves the right to approve the Settlement with or without
28 modification and with or without further notice to the Settlement Class of any kind.

1 The Court further reserves the right to enter the Judgment approving the Settlement
2 regardless of whether it has approved the Plan of Allocation or awarded attorneys'
3 fees and/or expenses. The Court may also adjourn the Settlement Hearing, decide
4 to hold the hearing telephonically, or modify any of the dates herein without
5 further individual notice to members of the Settlement Class. Any such changes
6 shall be posted on the website of the Claims Administrator.

7 6. The Court approves the form, substance, and requirements of the
8 Notice of Pendency of Class Action, Proposed Settlement, and Motion for
9 Attorneys' Fees and Expenses ("Notice") and the Proof of Claim and Release form
10 ("Claim Form"), substantially in the forms annexed hereto as Exhibits 1 and 2,
11 respectively.

12 7. The Court approves the retention of Angeion Group as the Claims
13 Administrator. The Claims Administrator shall cause the Notice and Claim Form,
14 substantially in the forms annexed hereto, to be mailed by first-class mail, postage
15 prepaid, on or before ten (10) business days after entry of this Preliminary
16 Approval Order ("Notice Date"), to all Settlement Class Members that can be
17 identified with reasonable effort. Molina, to the extent it has not already done so,
18 shall use its best efforts to obtain and provide to Lead Counsel or the Claims
19 Administrator transfer records in electronically searchable form containing the
20 names and addresses of purchasers of the publicly traded common stock of Molina
21 during the Class Period no later than five (5) business days after entry of this
22 Preliminary Approval Order.

23 8. The Claims Administrator shall use reasonable efforts to give notice
24 to nominee purchasers such as brokerage firms and other persons or entities that
25 purchased or otherwise acquired the publicly traded common stock of Molina
26 during the Class Period as record owners but not as beneficial owners. Such
27 nominees SHALL EITHER: (a) WITHIN SEVEN (7) CALENDAR DAYS of
28 receipt of the Notice, request from the Claims Administrator sufficient copies of

1 the Notice to forward to all such beneficial owners and WITHIN SEVEN (7)
2 CALENDAR DAYS of receipt of those Notices from the Claims Administrator
3 forward them to all such beneficial owners; or (b) WITHIN SEVEN (7)
4 CALENDAR DAYS of receipt of the Notice, provide a list of the names and
5 addresses of all such beneficial owners to the Claims Administrator and the Claims
6 Administrator is ordered to send the Notice promptly to such identified beneficial
7 owners. Nominees shall also provide email addresses for all such beneficial
8 owners to the Claims Administrator, to the extent they are available. Nominees
9 who elect to send the Notice to their beneficial owners SHALL ALSO send a
10 statement to the Claims Administrator confirming that the mailing was made and
11 shall retain their mailing records for use in connection with any further notices that
12 may be provided in the Action. Upon full and timely compliance with these
13 directions, such nominees may seek reimbursement of their reasonable expenses
14 actually incurred by providing the Claims Administrator with proper
15 documentation supporting the expenses for which reimbursement is sought.

16 9. Lead Counsel shall, at or before the Settlement Hearing, file with the
17 Court proof of mailing of the Notice and Claim Form.

18 10. The Court approves the form of the Summary Notice of Pendency of
19 Class Action, Proposed Settlement, and Motion for Attorneys' Fees and Expenses
20 ("Summary Notice") substantially in the form annexed hereto as Exhibit 3, and
21 directs that Lead Counsel shall cause the Summary Notice to be published in
22 *Investor's Business Daily* and be transmitted over *PR Newswire* within fourteen
23 (14) calendar days of the Notice Date. Lead Counsel shall, at or before the
24 Settlement Hearing, file with the Court proof of publication of the Summary
25 Notice.

26 11. The form and content of the notice program described herein, and the
27 methods set forth herein of notifying the Settlement Class of the Settlement and its
28 terms and conditions, meet the requirements of Fed. R. Civ. P. 23, Section

1 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as
2 amended by the PSLRA, and due process, constitute the best notice practicable
3 under the circumstances, and shall constitute due and sufficient notice to all
4 persons and entities entitled thereto.

5 12. In order to be eligible to receive a distribution from the Net Settlement
6 Fund, in the event the Settlement is effected in accordance with the terms and
7 conditions set forth in the Settlement Agreement, each claimant shall take the
8 following actions and be subject to the following conditions:

9 (a) A properly executed Claim Form, substantially in the form
10 annexed hereto as Exhibit 2, must be submitted to the Claims Administrator, at the
11 address indicated in the Notice, postmarked no later than five (5) calendar days
12 before the Settlement Hearing. Such deadline may be extended by Court order or
13 by Lead Counsel in its discretion. Each Claim Form shall be deemed to have been
14 submitted when postmarked (if properly addressed and mailed by first-class or
15 overnight mail, postage prepaid). Any Claim Form submitted in any other manner
16 shall be deemed to have been submitted when it was actually received at the
17 address designated in the Notice. Any Settlement Class Member who does not
18 timely submit a Claim Form within the time provided for shall be barred from
19 sharing in the distribution of the Net Settlement Fund, unless otherwise ordered by
20 the Court, but shall remain bound by all determinations and judgments in this
21 Action concerning the Settlement, as provided by paragraph 15 of this order.

22 (b) The Claim Form submitted by each claimant must satisfy the
23 following conditions, unless otherwise allowed pursuant to the Settlement
24 Agreement: (i) it must be properly completed, signed, and submitted in a timely
25 manner in accordance with the provisions of the preceding subparagraph; (ii) it
26 must be accompanied by adequate supporting documentation for the transactions
27 reported therein, in the form of broker confirmation slips, broker account
28 statements, an authorized statement from the broker containing the transactional

1 information found in a broker confirmation slip, or such other documentation as is
2 deemed adequate by the Claims Administrator and/or Lead Counsel; (iii) if the
3 person executing the Claim Form is acting in a representative capacity, a
4 certification of her current authority to act on behalf of the claimant must be
5 included in the Claim Form; and (iv) the Claim Form must be complete and
6 contain no material deletions or modifications of any of the printed matter
7 contained therein and must be signed under penalty of perjury.

8 (c) As part of the Claim Form, each claimant shall submit to the
9 jurisdiction of the Court with respect to the claim submitted.

10 13. Any Settlement Class Member may enter an appearance in this
11 Action, at his, her, or its own expense, individually or through counsel of his, her,
12 or its own choice. If any Settlement Class Member does not enter an appearance,
13 he, she, or it will be represented by Lead Counsel.

14 14. Settlement Class Members shall be bound by all orders,
15 determinations and judgments in this Action concerning the Settlement, whether
16 favorable or unfavorable, unless such Persons request exclusion from the
17 Settlement Class in a timely and proper manner, as hereinafter provided. A
18 putative Settlement Class Member wishing to make such an exclusion request shall
19 mail the request in written form by first-class mail to the address designated in the
20 Notice for such exclusions, such that it is received no later than twenty-one (21)
21 calendar days prior to the Settlement Hearing. Such request for exclusion must
22 state the name, address, and telephone number of the Person seeking exclusion,
23 must state that the sender requests to be “excluded from the Settlement Class in
24 *Steamfitters Local 449 Pension Plan vs. Molina Healthcare, Inc., et al.*, Case No.
25 2:18-cv-03579 AB (JCx) (C.D. Cal.)” and must be signed by such Person. Such
26 Persons requesting exclusion are also directed to state the information requested in
27 the Notice, including, but not limited to: the date(s), price(s), and number(s) of
28 shares of all purchases, acquisitions, and sales of Molina publicly traded common

1 stock during the Class Period. The request for exclusion shall not be effective
2 unless it provides the required information and is made within the time stated
3 above, or the exclusion is otherwise accepted by the Court.

4 15. Putative Settlement Class Members requesting exclusion from the
5 Settlement Class shall not be eligible to receive any payment out of the Net
6 Settlement Fund as described in the Settlement Agreement and Notice.

7 16. The Court will consider any Settlement Class Member's objection to
8 the Settlement, the Plan of Allocation, and/or the application for an award of
9 attorneys' fees or expenses only if such Settlement Class Member has served by
10 hand or by mail his, her, or its written objection and supporting papers, such that
11 they are received on or before twenty-one (21) calendar days before the Settlement
12 Hearing, upon Lead Counsel: Christine M. Fox, Esq., Labaton Sucharow LLP, 140
13 Broadway, New York, NY 10005; and Defendants' Counsel: Robert W. Perrin,
14 Esq., Latham & Watkins LLP, 355 South Grand Avenue, Suite 100, Los Angeles,
15 CA 90071-1560; and has filed, either by hand or by mail, said objections and
16 supporting papers with the Clerk of the Court, United States District Court for the
17 Central District of California, First Street U.S. Courthouse, 350 West 1st Street,
18 Suite 4311, Los Angeles, CA 90012-4565. Any Settlement Class Member who
19 does not make his, her, or its objection in the manner provided for in the Notice
20 shall be deemed to have waived such objection and shall forever be foreclosed
21 from making any objection to any aspect of the Settlement, the Plan of Allocation,
22 or the request for attorneys' fees and expenses, unless otherwise ordered by the
23 Court, but shall otherwise be bound by the Judgment to be entered and the releases
24 to be given. Attendance at the hearing is not necessary; however, persons wishing
25 to be heard orally in opposition to the approval of the Settlement, the Plan of
26 Allocation, and/or the application for an award of attorneys' fees and other
27 expenses are required to indicate in their written objection their intention to appear
28 at the hearing. Persons who intend to object to the Settlement, the Plan of

1 Allocation, and/or the application for an award of attorneys' fees and expenses and
2 desire to present evidence at the Settlement Hearing must include in their written
3 objections the identity of any witnesses they may call to testify and exhibits they
4 intend to introduce into evidence at the Settlement Hearing.

5 17. Settlement Class Members do not need to appear at the hearing or take
6 any other action to indicate their approval.

7 18. Pending final determination of whether the Settlement should be
8 approved, Lead Plaintiff, all Settlement Class Members, and each of them, and
9 anyone who acts or purports to act on their behalf, shall not institute, commence or
10 prosecute any action which asserts Released Claims against the Released
11 Defendant Parties.

12 19. As provided in the Settlement Agreement, prior to the Effective Date,
13 Lead Counsel may pay the Claims Administrator a portion of the reasonable fees
14 and costs associated with giving notice to the Settlement Class and the review of
15 claims and administration of the Settlement out of the Settlement Fund not to
16 exceed \$500,000 without further approval from Defendants and without further
17 order of the Court.

18 20. All papers in support of the Settlement, Plan of Allocation, and Lead
19 Counsel's request for an award of attorneys' fees and expenses shall be filed with
20 the Court and served on or before thirty-five (35) calendar days before the date set
21 herein for the Settlement Hearing. If reply papers are necessary, they shall be filed
22 with the Court and served no later than seven (7) calendar days before the
23 Settlement Hearing.

24 21. The passage of title and ownership of the Settlement Fund to the
25 Escrow Agent in accordance with the terms and obligations of the Settlement
26 Agreement is approved. No person who is not a Settlement Class Member or Lead
27 Counsel shall have any right to any portion of, or to any distribution of, the Net
28

1 Settlement Fund unless otherwise ordered by the Court or otherwise provided in
2 the Settlement Agreement.

3 22. All funds held in escrow shall be deemed and considered to be in
4 *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court
5 until such time as such funds shall be disbursed pursuant to the Settlement
6 Agreement and/or further order of the Court.

7 23. Neither Defendants nor their counsel shall have any responsibility for
8 the Plan of Allocation or any application for attorney's fees or expenses submitted
9 by Lead Counsel or Lead Plaintiff, and such matters shall be considered separately
10 from the fairness, reasonableness and adequacy of the Settlement.

11 24. If the Settlement fails to become effective as defined in the Settlement
12 Agreement or is terminated, then both the Settlement Agreement, including any
13 amendment(s) thereof, except as expressly provided in the Settlement Agreement,
14 and this Preliminary Approval Order shall be null and void, of no further force or
15 effect, and without prejudice to any Party, and may not be introduced as evidence
16 or used in any actions or proceedings by any person or entity against the Parties,
17 and the Parties shall be deemed to have reverted to their respective litigation
18 positions in the Action as of March 5, 2020.

19 25. The Court retains exclusive jurisdiction over the Action to consider all
20 further matters arising out of or connected with the Settlement.

21 Dated: _____, 2020.
22

23 _____
24 HON. ANDRÉ BIROTTE JR.
25 UNITED STATES DISTRICT JUDGE
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EXHIBIT A-1

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

STEAMFITTERS LOCAL 449 PENSION
PLAN, Individually and on Behalf of all
Others Similarly Situated,

Plaintiff,

vs.

MOLINA HEALTHCARE, INC., J.
MARIO MOLINA, JOHN C. MOLINA,
TERRY P. BAYER and RICK HOPFER,

Defendants.

Case No. 2:18-cv-03579 AB (JCx)
CLASS ACTION

**NOTICE OF PENDENCY OF CLASS
ACTION, PROPOSED SETTLEMENT, AND
MOTION FOR ATTORNEYS' FEES AND EXPENSES**

If you purchased or otherwise acquired the publicly traded common stock of Molina Healthcare, Inc. during the period from October 31, 2014 through August 2, 2017, inclusive (the “Class Period”), and were damaged thereby, you may be entitled to a payment from a class action settlement.

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

- The purpose of this Notice is to inform you of: (i) the pendency of the above-captioned securities class action (the “Action”); (ii) the proposed settlement of the Action (the “Settlement”) on the terms and conditions provided for in the Stipulation and Agreement of Settlement, dated May 5, 2020 (the “Settlement Agreement”);¹ and (iii) the hearing to be held by the Court (the “Settlement Hearing”). At the Settlement Hearing, the Court will consider: (i) whether the Settlement should be approved; (ii) whether the proposed plan for allocating the net proceeds of the Settlement to eligible members of the Settlement Class (the “Plan of Allocation”) should be approved; (iii) Lead Counsel’s Fee and Expense Application; and (iv)

¹ The Settlement Agreement can be viewed at www._____com.

1 certain other matters. Please read this Notice carefully. This Notice
 2 describes important rights you may have and what steps you must take if you
 3 wish to participate in the Settlement or wish to be excluded from the
 4 Settlement Class.²

- 5 ● If approved by the Court, the Settlement will create a \$7.5 million cash fund,
 6 plus any interest earned thereon, for the benefit of eligible Settlement Class
 7 Members, less any attorneys’ fees and expenses awarded by the Court,
 8 Notice and Administration Expenses, and Taxes.
- 9 ● The Settlement resolves claims by Court-appointed Lead Plaintiff
 10 Steamfitters Local 449 Pension Plan which have been asserted individually
 11 and on behalf of the Settlement Class against Molina Healthcare, Inc.
 12 (“Molina” or the “Company”), J. Mario Molina, John C. Molina, Terry P.
 13 Bayer, and Rick Hopfer (collectively, “Defendants”). It avoids the costs and
 14 risks of continuing the litigation; pays money to eligible Settlement Class
 15 Members; and releases the Released Defendant Parties (defined below) from
 16 liability.

17 **If you are a Settlement Class Member, your legal rights**
 18 **will be affected by this Settlement whether you act or do not act.**
 19 **Please read this Notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM NO LATER THAN _____, 2020	The <u>only</u> way to be eligible to receive a payment from the Net Settlement Fund.
EXCLUDE YOURSELF BY SUBMITTING A WRITTEN REQUEST SO THAT IT IS RECEIVED NO LATER THAN _____, 2020	This is the only option that, assuming your claim is timely brought, might allow you to ever bring or be part of any other lawsuit against Defendants and/or the other Released Defendant Parties concerning the Released Claims. If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Net Settlement Fund. <i>See</i> Question 11 below

27 _____
 28 ² All capitalized terms not otherwise defined in this Notice have the same meanings as defined in the Settlement Agreement.

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	for details.
OBJECT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN _____, 2020	Write to the Court about why you do not like the Settlement, the Plan of Allocation, and/or Lead Counsel’s Fee and Expense Application. If you object, you will still be a member of the Settlement Class. <i>See</i> Question 15 below for details.
GO TO A HEARING ON _____, 2020 AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN _____, 2020	Ask to speak in Court about the Settlement. If you submit an objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak in Court about your objection. <i>See</i> Question 19 below for details.
DO NOTHING	You will not be eligible to receive a payment from the Net Settlement Fund, you will give up rights, and you will still be bound by the Settlement.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

SUMMARY OF THE NOTICE

Statement of the Settlement Class’s Recovery

1. Subject to Court approval, Lead Plaintiff, on behalf of the Settlement Class, has agreed to settle the Action in exchange for a payment of \$7,500,000 (the “Settlement Amount”) to be deposited into an Escrow Account, which may earn interest (the “Settlement Fund”). The Net Settlement Fund (as defined below) will be distributed to Settlement Class Members according to the Court-approved plan of allocation. The proposed Plan of Allocation is set forth on pages ___-___ below.

Estimate of Average Amount of Recovery Per Share

2. Based on Lead Plaintiff’s consulting damages expert’s estimate of the number of shares of Molina publicly traded common stock eligible to participate in

1 the Settlement, and assuming that all investors eligible to participate in the
2 Settlement do so, Lead Plaintiff estimates that the average recovery, before
3 deduction of any Court-approved fees and expenses, such as attorneys' fees,
4 litigation expenses, Taxes, and Notice and Administration Expenses, would be
5 approximately \$0.19 per allegedly damaged share. An allegedly damaged share
6 might have been traded, and potentially damaged, more than once during the Class
7 Period, and this average recovery represents the estimated average recovery for
8 each alleged damaged share.

9 3. If the Court approves the maximum amount of attorneys' fees and
10 litigation expenses that may be requested by Lead Counsel (discussed below), the
11 average recovery would be approximately \$0.05 per allegedly damaged share.

12 **Please note, however, that these average recovery amounts are only estimates**
13 **and Settlement Class Members may recover more or less than these estimated**
14 **amounts.** An individual Settlement Class Member's actual recovery will depend
15 on, for example: (i) the total number of claims submitted; (ii) the amount of the
16 Net Settlement Fund; (iii) when the Settlement Class Member purchased or
17 acquired Molina common stock during the Class Period; and (iv) whether and
18 when the Settlement Class Member sold Molina common stock. *See* the Plan of
19 Allocation beginning on page ___ for information on the calculation of your
20 Recognized Claim.

21 **Statement of Potential Outcome of Case**

22 4. The Parties disagree about both liability and damages and do not
23 agree on the damages that would be recoverable if Lead Plaintiff were to prevail on
24 each claim asserted against Defendants. The issues on which the Parties disagree
25 include, among others: (i) whether Defendants made any statements or omitted any
26 facts that were materially false or misleading, or otherwise actionable under the
27 federal securities laws; (ii) whether any such allegedly materially false or
28 misleading statements or omissions were made with the required level of intent or

1 reckless; (iii) the amounts by which the prices of Molina common stock were
2 allegedly artificially inflated, if at all, during the Class Period; and (iv) the extent
3 to which factors such as general market, economic, and industry conditions
4 influenced the trading prices of Molina common stock during the Class Period.

5 5. Defendants have denied and continue to deny any wrongdoing, deny
6 that they have committed any act or omission giving rise to any liability or
7 violation of law, and deny that Lead Plaintiff and the Settlement Class have
8 suffered any loss attributable to Defendants' actions. While Lead Plaintiff believes
9 its claims have merit, Lead Plaintiff also recognizes that there are significant
10 obstacles to recovery.

11 **Statement of Attorneys' Fees and Expenses Sought**

12 6. Lead Counsel, on behalf of all Plaintiffs' Counsel, will apply to the
13 Court for an award of attorneys' fees from the Settlement Fund in an amount not to
14 exceed 25% of the Settlement Fund, plus any accrued interest. Lead Counsel will
15 also apply for payment of litigation expenses incurred by Plaintiffs' Counsel in
16 prosecuting the Action in an amount not to exceed \$140,000, which may include
17 an application pursuant to the Private Securities Litigation Reform Act of 1995
18 ("PSLRA") for the reasonable costs and expenses (including lost wages) of Lead
19 Plaintiff directly related to its representation of the Settlement Class. If the Court
20 approves Lead Counsel's Fee and Expense Application in full, the average amount
21 of fees and expenses, assuming claims are filed for all shares eligible to participate
22 in the Settlement, will be approximately \$0.05 per allegedly damaged share of
23 Molina common stock.

24 **Reasons for the Settlement**

25 7. For Lead Plaintiff, the principal reason for the Settlement is the
26 guaranteed cash benefit to the Settlement Class. This benefit must be compared to
27 (i) the risk that the U.S. Court of Appeals for the Ninth Circuit will affirm the
28 District Court's dismissal of the Complaint; (ii) the uncertainty and risk that Lead

1 Plaintiff will not be able to prove the allegations in the Complaint; (iii) the risk that
2 the Court may grant some or all of the anticipated motions to be filed by
3 Defendants; (iv) the uncertainty and risk inherent in the Parties' competing theories
4 of liability and damages; and (v) other uncertainties and risks of litigation in
5 complex actions like this, including cost and delay potentially through trial and any
6 post-trial appeals.

7 8. For Defendants, who deny all allegations of wrongdoing or liability
8 whatsoever and deny that Settlement Class Members were damaged, the principal
9 reasons for entering into the Settlement are to end the burden, expense, uncertainty,
10 and risk of further litigation.

11 **Identification of Attorneys' Representatives**

12 9. Lead Plaintiff and the Settlement Class are represented by Lead
13 Counsel, Christine M. Fox, Esq., Labaton Sucharow LLP, 140 Broadway, New
14 York, NY 10005, (888) 219-6877, www.labaton.com,
15 settlementquestions@labaton.com.

16 10. Further information regarding this Action, the Settlement, and this
17 Notice may be obtained by contacting the Claims Administrator: Angeion Group,
18 P.O. Box. _____, _____, (_____) ____-____,
19 www._____com; or Lead Counsel.

20 **Please Do Not Call the Court With Questions About the Settlement**

21 [END OF PSLRA COVER PAGE]

22 **BASIC INFORMATION**

23 **1. Why did I get this Notice?**

24 11. The Court authorized that this Notice be sent to you because you or
25 someone in your family, or an investment account for which you serve as a
26 custodian, may have purchased or otherwise acquired the publicly traded common
27 stock of Molina during the period from October 31, 2014 through August 2, 2017,
28 inclusive. **Please Note: Receipt of this Notice does not mean that you are a**

1 **Member of the Settlement Class or that you will be entitled to receive a**
2 **payment from the Settlement. If you wish to be eligible for a payment, you**
3 **are required to submit the Claim Form that is being distributed with this**
4 **Notice and supporting documents, as explained in the Claim Form. See**
5 **Question 8 below.**

6 12. The Court directed that this Notice be sent to Settlement Class
7 Members because they have a right to know about the proposed Settlement of this
8 class action lawsuit, and about all of their options, including whether or not to
9 object or exclude themselves from the Settlement Class, before the Court decides
10 whether to approve the Settlement. If the Court approves the Settlement, and after
11 any objections and appeals are resolved, an administrator appointed by the Court
12 will make the payments that the Settlement allows.

13 13. This Notice explains the Action, the Settlement, Settlement Class
14 Members' legal rights, what benefits are available, who is eligible for them, and
15 how to get them.

16 14. The Court in charge of the Action is the United States District Court
17 for the Central District of California (the "Court" or "District Court"), and the case
18 is known as *Steamfitters Local 449 Pension Plan v. Molina Healthcare, Inc., et al.*,
19 Case No. 2:18-cv-03579 AB (JCx) (C.D. Cal.). The Action is assigned to the Hon.
20 André Birotte Jr., United States District Judge.

21 **2. What is this case about?**

22 15. Molina provides managed health care services under the Medicaid and
23 Medicare programs and Patient Protection and Affordable Care Act health
24 insurance marketplaces ("ACA Health Exchanges"). Molina's health plans are
25 operated by various wholly owned subsidiaries, each of which is licensed as a
26 health maintenance organization ("HMO"). The Action arises out of Defendants'
27 allegedly false and misleading representations concerning the scalability of the
28 Company's "administrative infrastructure" throughout the Class Period, which

1 Defendants claimed had the capacity to support anticipated growth for Molina in
2 both Medicaid markets and ACA Health Exchanges. Lead Plaintiff alleges that the
3 market learned the “truth” regarding Molina’s administrative infrastructure through
4 a series of partial disclosures beginning on April 28, 2016 and ending on August 2,
5 2017, which disclosures allegedly caused drops in the price of Molina’s shares.

6 16. On April 27, 2018, Steamfitters filed a securities class action
7 complaint in the Court on behalf of purchasers of Molina common stock. The
8 Action ultimately was assigned to the Hon. Manuel Real, United States District
9 Judge.

10 17. On June 29, 2018, Steamfitters moved pursuant to Section 21D of the
11 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78u-4(a)(3)(B), as
12 amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”),
13 for appointment as lead plaintiff and for the appointment of its counsel, Labaton
14 Sucharow LLP, as lead counsel.

15 18. On August 21, 2018, the Court issued an Order appointing
16 Steamfitters as Lead Plaintiff and approving its selection of Labaton Sucharow
17 LLP as Lead Counsel for the Class.

18 19. Lead Plaintiff, through Lead Counsel, conducted a thorough
19 investigation relating to the claims, defenses, and underlying events and
20 transactions that are the subject of this Action. This process included reviewing
21 and analyzing: (i) documents filed publicly by the Company with the U.S.
22 Securities and Exchange Commission (“SEC”); (ii) publicly available information,
23 including press releases, news articles, and other public statements issued by or
24 concerning the Company and the Defendants; (iii) research reports issued by
25 financial analysts concerning the Company; (iv) publicly available data concerning
26 Molina common stock; (v) certain internal, nonpublic documents provided to Lead
27 Counsel by former employees of Molina; (vi) documents produced by Defendants
28 in connection with the mediation; and (vii) the applicable law governing the claims

1 and potential defenses. Lead Counsel also interviewed former Molina employees
2 and other persons with relevant knowledge and consulted with experts on damages
3 and causation issues and healthcare industry information technology (IT) systems.

4 20. Steamfitters filed the operative Amended Class Action Complaint for
5 Violation of the Federal Securities Laws (the “Complaint”) on October 5, 2018.
6 The Complaint alleges violations of Sections 10(b) and 20(a) of the Exchange Act,
7 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the
8 SEC, 17 C.F.R. § 240.10b-5, on behalf of a class of all persons and entities that
9 purchased or otherwise acquired Molina publicly traded common stock during the
10 period from October 31, 2014 through August 2, 2017, inclusive, and were
11 damaged thereby.

12 21. Defendants filed a motion to dismiss the Complaint on October 19,
13 2018. Lead Plaintiff filed a memorandum of law in opposition to the motion on
14 November 9, 2018. Defendants filed a reply in support of the motion to dismiss on
15 November 19, 2018.

16 22. On December 13, 2018, the Court issued an Order granting
17 Defendants’ motion and dismissing the Complaint with prejudice. The Court ruled
18 that Lead Plaintiff failed to sufficiently plead falsity and scienter.

19 23. On January 9, 2019, Lead Plaintiff appealed from the Order to the
20 United States Court of Appeals for the Ninth Circuit (the “Court of Appeals”).
21 Lead Plaintiff filed its opening brief and record excerpts on April 24, 2019.
22 Defendants filed their answering brief and supplemental record excerpts on June
23 24, 2019. Lead Plaintiff filed its reply brief on August 14, 2019.

24 24. On June 26, 2019, during the pendency of the appeal, the Hon.
25 Manuel Real passed away.

26 25. After the appeal was fully briefed, Lead Plaintiff and Defendants
27 agreed to engage Michelle Yoshida, Esq. of PhillipsADR, a well-respected and
28 experienced mediator, to assist the Parties in exploring a potential negotiated

1 resolution of the claims asserted in this Action. On February 27, 2020, the Parties
2 met with Ms. Yoshida in an attempt to reach a settlement. The mediation involved
3 an extended effort to settle the claims and was preceded by the exchange of
4 mediation statements and the provision of certain nonpublic documents by Molina
5 to Lead Plaintiff. While these discussions narrowed the differences between Lead
6 Plaintiff and Defendants, the Parties did not reach an accord that day.

7 26. On March 1, 2020, the Court of Appeals scheduled oral argument to
8 proceed on May 13, 2020.

9 27. Thereafter, on March 5, 2020, following continued arm's-length
10 negotiations facilitated and supervised by Ms. Yoshida, the Parties reached an
11 agreement-in-principle to settle this Action.

12 28. On March 19, 2020, the Parties filed a Joint Motion to Vacate Oral
13 Argument and Stay Appeal Pending Settlement with the Court of Appeals ("Joint
14 Motion"). The Joint Motion advised the Court of Appeals that the Parties had
15 reached an agreement-in-principle to settle the Action, and asked the Court of
16 Appeals to stay the appeal and vacate the May 13, 2020 oral argument date to
17 allow the Parties time to negotiate the formal settlement documents.

18 29. On March 26, 2020, the Court of Appeals granted the Joint Motion.
19 The Court of Appeals stayed the appeal until September 18, 2020 or until such
20 time as the district court grants final approval to the Settlement, whichever comes
21 first.

22 30. On April 21, 2020, the Parties filed a Joint Motion for Limited
23 Remand Pending Consideration of Proposed Class Action Settlement with the
24 Court of Appeals. On April 22, 2020, the Court of Appeals granted the motion and
25 remanded the matter to the District Court for the limited purpose of allowing the
26 District Court to consider the Settlement and related matters. On April 24, 2020,
27 the District Court reassigned this Action to the Hon. André Birotte Jr., United
28 States District Judge.

1 31. As of May 5, 2020, the Parties executed the Settlement Agreement,
2 which sets forth the final terms and conditions of the Settlement.

3 **3. Why is this a class action?**

4 32. In a class action, one or more persons or entities (in this case, Lead
5 Plaintiff), sue on behalf of people and entities that have similar claims. Together,
6 these people and entities are a “class,” and each is a “class member.” Bringing a
7 case, such as this one, as a class action allows the adjudication of many
8 individuals’ similar claims that might be too small to bring economically as
9 separate actions. One court resolves the issues for all class members at the same
10 time, except for those who exclude themselves, or “opt-out,” from the class. In
11 this Action, the Court has appointed Steamfitters Local 449 Pension Plan to serve
12 as Lead Plaintiff and has appointed Labaton Sucharow LLP to serve as Lead
13 Counsel and Glancy, Prongay & Murray LLP to serve as Liaison Counsel.

14 **4. What are the reasons for the Settlement?**

15 33. The Court did not finally decide in favor of Lead Plaintiff or
16 Defendants. Instead, both sides agreed to a settlement.

17 34. Lead Plaintiff and Lead Counsel believe that the claims asserted in the
18 Action have merit despite the District Court’s dismissal of the Complaint. Lead
19 Plaintiff and Lead Counsel recognize, however, that the Court of Appeals may not
20 reverse the District Court’s dismissal, and that there is risk, cost, and delay in
21 continuing to pursue the claims in this Action through trial and any appeals.
22 Defendants have raised a number of arguments and defenses (which they would
23 raise at summary judgment and trial) that they did not make false and misleading
24 statements in violation of the Exchange Act, and that Lead Plaintiff would not be
25 able to establish that Defendants acted with the requisite intent. Even assuming
26 Lead Plaintiff could establish liability, the amount of damages that could be
27 attributed to the allegedly false and misleading statements would also be hotly
28 contested. In the absence of a settlement, the Parties would present factual and

1 expert testimony on each of these issues, and there is a risk that the Court or jury
2 would resolve these issues unfavorably against Lead Plaintiff and the Settlement
3 Class. In light of the Settlement and the guaranteed cash recovery to the
4 Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed
5 Settlement is fair, reasonable, and adequate, and in the best interests of the
6 Settlement Class.

7 35. Defendants have denied and continue to deny any wrongdoing and
8 deny that they have committed any act or omission giving rise to any liability or
9 violation of law. Defendants deny the allegations that they knowingly, or
10 otherwise, made any material misstatements or omissions; that any Member of the
11 Settlement Class has suffered damages; that the prices of Molina common stock
12 were artificially inflated by reason of the alleged misrepresentations, omissions, or
13 otherwise; or that the conduct alleged in the Complaint caused any losses allegedly
14 experienced by, or otherwise harmed, any Member of the Settlement Class.
15 Nonetheless, Defendants have concluded that continuation of the Action would be
16 protracted, time-consuming, and expensive, and that it is desirable that the Action
17 be fully and finally settled in the manner and upon the terms and conditions set
18 forth in the Settlement Agreement. Defendants also have taken into account the
19 uncertainty and risks inherent in any litigation, especially a complex case like this
20 Action, and believe that it is desirable and beneficial that the Action be settled in
21 the manner and upon the terms and conditions set forth in the Settlement
22 Agreement.

23 WHO IS IN THE SETTLEMENT

24 5. How do I know if I am part of the Settlement Class?

25 36. To be eligible for a payment from the proceeds of the Settlement, you
26 must be a Settlement Class Member. The Court has directed, for the purposes of
27 the proposed Settlement, that everyone who fits the following description is a
28 Settlement Class Member and subject to the Settlement unless they are an excluded

1 person (*see* Question 6 below) or take steps to exclude themselves from the
2 Settlement Class (*see* Question 11 below):

3 **All persons and entities that purchased or otherwise acquired**
4 **Molina publicly traded common stock during the period from**
5 **October 31, 2014 through August 2, 2017, inclusive, and were**
6 **damaged thereby.**

7 37. Receipt of this Notice does not mean you are a member of the
8 Settlement Class. The Parties do not have access to your transactions in Molina
9 publicly traded common stock. If one of your mutual funds purchased Molina
10 common stock during the Class Period, that alone does not make you a Settlement
11 Class Member. You are a Settlement Class Member only if you individually
12 purchased or otherwise acquired Molina publicly traded common stock during the
13 Class Period. Check your investment records or contact your broker to see if you
14 have any eligible purchases or acquisitions.

15 **6. Are there exceptions to being included?**

16 38. Yes. There are some individuals and entities who are excluded from
17 the Settlement Class by definition. Excluded from the Settlement Class are: (i) the
18 Defendants; (ii) the present and former officers and directors of the Company; (iii)
19 the Company's subsidiaries and affiliates; (iv) the Company's employee retirement
20 and benefit plan(s) and their participants or beneficiaries, to the extent they made
21 purchases through such plan(s); (v) members of the immediate families of the
22 Individual Defendants; (vi) any entity in which any Defendant has or had a
23 controlling interest; and (vii) the legal representatives, heirs, successors, and
24 assigns of any such excluded party. Also excluded from the Settlement Class will
25 be any Person that timely and validly seeks exclusion from the Settlement Class in
26 accordance with the procedures described in Question 11 below.

27 **THE SETTLEMENT BENEFITS — WHAT YOU GET**

28 **7. What does the Settlement provide?**

39. In exchange for the Settlement and the release of the Released Claims

1 against the Released Defendant Parties (*see* Question 10 below), Defendants have
2 agreed to cause a \$7.5 million payment to be made, which, along with any interest
3 earned on this amount, will be distributed, after the deduction of Court-awarded
4 attorneys' fees and litigation expenses, Notice and Administration Expenses,
5 Taxes, and any other fees or expenses approved by the Court (the "Net Settlement
6 Fund"), among all Settlement Class Members who submit valid Claim Forms and
7 are found to be eligible to receive a distribution from the Net Settlement Fund
8 ("Authorized Claimants").

9 **8. How can I receive a payment?**

10 40. To qualify for a payment from the Net Settlement Fund, you must
11 submit a timely and valid Claim Form. A Claim Form is included with this Notice.
12 If you did not receive a Claim Form, you can obtain one from the website
13 dedicated to the Settlement: www._____.com, or from Lead Counsel's
14 website: www.labaton.com. You can also request that a Claim Form be mailed to
15 you by calling the Claims Administrator toll-free at (____) ____-____.

16 41. Please read the instructions contained in the Claim Form carefully, fill
17 it out, include all the documents the form requests, sign it, and mail it to the Claims
18 Administrator or submit it using the Settlement website so that it is **postmarked or**
19 **submitted no later than _____, 2020.**

20 **9. When will I receive my payment?**

21 42. The Court will hold a Settlement Hearing on _____
22 _____, 2020 to decide, among other things, whether to finally approve the
23 Settlement. Even if the Court approves the Settlement, there may be appeals which
24 can take time to resolve, perhaps more than a year. It also takes a long time for all
25 of the Claim Forms to be accurately reviewed and processed. Please be patient.

26 **10. What am I giving up to receive a payment or stay in the Settlement Class?**

27 43. If you are a Settlement Class Member and do not timely and validly
28 exclude yourself from the Settlement Class, you will remain in the Settlement

1 Class and that means that, upon the “Effective Date” of the Settlement, you will
2 release all “Released Claims” against the “Released Defendant Parties.”

3 (a) **“Released Claims”** means any and all claims and causes of
4 action of every nature and description, including both known claims and Unknown
5 Claims (defined below), whether arising under federal, state, common or foreign
6 law, or any other law, whether class or individual in nature, that Lead Plaintiff or
7 any other Settlement Class Member (i) asserted in the Action; or (ii) could have
8 asserted in the Action, or in any forum, that arise out of, relate to, or are based
9 upon both (a) the allegations, transactions, facts, events, acts, occurrences,
10 statements, representations and/or omissions alleged in the Action and (b) the
11 purchase or acquisition of Molina publicly traded common stock during the Class
12 Period. For the avoidance of doubt, Released Claims do not include claims
13 relating to the enforcement of the Settlement.

14 (b) **“Released Defendant Parties”** means Defendants, Defendants’
15 Counsel, and each of their respective past or present subsidiaries, parents,
16 affiliates, principals, successors and predecessors, assigns, officers, directors,
17 shareholders, trustees, partners, agents, fiduciaries, contractors, employees,
18 attorneys, auditors, and insurers; the spouses, members of the immediate families,
19 representatives, and heirs of the Individual Defendants, as well as any trust of
20 which any Individual Defendant is the settlor or which is for the benefit of any of
21 their immediate family members; any firm, trust, corporation, or entity in which
22 any Defendant has a controlling interest; and any of the legal representatives, heirs,
23 successors in interest or assigns of Defendants.

24 (c) **“Unknown Claims”** means any and all Released Claims that
25 Lead Plaintiff or any other Settlement Class Member does not know or suspect to
26 exist in his, her, or its favor at the time of the release of the Released Defendant
27 Parties, and any and all Released Defendants’ Claims that any Defendant does not
28 know or suspect to exist in his, her, or its favor at the time of the release of the

1 Released Plaintiff Parties, which if known by him, her, or it might have affected
2 his, her, or its decision(s) with respect to the Settlement, including the decision to
3 object to the terms of the Settlement or to exclude himself, herself, or itself from
4 the Settlement Class. With respect to any and all Released Claims and Released
5 Defendants' Claims, the Parties stipulate and agree that, upon the Effective Date,
6 Lead Plaintiff and Defendants shall expressly, and each other Settlement Class
7 Member shall be deemed to have, and by operation of the Judgment or Alternative
8 Judgment shall have, to the fullest extent permitted by law, expressly waived and
9 relinquished any and all provisions, rights and benefits conferred by any law of any
10 state or territory of the United States or foreign law, or principle of common law,
11 which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which
12 provides:

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

19 Lead Plaintiff, other Settlement Class Members, or Defendants may hereafter
20 discover facts, legal theories, or authorities in addition to or different from those
21 which any of them now knows or believes to be true with respect to the subject
22 matter of the Released Claims and the Released Defendants' Claims, but Lead
23 Plaintiff and Defendants shall expressly, fully, finally, and forever settle and
24 release, and each Settlement Class Member shall be deemed to have settled and
25 released, and upon the Effective Date and by operation of the Judgment or
26 Alternative Judgment shall have settled and released, fully, finally, and forever,
27 any and all Released Claims and Released Defendants' Claims as applicable,
28 without regard to the subsequent discovery or existence of such different or
additional facts, legal theories, or authorities. Lead Plaintiff and Defendants
acknowledge, and other Settlement Class Members by operation of law shall be

1 deemed to have acknowledged, that the inclusion of “Unknown Claims” in the
2 definition of Released Claims and Released Defendants’ Claims was separately
3 bargained for and was a material element of the Settlement.

4 44. The “Effective Date” will occur when an Order entered by the Court
5 approving the Settlement becomes Final and is not subject to appeal. If you remain
6 a member of the Settlement Class, all of the Court’s orders, whether favorable or
7 unfavorable, will apply to you and legally bind you.

8 45. Upon the “Effective Date,” Defendants will also provide a release of
9 any claims against Lead Plaintiff and the Settlement Class arising out of or related
10 to the institution, prosecution, or settlement of the claims in the Action.

11 **EXCLUDING YOURSELF FROM THE SETTLEMENT CLASS**

12 46. If you do not want to be eligible to receive a payment from the
13 Settlement and you do not want to release the Released Claims against the
14 Released Defendant Parties, then you must take steps to remove yourself from the
15 Settlement Class. This is called excluding yourself or “opting out.” **Please note:**
16 **if you bring your own claims, Defendants will have the right to seek their**
17 **dismissal. Also, Defendants may terminate the Settlement if Settlement Class**
18 **Members who purchased in excess of a certain amount of shares of Molina**
19 **common stock seek exclusion from the Settlement Class.**

20 **11. How do I exclude myself from the Settlement Class?**

21 47. To exclude yourself from the Settlement Class, you must mail a
22 signed letter stating that you “request to be excluded from the Settlement Class in
23 *Steamfitters Local 449 Pension Plan v. Molina Healthcare, Inc., et al.*, Case No.
24 2:18-cv-03579 AB (JCx) (C.D. Cal.)” You cannot exclude yourself by telephone
25 or e-mail. Each request for exclusion must also state: (i) the name, address, and
26 telephone number of the person or entity requesting exclusion; (ii) the number of
27 shares of Molina publicly traded common stock purchased, acquired, and sold
28 during the Class Period, as well as the date, number of shares and price per share

1 of each such purchase, acquisition, and sale; and (iii) be signed by the person or
2 entity requesting exclusion or an authorized representative. A request for
3 exclusion must be mailed so that it is **received no later than _____**,
4 **2020**, at this address:

5 *Molina Healthcare Securities Litigation*
6 c/o Angeion Group
7 P.O. Box _____

8 **Your exclusion request must comply with these requirements in order to be**
9 **valid.**

10 48. If you ask to be excluded, do not submit a Claim Form because you
11 cannot receive any payment from the Net Settlement Fund. Also, you cannot
12 object to the Settlement because you will not be a Settlement Class Member.
13 However, if you submit a valid exclusion request, you will not be legally bound by
14 anything that happens in the Action, and you may be able to sue (or continue to
15 sue) Defendants and the other Released Defendant Parties in the future. If you
16 have a pending lawsuit against any of the Released Defendant Parties, **please**
17 **speak to your lawyer in the case immediately.**

18 **12. If I exclude myself, can I get money from the proposed Settlement?**

19 49. No. If you exclude yourself, you are no longer a Settlement Class
20 Member, so do not send in a Claim Form to ask for any money.

21 **THE LAWYERS REPRESENTING YOU**

22 **13. Do I have a lawyer in this case?**

23 50. The Court appointed the law firm of Labaton Sucharow LLP to
24 represent all Settlement Class Members. These lawyers are called “Lead Counsel.”
25 You will not be separately charged for these lawyers. The Court will determine the
26 amount of Plaintiffs’ Counsel’s fees and expenses, which will be paid from the
27 Settlement Fund. If you want to be represented by your own lawyer, you may hire
28 one at your own expense.

1 **14. How will the lawyers be paid?**

2 51. Plaintiffs' Counsel have not received any payment for their work in
3 pursuing the claims against Defendants on behalf of the Settlement Class, nor have
4 they been paid for their litigation expenses. Lead Counsel will ask the Court to
5 award Plaintiffs' Counsel attorneys' fees of no more than 25% of the Settlement
6 Fund, or \$1,875,000, plus any accrued interest. Plaintiffs' Counsel are Labaton
7 Sucharow LLP and Glancy, Prongay & Murray LLP. No other attorneys will share
8 in the fee awarded by the Court. Lead Counsel will also seek payment of litigation
9 expenses incurred by Plaintiffs' Counsel in the prosecution of the Action of no
10 more than \$140,000, which may include an application for Lead Plaintiff's
11 reasonable costs and expenses (including lost wages) directly related to its
12 representation of the Settlement Class.

13 52. As explained above, any attorneys' fees and expenses awarded by the
14 Court will be paid from the Settlement Fund. Settlement Class Members are not
15 personally liable for any such fees or expenses.

16 **OBJECTING TO THE SETTLEMENT, THE PLAN OF**
17 **ALLOCATION, OR THE FEE AND EXPENSE APPLICATION**

18 **15. How do I tell the Court that I do not like something about the proposed**
19 **Settlement?**

20 53. If you are a Settlement Class Member, you can object to the
21 Settlement or any of its terms, the proposed Plan of Allocation, and/or Lead
22 Counsel's Fee and Expense Application. You may give reasons why you think the
23 Court should not approve any or all of the Settlement terms or related relief. If you
24 would like the Court to consider your views, you must file a proper objection
25 within the deadline, and according to the following procedures.

26 54. To object, you must send a signed letter stating that you object to the
27 proposed Settlement in "*Steamfitters Local 449 Pension Plan v. Molina*
28 *Healthcare, Inc., et al.*, Case No. 2:18-cv-03579 AB (JCx) (C.D. Cal.)." Your

1 objection must state why you are objecting and whether your objection applies
 2 only to you, a subset of the Settlement Class, or the entire Settlement Class. The
 3 objection must also: (i) include the name, address, and telephone number of the
 4 person or entity objecting; (ii) contain a statement of the objection and the specific
 5 reasons for it, including any legal and evidentiary support (including witnesses) the
 6 Settlement Class Member wishes to bring to the Court’s attention; and (iii)
 7 identifying the number of shares of Molina publicly traded common stock the
 8 person or entity purchased, acquired, and sold during the Class Period, as well as
 9 the dates and prices of each such purchase, acquisition and sale. Unless otherwise
 10 ordered by the Court, any Settlement Class Member who does not object in the
 11 manner described in this Notice will be deemed to have waived any objection and
 12 will be forever foreclosed from making any objection to the proposed Settlement,
 13 the Plan of Allocation, and/or Lead Counsel’s Fee and Expense Application. Your
 14 objection must be filed with the Court at the address below, either by mail or in
 15 person, **no later than _____, 2020 and** be mailed or delivered to each
 16 of the following counsel so that it is **received no later than _____, 2020:**

<u>Court</u>	<u>Lead Counsel</u>	<u>Defendants’ Counsel</u>
18 Clerk of the Court 19 United States District Court 20 Central District of California 21 First Street U.S. Courthouse 22 350 West First Street, Suite 4311 23 Los Angeles, CA 90012-4565	18 Labaton Sucharow LLP 19 Christine M. Fox, Esq. 20 140 Broadway 21 New York, NY 10005	18 Latham & Watkins LLP 19 Robert W. Perrin, Esq. 20 355 South Grand Ave., Suite 100 21 Los Angeles, CA 90071-1560

22 55. You do not need to attend the Settlement Hearing to have your written
 23 objection considered by the Court. However, any Settlement Class Member who
 24 has not submitted a request for exclusion and who has complied with the
 25 procedures described in this Question 15 and below in Question 19 may appear at
 26 the Settlement Hearing and be heard, to the extent allowed by the Court, about
 27 their objection. An objector may appear in person or arrange, at his, her, or its own
 28 expense, for a lawyer to represent him, her, or it at the Settlement Hearing.

1 **16. What is the difference between objecting and seeking exclusion?**

2 56. Objecting is telling the Court that you do not like something about the
3 proposed Settlement, Plan of Allocation, or Lead Counsel’s Fee and Expense
4 Application. You can still recover money from the Settlement. You can object
5 *only* if you stay in the Settlement Class. Excluding yourself is telling the Court
6 that you do not want to be part of the Settlement Class. If you exclude yourself
7 from the Settlement Class, you have no basis to object because the Settlement and
8 the Action no longer affect you.

9 **THE SETTLEMENT HEARING**

10 **17. When and where will the Court decide whether to approve the proposed**
11 **Settlement?**

12 57. The Court will hold the Settlement Hearing on _____,
13 **2020 at ____:____.m.**, in Courtroom 7B at the United States District Court for
14 the Central District of California, First Street U.S. Courthouse, 350 West First
15 Street, Los Angeles, CA 90012.

16 58. At this hearing, the Court will consider, among other things, whether:
17 (i) the Settlement is fair, reasonable, adequate, and should be finally approved; (ii)
18 the Plan of Allocation is fair and reasonable, and should be approved; and (iii) the
19 application of Lead Counsel for an award of attorneys’ fees and payment of
20 litigation expenses, including those of Lead Plaintiff, is reasonable and should be
21 approved. The Court will take into consideration any written objections filed in
22 accordance with the instructions in Question 15 above. We do not know how long
23 it will take the Court to make these decisions.

24 59. You should be aware that the Court may change the date and time of
25 the Settlement Hearing, or hold the hearing telephonically, without another notice
26 being sent to Settlement Class Members. If you want to attend the hearing, you
27 should check with Lead Counsel beforehand to be sure that the date and/or time
28 has not changed, or periodically check the Settlement website at

1 www._____.com to see if the Settlement Hearing stays as scheduled or is
2 changed. Subscribers to PACER, a fee-based service, can also view the Court’s
3 docket for the Action for updates about the Settlement Hearing through the Court’s
4 on-line Case Management/Electronic Case Files System at <https://www.pacer.gov>.

5 **18. Do I have to come to the Settlement Hearing?**

6 60. No. Lead Counsel will answer any questions the Court may have.
7 But, you are welcome to attend at your own expense. If you submit a valid and
8 timely objection, the Court will consider it and you do not have to come to Court to
9 discuss it. You may have your own lawyer attend (at your own expense), but it is
10 not required. If you do hire your own lawyer, he or she must file and serve a
11 Notice of Appearance in the manner described in the answer to Question 19 below
12 **no later than _____, 2020.**

13 **19. May I speak at the Settlement Hearing?**

14 61. You may ask the Court for permission to speak at the Settlement
15 Hearing. To do so, you must include with your objection (*see* Question 15), **no**
16 **later than _____, 2020**, a statement that you, or your attorney,
17 intend to appear in “*Steamfitters Local 449 Pension Plan v. Molina Healthcare,*
18 *Inc., et al.*, Case No. 2:18-cv-03579 AB (JCx) (C.D. Cal.)” Persons who intend to
19 present evidence at the Settlement Hearing must also include in their objections
20 (prepared and submitted in accordance with the answer to Question 15 above) the
21 identities of any witnesses they may wish to call to testify and any exhibits they
22 intend to introduce into evidence at the Settlement Hearing. You may not speak at
23 the Settlement Hearing if you exclude yourself or if you have not provided written
24 notice in accordance with the procedures described in this Question 19 and
25 Question 15 above.

26 **IF YOU DO NOTHING**

27 **20. What happens if I do nothing at all?**

28 62. If you do nothing and you are a member of the Settlement Class, you

1 will receive no money from this Settlement and you will be precluded from starting
2 a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against
3 Defendants and the other Released Defendant Parties concerning the Released
4 Claims. To share in the Net Settlement Fund, you must submit a Claim Form (*see*
5 Question 8 above).

6 GETTING MORE INFORMATION

7 **21. Are there more details about the Settlement?**

8 63. This Notice summarizes the proposed Settlement. More details are
9 contained in the Settlement Agreement. You may review the Settlement
10 Agreement filed with the Court and other documents in the case during business
11 hours at the Clerk of the Court, United States District Court for the Central District
12 of California, First Street U.S. Courthouse, 350 West First Street, Suite 4311, Los
13 Angeles, CA 90012. Subscribers to PACER can also view the papers filed
14 publicly in the Action through the Court's on-line Case Management/Electronic
15 Case Files System at <https://www.pacer.gov>.

16 64. You can also get a copy of the Settlement Agreement, and other
17 documents related to the Settlement, as well as additional information about the
18 case and Settlement by visiting the website dedicated to the Settlement,
19 www._____.com, where you will find answers to common questions about
20 the Settlement and can download copies of the Settlement Agreement or Claim
21 Form. You may also call the Claims Administrator toll free at (____) ____-
22 _____ or write to the Claims Administrator at *Molina Healthcare Securities*
23 *Litigation*, c/o Angeion Group, P.O. Box _____,
24 _____." **Please do not call the Court with questions about**
25 **the Settlement.**

26 PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

27 **22. How will my claim be calculated?**

28 65. The Plan of Allocation set forth below is the plan that is being

1 proposed by Lead Plaintiff to the Court for approval. The Court may approve this
2 Plan of Allocation or modify it without additional notice to the Settlement Class.
3 Any order modifying the Plan of Allocation will be posted on the Settlement
4 website at: www._____.com and at www.labaton.com.

5 66. As discussed above, the Settlement Amount and any interest it earns
6 constitute the Settlement Fund. The Settlement Fund, after the deduction of Court-
7 approved attorneys' fees and litigation expenses, Notice and Administration
8 Expenses, Taxes, and any other fees or expenses approved by the Court, is the Net
9 Settlement Fund. If the Settlement is approved by the Court, the Net Settlement
10 Fund will be distributed to eligible Authorized Claimants – *i.e.*, members of the
11 Settlement Class who timely submit valid Claim Forms that are accepted for
12 payment – in accordance with this proposed Plan of Allocation or such other plan
13 of allocation as the Court may approve.

14 67. To design the Plan, Lead Counsel conferred with Lead Plaintiff's
15 consulting damages expert. The objective of the Plan of Allocation is to distribute
16 the Net Settlement Fund equitably among those Settlement Class Members who
17 suffered economic losses as a proximate result of the alleged wrongdoing. The
18 Plan of Allocation is not intended to estimate, or be indicative of, the amounts that
19 Settlement Class Members might have been able to recover after a trial. Because
20 the Net Settlement Fund is less than the total losses alleged to be suffered by
21 Settlement Class Members, the formulas described below for calculating
22 Recognized Losses are not intended to estimate the amounts that will actually be
23 paid to Authorized Claimants. The Plan of Allocation measures the amount of loss
24 that a Settlement Class Member can claim for purposes of making *pro rata*
25 allocations of the Net Settlement Fund to Authorized Claimants.

26 68. For losses to be compensable damages under the federal securities
27 laws, the disclosure of the allegedly misrepresented information must be the cause
28 of the change in the price of the securities at issue. In this case, Lead Plaintiff

1 alleged that Defendants issued false statements and omitted material facts during
2 the Class Period (October 31, 2014 through August 2, 2017, inclusive) that
3 artificially inflated the price of Molina publicly traded common stock. It is alleged
4 that corrective information released after the market closed on April 28, 2016,
5 February 15, 2017, and August 2, 2017, impacted the prices of Molina common
6 stock in a statistically significant manner and removed the alleged artificial
7 inflation from the share price on April 29, 2016, February 16, 2017, and August 3,
8 2017. Accordingly, in order to have a compensable loss in this Settlement, Molina
9 common stock must have been purchased or otherwise acquired during the Class
10 Period and held through at least one of the alleged corrective disclosures listed
11 above.

12 69. An individual Settlement Class Member's recovery will depend on,
13 for example: (a) the total number and value of claims submitted; (b) when the
14 claimant purchased or acquired Molina common stock; and (c) whether and when
15 the claimant sold his, her, or its shares of Molina common stock.

16 **CALCULATION OF RECOGNIZED LOSS AMOUNTS**
17 **FOR MOLINA PUBLICLY TRADED COMMON STOCK**

18 70. A "Recognized Loss Amount" will be calculated as set forth below
19 for each share of Molina publicly traded common stock purchased or otherwise
20 acquired during the Class Period that is listed in the Claim Form and for which
21 adequate documentation is provided. To the extent that the calculation of a
22 claimant's Recognized Loss Amount results in a negative number (*i.e.*, a gain), that
23 number shall be set to zero.

24 71. A claimant's "Recognized Claim" under the Plan of Allocation shall
25 be the sum of his, her or its Recognized Loss Amounts as calculated under the
26 Plan. For purposes of determining whether a claimant has a "Recognized Claim,"
27 purchases, acquisitions, and sales of Molina common stock will first be matched
28 on a First In/First Out ("FIFO") basis. If a Settlement Class Member has more

1 than one purchase/acquisition or sale of Molina common stock during the Class
2 Period, all purchases/acquisitions and sales shall be matched on a FIFO basis.
3 Class Period sales will be matched first against any holdings at the beginning of
4 the Class Period and then against purchases/acquisitions in chronological order,
5 beginning with the earliest purchase/acquisition made during the Class Period.

6 72. For each share of Molina common stock purchased or otherwise
7 acquired during the Class Period and sold before the close of trading on October
8 31, 2017, an “Out of Pocket Loss” will be calculated. Out of Pocket Loss is
9 defined as the purchase price (excluding all fees, taxes, and commissions) minus
10 the sale price (excluding all fees, taxes, and commissions). To the extent that the
11 calculation of the Out of Pocket Loss results in a negative number, that number
12 shall be set to zero.

13 **For each share of Molina common stock purchased or acquired from October**
14 **31, 2014 through and including August 2, 2017, and:**

- 15 A. Sold before the opening of trading on April 29, 2016, the
Recognized Loss Amount for each such share shall be zero.
- 16 B. Sold after the opening of trading on April 29, 2016 and before the
17 close of trading on August 2, 2017, the Recognized Loss Amount
for each such share shall be *the lesser of*:
- 18 1. the dollar artificial inflation applicable to each such share on the
19 date of purchase/acquisition as set forth in **Table 1** below
minus the dollar artificial inflation applicable to each such
20 share on the date of sale as set forth in **Table 1** below; or
 - 21 2. the Out of Pocket Loss.
- 22 C. Sold after the close of trading on August 2, 2017 and before the
close of trading on October 31, 2017, the Recognized Loss
23 Amount for each such share shall be *the least of*:
- 24 1. the dollar artificial inflation applicable to each such share on the
date of purchase/acquisition as set forth in **Table 1** below; or
 - 25 2. the actual purchase/acquisition price of each such share *minus*
26 the average closing price from August 3, 2017, up to the date of
sale as set forth in **Table 2** below; or
 - 27 3. the Out of Pocket Loss.
- 28 D. Held as of the close of trading on October 31, 2017, the
Recognized Loss Amount for each such share shall be *the lesser*

1 of:

- 2 1. the dollar artificial inflation applicable to each such share on the
3 date of purchase/acquisition as set forth in **Table 1** below; or
4 2. the actual purchase/acquisition price of each such share *minus*
\$63.57.³

5 **TABLE 1**

6 **Molina Common Stock Artificial Inflation
7 for Purposes of Calculating Purchase and Sale Inflation**

Transaction Date	Artificial Inflation Per Share
October 31, 2014 – April 28, 2016	\$26.45
April 29, 2016 – February 15, 2017	\$14.92
February 16, 2017 – August 2, 2017	\$4.50

11 **TABLE 2**

12 **Molina Common Stock Closing Price and Average Closing Price
13 August 3, 2017 – October 31, 2017**

Date	Closing Price	Average Closing Price between August 3, 2017 and Date Shown	Date	Closing Price	Average Closing Price between August 3, 2017 and Date Shown
08/03/2017	\$62.32	\$62.32	09/19/2017	\$62.12	\$61.96
08/04/2017	\$59.80	\$61.06	09/20/2017	\$62.58	\$61.97
08/07/2017	\$58.59	\$60.24	09/21/2017	\$62.51	\$61.99
08/08/2017	\$58.60	\$59.83	09/22/2017	\$65.32	\$62.08
08/09/2017	\$58.27	\$59.52	09/25/2017	\$64.54	\$62.15
08/10/2017	\$57.53	\$59.19	09/26/2017	\$65.59	\$62.24
08/11/2017	\$58.05	\$59.02	09/27/2017	\$66.54	\$62.35
08/14/2017	\$57.56	\$58.84	09/28/2017	\$67.59	\$62.48
08/15/2017	\$57.03	\$58.64	09/29/2017	\$68.76	\$62.63
08/16/2017	\$56.78	\$58.45	10/02/2017	\$68.51	\$62.77
08/17/2017	\$59.51	\$58.55	10/03/2017	\$67.40	\$62.88

22 ³ Pursuant to Section 21D(e)(1) of the Exchange Act, “in any private action
23 arising under this title in which the plaintiff seeks to establish damages by
24 reference to the market price of a security, the award of damages to the plaintiff
25 shall not exceed the difference between the purchase or sale price paid or received,
26 as appropriate, by the plaintiff for the subject security and the mean trading price
27 of that security during the 90-day period beginning on the date on which the
28 information correcting the misstatement or omission that is the basis for the action
is disseminated to the market.” Consistent with the requirements of the Exchange
Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into
account the closing prices of Molina common stock during the “90-day look-back
period,” August 3, 2017 through October 31, 2017. The mean (average) closing
price for Molina common stock during this 90-day look-back period was \$63.57.

Date	Closing Price	Average Closing Price between August 3, 2017 and Date Shown	Date	Closing Price	Average Closing Price between August 3, 2017 and Date Shown
08/18/2017	\$59.63	\$58.64	10/04/2017	\$67.02	\$62.97
08/21/2017	\$59.98	\$58.74	10/05/2017	\$67.37	\$63.07
08/22/2017	\$60.54	\$58.87	10/06/2017	\$67.86	\$63.18
08/23/2017	\$60.51	\$58.98	10/09/2017	\$66.66	\$63.25
08/24/2017	\$61.30	\$59.13	10/10/2017	\$65.16	\$63.29
08/25/2017	\$62.03	\$59.30	10/11/2017	\$63.58	\$63.30
08/28/2017	\$63.18	\$59.51	10/12/2017	\$63.42	\$63.30
08/29/2017	\$63.50	\$59.72	10/13/2017	\$61.28	\$63.26
08/30/2017	\$62.91	\$59.88	10/16/2017	\$59.86	\$63.19
08/31/2017	\$64.00	\$60.08	10/17/2017	\$61.54	\$63.16
09/01/2017	\$64.25	\$60.27	10/18/2017	\$63.09	\$63.16
09/05/2017	\$65.42	\$60.49	10/19/2017	\$63.64	\$63.17
09/06/2017	\$64.65	\$60.66	10/20/2017	\$64.40	\$63.19
09/07/2017	\$64.97	\$60.84	10/23/2017	\$66.25	\$63.25
09/08/2017	\$65.04	\$61.00	10/24/2017	\$66.24	\$63.30
09/11/2017	\$65.88	\$61.18	10/25/2017	\$66.63	\$63.35
09/12/2017	\$65.74	\$61.34	10/26/2017	\$65.53	\$63.39
09/13/2017	\$66.07	\$61.50	10/27/2017	\$67.14	\$63.45
09/14/2017	\$66.14	\$61.66	10/30/2017	\$66.66	\$63.50
09/15/2017	\$66.62	\$61.82			
09/18/2017	\$66.00	\$61.95	10/31/2017	\$67.83	\$63.57

ADDITIONAL PROVISIONS

73. Molina publicly traded common stock is the only security eligible for recovery under the Plan of Allocation. With respect to Molina common stock purchased or sold through the exercise of an option, the purchase/sale date of the Molina common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

74. Purchases or acquisitions and sales of Molina common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” or “sale” date. The receipt or grant by gift, inheritance or operation of law of Molina common stock during the Class Period shall not be deemed a purchase, acquisition, or sale of such shares of Molina common stock for the calculation of a 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 such Molina common stock unless (i) the donor or decedent purchased or

1 otherwise acquired such shares of Molina common stock during the Class Period;
2 (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the
3 decedent, or by anyone else with respect to such shares of Molina common stock;
4 and (iii) it is specifically so provided in the instrument of gift or assignment.

5 75. In accordance with the Plan of Allocation, the Recognized Loss
6 Amount on any portion of a purchase or acquisition that matches against (or
7 “covers”) a “short sale” is zero. The Recognized Loss Amount on a “short sale”
8 that is not covered by a purchase or acquisition is also zero.

9 76. In the event that a claimant has an opening short position in Molina
10 common stock at the start of the Class Period, the earliest Class Period purchases
11 or acquisitions shall be matched against such opening short position in accordance
12 with the FIFO matching described above and any portion of such purchases or
13 acquisition that covers such short sales will not be entitled to recovery. In the
14 event that a claimant newly establishes a short position during the Class Period, the
15 earliest subsequent Class Period purchase or acquisition shall be matched against
16 such short position on a FIFO basis and will not be entitled to a recovery.

17 77. An Authorized Claimant’s Recognized Claim shall be the amount
18 used to calculate the Authorized Claimant’s *pro rata* share of the Net Settlement
19 Fund. If the sum total of Recognized Claims of all Authorized Claimants who are
20 entitled to receive payment out of the Net Settlement Fund is greater than the Net
21 Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata*
22 share of the Net Settlement Fund. The *pro rata* share shall be the Authorized
23 Claimant’s Recognized Claim divided by the total of Recognized Claims of all
24 Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.
25 If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims
26 of all Authorized Claimants entitled to receive payment out of the Net Settlement
27 Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to
28 all Authorized Claimants entitled to receive payment.

1 78. The Net Settlement Fund will be allocated among all Authorized
2 Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to
3 any Authorized Claimant calculates to less than \$10.00, it will not be included in
4 the calculation and a distribution will not be made to that Authorized Claimant.

5 79. Distributions will be made to Authorized Claimants after all claims
6 have been processed and after the Court has finally approved the Settlement. If
7 there is any balance remaining in the Net Settlement Fund (whether by reason of
8 tax refunds, uncashed checks or otherwise) after at least six (6) months from the
9 date of initial distribution of the Net Settlement Fund, the Claims Administrator
10 shall, if feasible and economical after payment of Notice and Administration
11 Expenses, Taxes, and Attorneys' Fees and Expenses, if any, redistribute such
12 balance among Authorized Claimants who have cashed their initial checks in an
13 equitable and economic fashion. Once it is no longer feasible or economical to
14 make further distributions, any balance that still remains in the Net Settlement
15 Fund after such re-distribution(s) and after payment of outstanding Notice and
16 Administration Expenses, Taxes, and Attorneys' Fees and Expenses, if any, shall
17 be contributed to a non-sectarian, not-for-profit charitable organization serving the
18 public interest designated by Lead Plaintiff and approved by the Court.

19 80. Payment pursuant to the Plan of Allocation, or such other plan as may
20 be approved by the Court, shall be conclusive against all claimants. No person
21 shall have any claim against Lead Plaintiff, Lead Counsel, their consulting
22 damages expert, the Claims Administrator, or other agent designated by Lead
23 Counsel, arising from determinations or distributions to claimants made
24 substantially in accordance with the Settlement Agreement, the Plan of Allocation
25 approved by the Court, or further orders of the Court. Lead Plaintiff, Defendants
26 and their respective counsel, and all other Released Parties shall have no
27 responsibility for or liability whatsoever for the investment or distribution of the
28 Settlement Fund, the Net Settlement Fund, the Plan of Allocation or the

1 determination, administration, calculation, or payment of any Claim Form or non-
2 performance of the Claims Administrator, the payment or withholding of Taxes
3 owed by the Settlement Fund or any losses incurred in connection therewith.

4 **SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES**

5 81. If you purchased or otherwise acquired publicly traded Molina
6 common stock (ISIN: US60855R1005) during the Class Period for the beneficial
7 interest of a person or entity other than yourself, the Court has directed that
8 **WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS**
9 **NOTICE, YOU MUST EITHER:** (a) provide to the Claims Administrator the
10 name and last known address of each person or entity for whom or which you
11 purchased or otherwise acquired publicly traded Molina common stock during the
12 Class Period; or (b) request additional copies of this Notice and the Claim Form
13 from the Claims Administrator, which will be provided to you free of charge, and
14 **WITHIN SEVEN (7) CALENDAR DAYS** of receipt, mail the Notice and Claim
15 Form directly to all the beneficial owners of those securities. If they are available,
16 you must also provide the Claims Administrator with the e-mail addresses of the
17 beneficial owners. If you choose to follow procedure (b), the Court has also
18 directed that, upon making that mailing, **YOU MUST SEND A STATEMENT** to
19 the Claims Administrator confirming that the mailing was made as directed and
20 keep a record of the names and mailing addresses used. Upon full and timely
21 compliance with these directions, you may seek reimbursement from the
22 Settlement Fund of your reasonable expenses actually incurred in connection with
23 the foregoing, upon request and submission of appropriate documentation. All
24 communications concerning the foregoing should be addressed to the Claims
25 Administrator:

26 *Molina Healthcare Securities Litigation*
27 c/o Angeion Group
28 P.O. Box _____

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Dated: _____, 2020

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
CENTRAL DISTRICT OF
CALIFORNIA

EXHIBIT A-2

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

STEAMFITTERS LOCAL 449 PENSION PLAN, Individually and on Behalf of all Others Similarly Situated,

Plaintiff,

vs.

MOLINA HEALTHCARE, INC., J. MARIO MOLINA, JOHN C. MOLINA, TERRY P. BAYER and RICK HOPFER,

Defendants.

Case No. 2:18-cv-03579 AB (JCx)
CLASS ACTION

PROOF OF CLAIM AND RELEASE

A. GENERAL INSTRUCTIONS

1. To recover as a member of the Settlement Class based on your claims in the action entitled *Steamfitters Local 449 Pension Plan v. Molina Healthcare, Inc., et al.*, Case No. 2:18-cv-03579 AB (JCx) (C.D. Cal.) (the “Action”), you must complete and, on page ____ hereof, sign this Proof of Claim and Release form (“Claim Form”). If you fail to submit a timely and properly addressed (as set forth in paragraph 3 below) Claim Form, your claim may be rejected and you may not receive any recovery from the Net Settlement Fund created in connection with the proposed Settlement.

2. Submission of this Claim Form, however, does not assure that you will share in the proceeds of the settlement of the Action.

3. **THIS CLAIM FORM MUST BE SUBMITTED ONLINE AT WWW._____.COM NO LATER THAN _____, 2020 OR, IF MAILED, BE POSTMARKED OR RECEIVED NO LATER THAN _____, 2020, ADDRESSED AS FOLLOWS:**

Molina Healthcare Securities Litigation
c/o Angeion Group
P.O. Box _____

If you are NOT a member of the Settlement Class (as defined in the Notice of Pendency of Class Action, Proposed Settlement, and Motion for Attorneys’ Fees and Expenses (“Notice”), which accompanies this Claim Form) DO NOT submit a Claim Form.

4. If you are a member of the Settlement Class and you did not timely request exclusion in response to the Notice dated _____, 2020, you are bound by the terms of any judgment entered in the Action, including the releases provided therein, **WHETHER OR NOT YOU SUBMIT A CLAIM FORM.**

B. CLAIMANT IDENTIFICATION

1. If you purchased or otherwise acquired the publicly traded common stock of Molina Healthcare, Inc. during the period from October 31, 2014 through August 2, 2017, inclusive (the “Class Period”) and held the stock in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased or otherwise acquired the publicly traded common stock of Molina during the Class Period through a third party, such as a brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

2. Use Part I of this form entitled “Claimant Identification” to identify each beneficial purchaser or acquirer of Molina publicly traded common stock that forms the basis of this claim, as well as the purchaser or acquirer of record if different. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S).**

3. All joint purchasers must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf

1 of persons represented by them and their authority must accompany this claim and
2 their titles or capacities must be stated. The Social Security (or taxpayer
3 identification) number and telephone number of the beneficial owner may be used
4 in verifying the claim. Failure to provide the foregoing information could delay
5 verification of your claim or result in rejection of the claim.

6 **C. IDENTIFICATION OF TRANSACTIONS**

7 1. Use Part II of this form entitled “Schedule of Transactions in Molina
8 Publicly Traded Common Stock” to supply all required details of your
9 transaction(s) in Molina publicly traded common stock. If you need more space or
10 additional schedules, attach separate sheets giving all of the required information
11 in substantially the same form. Sign and print or type your name on each
12 additional sheet.

13 2. On the schedules, provide all of the requested information with
14 respect to: (i) all of your holdings of Molina publicly traded common stock as of
15 the beginning of trading on October 31, 2014 and the close of trading on October
16 31, 2017; (ii) all of your purchases, and acquisitions of Molina publicly traded
17 common stock which took place at any time beginning October 31, 2014 through
18 and including August 2, 2017; and (iii) all of your sales of Molina publicly traded
19 common stock which took place at any time beginning October 31, 2014 through
20 and including October 31, 2017, whether such purchases, acquisitions, sales or
21 transactions resulted in a profit or a loss. Failure to report all such transactions
22 may result in the rejection of your claim.

23 3. The date of covering a “short sale” is deemed to be the date of
24 purchase of Molina publicly traded common stock. The date of a “short sale” is
25 deemed to be the date of sale of Molina publicly traded common stock.

26 4. Copies of broker confirmations or other documentation of your
27 transactions in Molina publicly traded common stock should be attached to your
28 claim. Failure to provide this documentation could delay verification of your claim

1 or result in rejection of your claim. The Parties do not have information about
2 your transactions in Molina publicly traded common stock.

3 5. NOTICE REGARDING ELECTRONIC FILES: Certain claimants
4 with large numbers of transactions may request, or may be requested, to submit
5 information regarding their transactions in electronic files. All claimants MUST
6 submit a manually signed paper Claim Form whether or not they also submit
7 electronic copies. If you wish to file your claim electronically, you must contact
8 the Claims Administrator at (____) ____-____ to obtain the required file layout. No
9 electronic files will be considered to have been properly submitted unless the
10 Claims Administrator issues to the claimant a written acknowledgment of receipt
11 and acceptance of electronically submitted data.

12 **PART I – CLAIMANT INFORMATION**

13 The Claims Administrator will use this information for all communications
14 regarding this Claim Form. If this information changes, you MUST notify the
15 Claims Administrator in writing at the address above. Complete names of all
16 persons and entities must be provided.

17 Beneficial Owner’s Name

18 First Name

Last Name

19

20 Joint Beneficial Owner’s Name (if applicable)

21 First Name

Last Name

22
23 If this claim is submitted for an IRA, and if you would like any check that you MAY be eligible to receive made payable to the
IRA, please include “IRA” in the “Last Name” box above (e.g., Jones IRA).

24 Entity Name (if the Beneficial Owner is not an individual)

25

26
27 Name of Representative, if applicable (executor, administrator, trustee, c/o, etc.), if different from Beneficial Owner

28

**PART II – SCHEDULE OF TRANSACTIONS IN
MOLINA PUBLICLY TRADED COMMON STOCK**

1. HOLDINGS AS OF OCTOBER 31, 2014. State the total number of shares of Molina publicly traded common stock held as of the opening of trading on October 31, 2014. (Must be documented.) If none, write “zero” or “0.”

Confirm Proof of Position Enclosed

2. PURCHASES/ACQUISITIONS FROM OCTOBER 31, 2014 THROUGH AUGUST 2, 2017. Separately list each and every purchase/acquisition of Molina publicly traded common stock from after the opening of trading on October 31, 2014 through and including the close of trading on August 2, 2017. (Must be documented.)

Date of Purchase/ Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/ Acquired	Purchase/ Acquisition Price Per Share	Total Purchase/ Acquisition Price (excluding taxes, commissions, and fees)	Confirm Proof of Purchase/ Acquisition Enclosed
/ /		\$	\$	<input type="radio"/>
/ /		\$	\$	<input type="radio"/>
/ /		\$	\$	<input type="radio"/>
/ /		\$	\$	<input type="radio"/>

3. PURCHASES/ACQUISITIONS FROM AUGUST 3, 2017 THROUGH OCTOBER 31, 2017. State the total number of shares of Molina publicly traded common stock purchased/acquired from after the opening of trading on August 3, 2017 through and including the close of trading on October 31, 2017. If none, write “zero” or “0.”¹ _____

4. SALES FROM OCTOBER 31, 2014 THROUGH OCTOBER 31, 2017. Separately list each and every sale/disposition of Molina publicly traded common stock from after the opening of trading on October 31, 2014 through and including the close of trading on October 31, 2017. (Must be documented.)

**IF NONE,
CHECK HERE**

Date of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (excluding taxes, commissions, and fees)	Confirm Proof of Sale Enclosed
/ /		\$	\$	<input type="radio"/>

¹ **Please note:** Information requested with respect to your purchases/acquisitions of Molina publicly traded common stock from after the opening of trading on August 3, 2017 through and including the close of trading on October 31, 2017 is needed in order to balance your claim. Purchases during this period are not eligible under the Settlement and will not be used for purposes of calculating your Recognized Claim pursuant to the Plan of Allocation.

/ /		\$	\$	○
/ /		\$	\$	○
/ /		\$	\$	○
5. HOLDINGS AS OF OCTOBER 31, 2017. State the total number of shares of Molina publicly traded common stock held as of the close of trading on October 31, 2017. (Must be documented.) If none, write “zero” or “0.” _____				Confirm Proof of Position Enclosed ○

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX:

IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED. INCLUDE THE BENEFICIAL OWNER’S FULL NAME AND LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER OR TAXPAYER IDENTIFICATION NUMBER ON EACH PAGE.

YOU MUST READ AND SIGN THE RELEASE ON THIS PAGE. FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

D. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Proof of Claim and Release under the terms of the Stipulation and Agreement of Settlement, dated May 5, 2020 (the “Settlement Agreement”) described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Central District of California, with respect to my (our) claim as a Settlement Class Member and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Action. I (We) agree to furnish additional information to the Claims Administrator to support this claim (including transactions in other Molina securities) if requested to do so. I (We) have not submitted any other claim in the Action covering the same purchases or sales of Molina publicly traded common stock during the Class Period and know of no other person having done so on my (our) behalf.

E. RELEASE AND ACKNOWLEDGEMENT

1. I (We) hereby acknowledge full and complete satisfaction of, and do

1 hereby fully, finally, and forever settle, release, and discharge from the Released
2 Claims each and all of the Released Defendant Parties, both as defined in the
3 accompanying Notice. This release shall be of no force or effect unless and until
4 the Court approves the Settlement and the Settlement becomes effective on the
5 Effective Date (as defined in the Settlement Agreement).

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

9 3. I (We) hereby warrant and represent that I (we) have included the
10 information requested about all of my (our) transactions in Molina publicly traded
11 common stock which are the subject of this claim, as well as the opening and
12 closing positions in such securities held by me (us) on the dates requested in this
13 Claim Form.

14 4. I (We) certify that I am (we are) not subject to backup withholding
15 under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.
16 (Note: If you have been notified by the Internal Revenue Service that you are
17 subject to backup withholding, please strike out the prior sentence.)
18

19 I declare under penalty of perjury under the laws of the United States of
20 America that all of the foregoing information supplied on this Claim Form by the
21 undersigned is true and correct.
22

23 Executed this _____ day of _____, in _____, _____
24 (Month / Year) (City) (State/Country)

25 _____
26 Signature of Claimant

Signature of Joint Claimant, if any

27 _____
28 Print Name of Claimant

Print Name of Joint Claimant, if any

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(Capacity of person(s) signing, e.g., Beneficial Purchaser, Executor or Administrator)

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. Please sign the above release and acknowledgment. 2. If this claim is being made on behalf of Joint Claimants, then both must sign. 3. Remember to attach copies of supporting documentation, if available. 4. Do not send originals of certificates. 5. Keep a copy of your Claim Form and all supporting documentation for your records. | <ol style="list-style-type: none"> 6. The Claims Administrator will acknowledge receipt of your Claim Form within 60 days. Your claim is not deemed submitted until you receive an acknowledgment e-mail or postcard. If you do not receive an acknowledgment e-mail or postcard within 60 days, please call the Claims Administrator toll free at (____) ____-____. 7. If you move, please send your new address to:
<i>Molina Healthcare Securities Litigation</i>
c/o Angeion Group
P.O. Box _____

www._____.com
(____) ____-____ 8. Do not use red pen or highlighter on the Claim Form or supporting documentation. |
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EXHIBIT A-3

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

STEAMFITTERS LOCAL 449 PENSION
PLAN, Individually and on Behalf of all
Others Similarly Situated,

Plaintiff,

vs.

MOLINA HEALTHCARE, INC., J.
MARIO MOLINA, JOHN C. MOLINA,
TERRY P. BAYER and RICK HOPFER,

Defendants.

Case No. 2:18-cv-03579 AB (JCx)
CLASS ACTION

**SUMMARY NOTICE OF PENDENCY OF
CLASS ACTION, PROPOSED SETTLEMENT, AND
MOTION FOR ATTORNEYS’ FEES AND EXPENSES**

**To: All Persons and Entities That Purchased or Otherwise
Acquired the Publicly Traded Common Stock of Molina Healthcare, Inc.
During the Period From October 31, 2014 Through August 2, 2017, Inclusive
(the “Class Period”) and Were Damaged Thereby (the “Settlement Class”).**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules
of Civil Procedure and an Order of the United States District Court for the Central
District of California, that Lead Plaintiff Steamfitters Local 449 Pension Plan
 (“Steamfitters” or “Lead Plaintiff”), on behalf of itself and the Settlement Class, on
the one hand, and Molina Healthcare, Inc. (“Molina”), J. Mario Molina, John C.
Molina, Terry P. Bayer, and Rick Hopfer (collectively, “Defendants”), on the
other, have reached a proposed settlement of the above-captioned action (the
 “Action”) in the amount of \$7,500,000 that, if approved, will resolve the Action in
its entirety (the “Settlement”).

The Court will hold the Settlement Hearing on _____
_____, 2020 at ____:____.m., in Courtroom 7B at the United States District
Court, Central District of California, First Street U.S. Courthouse, 350 West First
Street, Los Angeles, CA 90012-4565 (the “Settlement Hearing”) to, among other

1 things, determine whether the Court should: (i) approve the proposed Settlement as
2 fair, reasonable, and adequate; (ii) dismiss the Action with prejudice as provided in
3 the Stipulation and Agreement of Settlement, dated as of May 5, 2020; (iii)
4 approve the proposed Plan of Allocation for distribution of the Net Settlement
5 Fund; and (iv) approve Lead Counsel’s Fee and Expense Application. The Court
6 may change the date of the Settlement Hearing, or hold it telephonically, without
7 providing another notice. You do NOT need to attend the Settlement Hearing to
8 receive a distribution from the Net Settlement Fund.

9 **IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS, YOUR**
10 **RIGHTS WILL BE AFFECTED BY THE PROPOSED SETTLEMENT AND**
11 **YOU MAY BE ENTITLED TO A MONETARY PAYMENT.** If you have not
12 yet received a Notice and Proof of Claim and Release form (“Claim Form”), you
13 may obtain copies of these documents by visiting the website dedicated to the
14 Settlement, www._____.com, or by contacting the Claims Administrator at:

15 **Molina Healthcare Securities Litigation**
16 **c/o Angeion Group**
17 **P.O. Box. _____**
(____) ____-____

18 Inquiries, other than requests for the Notice/Claim Form or for information
19 about the status of a claim, may also be made to Lead Counsel:

20 **Christine M. Fox, Esq.**
21 **LABATON SUCHAROW LLP**
22 **140 Broadway**
23 **New York, NY 10005**
(888) 219-6877
settlementquestions@labaton.com

24 If you are a Settlement Class Member, to be eligible to share in the
25 distribution of the Net Settlement Fund, you must submit a Claim Form
26 ***postmarked or submitted online no later than _____,***
27 **2020.** If you are a Settlement Class Member and do not timely submit a valid
28 Claim Form, you will not be eligible to share in the distribution of the Net

1 Settlement Fund, but you will nevertheless be bound by all judgments or orders
2 entered by the Court in the Action, whether favorable or unfavorable.

3 If you are a Settlement Class Member and wish to exclude yourself from the
4 Settlement Class, you must submit a written request for exclusion in accordance
5 with the instructions set forth in the Notice such that it is *received no later than* _____
6 _____, *2020*. If you properly exclude yourself from the
7 Settlement Class, you will not be bound by any judgments or orders entered by the
8 Court in the Action, whether favorable or unfavorable, and you will not be eligible
9 to share in the distribution of the Net Settlement Fund.

10 Any objections to the proposed Settlement, the proposed Plan of Allocation,
11 and/or Lead Counsel's Fee and Expense Application must be filed with the Court
12 and mailed to counsel for the Parties in accordance with the instructions in the
13 Notice, such that they are *filed and received no later than* _____
14 _____, *2020*.

15 **PLEASE DO NOT CONTACT THE COURT, DEFENDANTS,**
16 **OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE.**

17 Dated: _____, 2020

18 BY ORDER OF THE UNITED STATES
19 DISTRICT COURT FOR THE CENTRAL
20 DISTRICT OF CALIFORNIA

EXHIBIT B

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

STEAMFITTERS LOCAL 449 PENSION
PLAN, Individually and on Behalf of all
Others Similarly Situated,

Plaintiff,

vs.

MOLINA HEALTHCARE, INC., J.
MARIO MOLINA, JOHN C. MOLINA,
TERRY P. BAYER and RICK HOPFER,

Defendants.

Case No. 2:18-cv-03579 AB (JCx)
CLASS ACTION

[PROPOSED] FINAL ORDER AND JUDGMENT

WHEREAS:

A. As of May 5, 2020, Court-appointed Lead Plaintiff Steamfitters Local 449 Pension Plan (“Steamfitters” or “Lead Plaintiff”), individually and on behalf of all other members of the Settlement Class, on the one hand, and Molina Healthcare, Inc. (“Molina” or the “Company”), J. Mario Molina, John C. Molina, Terry P. Bayer, and Rick Hopfer (collectively, “Defendants”), on the other, entered into a Stipulation and Agreement of Settlement (the “Settlement Agreement”) in the above-titled litigation (the “Action”);

B. Pursuant to the Order Granting Preliminary Approval of Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement, entered on _____, 2020 (the “Preliminary Approval Order”), the Court scheduled a hearing for _____, 2020, at ____:____.m. (the “Settlement Hearing”) to, among other things: (i) determine whether the proposed Settlement of the Action on the terms and conditions provided in the Settlement Agreement is fair, reasonable, and adequate

1 and should be approved by the Court; (ii) determine whether a judgment as
2 provided for in the Settlement Agreement should be entered; and (iii) rule on Lead
3 Counsel’s Fee and Expense Application;

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

16 D. The Notice and the Summary Notice advised potential Settlement
17 Class Members of the date, time, place, and purpose of the Settlement Hearing, and
18 further advised that any objections to the proposed Settlement were required to be
19 filed with the Court and served on counsel for the Parties such that they were
20 received by _____, 2020;

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

23 F. On _____, 2020, Lead Plaintiff filed a motion for final
24 approval of the Settlement, as set forth in the Preliminary Approval Order. The
25 Settlement Hearing was duly held before this Court on _____,
26 2020, at which time all interested Persons were afforded the opportunity to be
27 heard; and

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

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

7 1. This Judgment incorporates and makes a part hereof: (i) the
8 Settlement Agreement filed with the Court on May 5, 2020; and (ii) the Notice,
9 which was filed with the Court on _____, 2020. Capitalized terms
10 not defined in this Judgment shall have the meaning set forth in the Settlement
11 Agreement.

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

14 3. The Court hereby reaffirms its determinations in the Preliminary
15 Approval Order and finally certifies, for purposes of the Settlement only, pursuant
16 to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Settlement
17 Class of: All persons and entities that purchased or otherwise acquired Molina
18 publicly traded common stock during the period from October 31, 2014 through
19 August 2, 2017, inclusive, and were damaged thereby. Excluded from the
20 Settlement Class are: (i) the Defendants; (ii) the present and former officers and
21 directors of the Company; (iii) the Company’s subsidiaries and affiliates; (iv) the
22 Company’s employee retirement and benefit plan(s) and their participants or
23 beneficiaries, to the extent they made purchases through such plan(s); (v) members
24 of the immediate families of the Individual Defendants; (vi) any entity in which
25 any Defendant has or had a controlling interest; and (vii) the legal representatives,
26 heirs, successors, and assigns of any such excluded party. Also excluded from the
27 Settlement Class are those Persons who have timely and validly sought exclusion
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1 from the Settlement Class and are listed on Exhibit A annexed hereto as having
2 submitted a request for exclusion allowed by the Court.

3 4. Pursuant to Fed. R. Civ. P. 23, and for purposes of the Settlement
4 only, the Court hereby reaffirms its determinations in the Preliminary Approval
5 Order and finally certifies Lead Plaintiff as Class Representative for the Settlement
6 Class; finally appoints the law firm of Labaton Sucharow LLP as Class Counsel for
7 the Settlement Class; and finally appoints the law firm of Glancy Prongay &
8 Murray LLP as Liaison Counsel for the Settlement Class.

9 5. The Court finds that the mailing and publication of the Notice,
10 Summary Notice, and Claim Form: (i) complied with the Preliminary Approval
11 Order; (ii) constituted the best notice practicable under the circumstances; (iii)
12 constituted notice that was reasonably calculated to apprise Settlement Class
13 Members of the effect of the Settlement, the proposed Plan of Allocation, Lead
14 Counsel's request for an award of attorney's fees and payment of litigation
15 expenses incurred in connection with the prosecution of the Action, Settlement
16 Class Members' right to object or seek exclusion from the Settlement Class, and
17 their right to appear at the Settlement Hearing; (iv) constituted due, adequate, and
18 sufficient notice to all Persons entitled to receive notice of the proposed
19 Settlement; and (v) satisfied the notice requirements of Fed. R. Civ. P. 23, the
20 United States Constitution (including the Due Process Clause), and Section
21 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as
22 amended by the Private Securities Litigation Reform Act of 1995.

23 6. *[There have been no objections to the Settlement.]*

24 7. In light of the benefits to the Settlement Class, the complexity,
25 expense and possible duration of further litigation against Defendants, the risks of
26 establishing liability and damages, and the costs of continued litigation, the Court
27 hereby fully and finally approves the Settlement as set forth in the Settlement
28 Agreement in all respects, and finds that the Settlement is, in all respects, fair,

1 reasonable and adequate, and in the best interests of Lead Plaintiff and the
2 Settlement Class, having considered and found that: (a) Lead Plaintiff and Lead
3 Counsel have adequately represented the Settlement Class; (b) the proposal was
4 negotiated at arm's-length; (c) the relief provided for the Settlement Class is
5 adequate, having taken into account (i) the costs, risks, and delay of trial and
6 appeal; (ii) the effectiveness of any proposed method of distributing relief to the
7 Settlement Class, including the method of processing Settlement Class Member
8 claims; (iii) the terms of any proposed award of attorneys' fees, including timing of
9 payment; and (iv) any agreement required to be identified under Fed. R. Civ. P.
10 23(e)(3); and (d) the proposed Plan of Allocation treats Settlement Class Members
11 equitably relative to each other.

12 8. The Settlement shall be consummated in accordance with the terms
13 and provisions of the Settlement Agreement.

14 9. The Amended Class Action Complaint for Violation of the Federal
15 Securities Laws, filed on October 5, 2018 (the "Complaint") is dismissed in its
16 entirety, with prejudice, and without costs to any Party, except as otherwise
17 provided in the Settlement Agreement.

18 10. The Court finds that during the course of the Action, the Parties and
19 their respective counsel at all times complied with the requirements of Fed. R. Civ.
20 P. 11.

21 11. Upon the Effective Date, Lead Plaintiff and each and every other
22 Settlement Class Member, on behalf of themselves and each of their respective
23 heirs, executors, trustees, administrators, predecessors, successors, and assigns, in
24 their capacities as such, shall be deemed to have fully, finally, and forever waived,
25 released, discharged, and dismissed each and every one of the Released Claims
26 against each and every one of the Released Defendant Parties and shall forever be
27 barred and enjoined from commencing, instituting, prosecuting, or maintaining any
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1 and all of the Released Claims against any and all of the Released Defendant
2 Parties.

3 12. Upon the Effective Date, Defendants, on behalf of themselves and
4 each of their respective heirs, executors, trustees, administrators, predecessors,
5 successors, and assigns, in their capacities as such, shall be deemed to have fully,
6 finally, and forever waived, released, discharged, and dismissed each and every
7 one of the Released Defendants' Claims against each and every one of the
8 Released Plaintiff Parties and shall forever be barred and enjoined from
9 commencing, instituting, prosecuting, or maintaining any and all of the Released
10 Defendants' Claims against any and all of the Released Plaintiff Parties.

11 13. Each Settlement Class Member, whether or not such Settlement Class
12 Member executes and delivers a Claim Form, is bound by this Judgment,
13 including, without limitation, the release of claims as set forth in the Settlement
14 Agreement.

15 14. This Judgment and the Settlement Agreement, whether or not
16 consummated, and any discussion, negotiation, proceeding, or agreement relating
17 to the Settlement Agreement, the Settlement, and any matter arising in connection
18 with settlement discussions or negotiations, proceedings, or agreements, shall not
19 be offered or received against or to the prejudice of the Parties or their respective
20 counsel, for any purpose other than in an action to enforce the terms hereof, and in
21 particular:

22 (a) do not constitute, and shall not be offered or received against or
23 to the prejudice of Defendants as evidence of, or construed as, or deemed to be
24 evidence of any presumption, concession, or admission by Defendants with respect
25 to the truth of any allegation by Lead Plaintiff and the Settlement Class, or the
26 validity of any claim that has been or could have been asserted in the Action or in
27 any litigation, including but not limited to the Released Claims, or of any liability,
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1 damages, negligence, fault, or wrongdoing of Defendants or any person or entity
2 whatsoever;

3 (b) do not constitute, and shall not be offered or received against or
4 to the prejudice of Defendants as evidence of a presumption, concession, or
5 admission of any fault, misrepresentation, or omission with respect to any
6 statement or written document approved or made by Defendants, or against or to
7 the prejudice of Lead Plaintiff, or any other member of the Settlement Class as
8 evidence of any infirmity in the claims of Lead Plaintiff, or the other members of
9 the Settlement Class;

10 (c) do not constitute, and shall not be offered or received against or
11 to the prejudice of Defendants, Lead Plaintiff, any other member of the Settlement
12 Class, or their respective counsel, as evidence of a presumption, concession, or
13 admission with respect to any liability, damages, negligence, fault, infirmity, or
14 wrongdoing, or in any way referred to for any other reason against or to the
15 prejudice of any of the Defendants, Lead Plaintiff, other members of the
16 Settlement Class, or their respective counsel, in any other civil, criminal, or
17 administrative action or proceeding, other than such proceedings as may be
18 necessary to effectuate the provisions of the Settlement Agreement;

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

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

1 15. Notwithstanding the foregoing, any of the Parties may file or refer to
2 this Judgment, the Settlement Agreement, and/or any Claim Form: (i) to effectuate
3 the liability protections granted hereunder, including without limitation to support
4 a defense or counterclaim based on principles of *res judicata*, collateral estoppel,
5 release, good-faith settlement, judgment bar or reduction, or any theory of claim
6 preclusion or issue preclusion or similar defense or counterclaim; (ii) to enforce
7 any applicable insurance policies and any agreements relating thereto; or (iii) to
8 enforce the terms of the Settlement Agreement and/or this Judgment.

9 16. The administration of the Settlement, and the decision of all disputed
10 questions of law and fact with respect to the validity of any claim or right of any
11 Person to participate in the distribution of the Net Settlement Fund, shall remain
12 under the authority of this Court.

13 17. In the event that the Settlement does not become effective in
14 accordance with the terms of the Settlement Agreement, then this Judgment shall
15 be rendered null and void to the extent provided by and in accordance with the
16 Settlement Agreement and shall be vacated, and in such event, all orders entered
17 and releases delivered in connection herewith shall be null and void to the extent
18 provided by and in accordance with the Settlement Agreement.

19 18. Without further order of the Court, the Parties may agree to
20 reasonable extensions of time to carry out any of the provisions of the Settlement
21 Agreement.

22 19. The Parties are hereby directed to consummate the Settlement
23 Agreement and to perform its terms.

24 20. A separate order shall be entered regarding Lead Counsel's
25 application for attorneys' fees and payment of expenses as allowed by the Court.
26 A separate order shall be entered regarding the proposed Plan of Allocation for the
27 Net Settlement Fund. Such orders shall in no way disturb or affect this Judgment
28 and shall be considered separate from this Judgment.

1 21. Without affecting the finality of this Judgment in any way, this Court
2 hereby retains continuing jurisdiction over: (i) implementation of the Settlement;
3 (ii) the allowance, disallowance or adjustment of any Settlement Class Member’s
4 claim on equitable grounds; (iii) disposition of the Settlement Fund; (iv) any
5 applications for attorneys’ fees, costs, interest and payment of expenses in the
6 Action; (v) all parties for the purpose of construing, enforcing and administering
7 the Settlement and this Judgment; and (vi) other matters related or ancillary to the
8 foregoing. There is no just reason for delay in the entry of this Judgment and
9 immediate entry by the Clerk of the Court is expressly directed.

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11 Dated: _____, 2020.

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13 _____
14 HON. ANDRÉ BIROTTE JR.
15 UNITED STATES DISTRICT JUDGE
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EXHIBIT A