

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN MATEO

In re MENLO THERAPEUTICS INC. SECURITIES) LITIGATION) _____)	Lead Case No. 18CIV06049 <u>CLASS ACTION</u>
This Document Relates To:) ALL ACTIONS.) _____)	

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS THAT PURCHASED OR OTHERWISE ACQUIRED MENLO THERAPEUTICS INC. (“MENLO” OR THE “COMPANY”) COMMON STOCK PURSUANT OR TRACEABLE TO THE COMPANY’S REGISTRATION STATEMENT AND PROSPECTUS ISSUED IN CONNECTION WITH MENLO’S JANUARY 29, 2018 INITIAL PUBLIC OFFERING (“IPO”) (“CLASS” OR “CLASS MEMBERS”)¹

IN ORDER TO QUALIFY FOR A SETTLEMENT PAYMENT, YOU MUST TIMELY SUBMIT A PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) BY AUGUST 17, 2020.

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

WHY SHOULD I READ THIS NOTICE?

This Notice is given pursuant to an order issued by the Superior Court of California, County of San Mateo (the “Court”). This Notice serves to inform you of the proposed Settlement of the above-captioned class action lawsuit (the “Settlement”) and the hearing (the “Settlement Fairness Hearing”) to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Stipulation of Settlement dated March 26, 2020 (the “Stipulation”), by and between Plaintiffs Pavel Silvestrov and Hugh McKay (“Plaintiffs”), on behalf of themselves and the Class (as defined below), and Defendants Menlo Therapeutics Inc., Steven Basta, Kristine Ball, Paul Berns, Albert Cha, Ted Ebel, David McGirr, Aaron Royston, and Scott Whitcup (the “Individual Defendants” and with Menlo, the “Menlo Defendants”), and Jefferies LLC, Piper Sandler & Co. (formerly known as Piper Jaffray & Co.), Guggenheim Securities, LLC, and JMP Securities LLC (the “Underwriter Defendants”) (all, collectively, “Defendants”).²

This Notice is intended to inform you how this lawsuit and proposed Settlement may affect your rights and what steps you may take in relation to it. This Notice is NOT an expression of any opinion by the Court as to the merits of the claims or defenses asserted in the lawsuit or whether the Defendants engaged in any wrongdoing.

WHAT IS THIS LAWSUIT ABOUT?

THE ALLEGATIONS

Menlo is a biopharmaceutical company focused on the development and commercialization of its lone product candidate—the drug serlopitant—for the treatment of pruritus (*i.e.*, itch) associated with dermatologic conditions such as atopic dermatitis. Menlo’s common stock trades on the NASDAQ under the ticker symbol “MNLO.”

Plaintiffs claim that the Menlo Defendants violated §§11, 12(a)(2) and/or 15 of the Securities Act of 1933 (the “Securities Act”) and that the Underwriter Defendants violated §§11 and 12(a)(2) of the Securities Act by reason of material misrepresentations and omissions in the Registration Statement for Menlo’s January 29, 2018 IPO. Specifically, Plaintiffs allege that the Registration Statement and Prospectus represented that Menlo was close to the commercialization of serlopitant for the treatment of pruritus associated with atopic dermatitis.

Defendants denied all of Plaintiffs’ allegations.

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

¹ For purposes of this Settlement only, the Class includes all persons or entities who purchased or otherwise acquired Menlo common stock between January 25, 2018 and July 24, 2018, inclusive.
² The Stipulation can be viewed and/or downloaded at www.MenloSecuritiesLitigation.com. All capitalized terms used herein have the same meaning as the terms defined in the Stipulation.

PROCEDURAL HISTORY

The initial complaint (“Complaint”) was filed in this Court by Pavel Silvestrov on November 8, 2018 (the “*Silvestrov* Action”).

On December 20, 2018, the Court appointed plaintiff Pavel Silvestrov’s counsel, Robbins Geller Rudman & Dowd LLP, as Lead Counsel for the *Silvestrov* Action and any subsequently consolidated action.

On January 25, 2019, Defendants filed demurrers to the Complaint in the *Silvestrov* Action.

On January 28, 2019, Plaintiff Hugh McKay filed a complaint in the Court alleging the same claims against the same defendants as those in the *Silvestrov* Action, *McKay v. Menlo Therapeutics Inc., et al.*, No. 19CIV00574 (the “*McKay* Action”).

On February 20, 2019, the Court consolidated the *McKay* Action into the lead *Silvestrov* Action.

On February 26, 2019, Plaintiffs filed oppositions to Defendants’ demurrers.

On March 19, 2019, Defendants filed replies in support of their demurrers.

On May 23, 2019, the Court entered an order overruling Defendants’ demurrers as to Plaintiffs’ claims under §§11 and 15 and sustaining Defendants’ demurrer as to Plaintiffs’ claims under §12(a)(2).

On June 3, 2019, the Defendants answered the Complaint with general denials and affirmative defenses.

The Parties began fact discovery, ultimately resulting in the Menlo Defendants’ production of over 261,000 documents totaling over 2,100,000 pages.

In an effort to conserve judicial resources and attempt to settle the Action, the Menlo Defendants and Plaintiffs engaged the services of the Hon. Layn R. Phillips (Ret.), a nationally recognized mediator. There was an exchange of detailed mediation statements and a full-day in-person mediation with Judge Phillips on February 12, 2020. That same day, the Parties agreed to settle the Action, subject to the negotiation of a Stipulation of Settlement and approval by the Court. The Stipulation (together with the exhibits thereto) reflects the final and binding agreement between the Parties.

HOW DO I KNOW IF I AM A CLASS MEMBER?

If you purchased or acquired Menlo common stock pursuant or traceable to the Registration Statement filed in connection with Menlo’s IPO, you are a Class Member. For purposes of this Settlement only, you are a Class Member if you purchased or otherwise acquired Menlo common stock between January 25, 2018 and July 24, 2018, inclusive. As set forth in the Stipulation, excluded from the Class are: the Defendants (meaning, Menlo, the Individual Defendants, and the Underwriter Defendants) and their respective successors and assigns; past and current executive officers and directors of Menlo and the Underwriter Defendants; members of the immediate families of the Individual Defendants; the legal representatives, heirs, successors, or assigns of the Individual Defendants; any entity in which any of the above excluded persons have or had a majority ownership interest; and any person who validly requests exclusion from the Class. The foregoing exclusion shall not cover “Investment Vehicles,” which for these purposes shall mean any investment company or pooled investment fund, including, but not limited to, mutual fund families, exchange-traded funds, fund of funds, private equity funds, real estate funds, and hedge funds, in which any Underwriter Defendant or any of its affiliates has or may have a direct or indirect interest or as to which any Underwriter Defendant or any of its affiliates may act as an investment advisor, general partner, managing member, or in other similar capacity, other than an investment vehicle of which the Underwriter Defendant or any of its affiliates is a majority owner or holds a majority beneficial interest and only to the extent of such Underwriter Defendant’s or affiliate’s ownership or interest. Also excluded from the Class are those Persons who would otherwise be Class Members but who timely and validly exclude themselves therefrom.

PLEASE NOTE: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim that is being distributed with this Notice and the required supporting documentation as set forth therein postmarked or submitted online on or before August 17, 2020.

WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?

The Settlement, if approved, will result in the creation of a cash settlement fund of \$9,500,000.00 (the "Settlement Amount"). The Settlement Amount, plus accrued interest, is the Settlement Fund. The Settlement Fund minus the costs of this Notice and all costs associated with the administration of the Settlement, Taxes and Tax Expenses, attorneys' fees and expenses, and any award to Plaintiffs in connection with their representation of the Class, as approved by the Court (the "Net Settlement Fund"), will be distributed to eligible Class Members pursuant to the Plan of Allocation that is described in the next section of this Notice.

WHAT IS THE PROPOSED PLAN OF ALLOCATION?

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Class Members based on their respective alleged economic losses resulting from the securities law violations alleged in the Action.

The Claims Administrator shall determine each Class Member's share of the Net Settlement Fund based on the recognized loss formula (the "Recognized Loss") described below. A Recognized Loss will be calculated for each share of Menlo common stock purchased or otherwise acquired pursuant or traceable to the Company's IPO. The calculation of Recognized Loss will depend upon several factors, including when the Menlo shares were purchased or otherwise acquired and in what amounts, whether the shares were ever sold, and, if so, when they were sold and for what amounts. The Recognized Loss is not intended to estimate the amount a Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Class Members pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to Class Members.

Your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Class Members send in and how many Menlo shares you purchased or otherwise acquired pursuant or traceable to Menlo's IPO, and whether you sold any of those shares and when you sold them.

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

PLAN OF ALLOCATION

For shares of Menlo common stock that were purchased in the Company's January 2018 IPO, or on the open market from January 25, 2018 through April 8, 2018, and

- (a) sold prior to April 9, 2018, the Claim is zero (no loss as the shares were sold prior to the alleged April 9, 2018 corrective disclosure);
- (b) sold on April 9, 2018 through November 8, 2018, the Claim is the lesser of:
 - (i) \$8.83 per share (the \$17.00 per share IPO price less the April 9, 2018 closing price of \$8.17 per share); or
 - (ii) \$17.00 per share IPO price less the sales price per share;
- (c) retained at the end of November 8, 2018, the Claim is \$8.83 per share (the \$17.00 per share IPO price less the April 9, 2018 closing price of \$8.17 per share).

For shares of Menlo common stock purchased on or after April 9, 2018, the Claim is zero (no loss for shares purchased on or after the alleged April 9, 2018 corrective disclosure).

In the event a Class Member has more than one purchase or acquisition or sale of Menlo common stock, pursuant or traceable to the Registration Statement, all such purchases and sales shall be matched on a First-In, First-Out ("FIFO") basis. Sales will be matched against purchases in chronological order, beginning with the earliest purchase made during the relevant period.

A purchase, acquisition or sale of Menlo shares shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. All purchase, acquisition and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of Menlo shares shall not be deemed a purchase, acquisition or sale of Menlo shares for the calculation of a claimant's recognized claim nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such shares unless specifically provided in the instrument of gift or assignment. The receipt of Menlo shares in exchange for securities of any other corporation or entity shall not be deemed a purchase, acquisition or sale of Menlo shares.

The total of all profits shall be subtracted from the total of all losses from eligible transactions to determine if a Class Member has a recognized claim. Only if a Class Member had a net market loss, after all profits from eligible transactions in Menlo common stock are subtracted from all losses, will such Class Member be eligible to receive a distribution from the Net Settlement Fund.

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

Distributions will be made to Authorized Claimants after all claims have been processed, after the Court has finally approved the Settlement, and after any appeals are resolved. If there is any balance remaining in the Net Settlement Fund after a reasonable amount of time from the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise), the Claims Administrator shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is no longer economically feasible to distribute to Class Members. Thereafter, subject to distribution to state entities, as required by California Code of Civil Procedure §384(b)(3), any balance that still remains in the Net Settlement Fund shall be donated to Bay Area Legal Aid.

Please contact the Claims Administrator or Plaintiffs' Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are dissatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request.

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

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

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

No. If you have received this Notice and timely submit your Proof of Claim to the designated address, you need not contact Plaintiffs' Counsel. If your address changes, please contact the Claims Administrator at:

Menlo Securities Litigation Settlement
c/o Gilardi & Co. LLC
P.O. Box 43350
Providence, RI 02940-3350
www.MenloSecuritiesLitigation.com

THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED

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

WHAT ARE THE REASONS FOR SETTLEMENT?

The Settlement was reached after highly contested motion practice directed to the sufficiency of Plaintiffs' claims. The Court has not reached any final decisions in connection with Plaintiffs' claims against Defendants. Instead, Plaintiffs and Defendants have agreed to this Settlement, which was reached with the substantial assistance of the Hon. Layn R. Phillips (Ret.), a highly respected former judge with extensive experience in the mediation of complex class actions. In reaching the Settlement, the Parties have avoided the cost, delay, and uncertainty of further litigation.

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

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

WHO REPRESENTS THE CLASS?

The following attorneys are counsel for the Class:

James I. Jaconette
ROBBINS GELLER RUDMAN & DOWD LLP
655 West Broadway, Suite 1900
San Diego, CA 92101
Telephone: 1-800-449-4900

If you have any questions about the Action, or the Settlement, you are entitled to consult with Plaintiffs' Counsel by contacting counsel at the phone number listed above.

You may obtain a copy of the Stipulation by contacting the Claims Administrator at:

Menlo Securities Litigation Settlement
c/o Gilardi & Co. LLC
P.O. Box 43350
Providence, RI 02940-3350
Telephone: 1-866-526-2201
www.MenloSecuritiesLitigation.com

HOW WILL THE PLAINTIFFS' LAWYERS BE PAID?

Lead Counsel will file a motion for an award of attorneys' fees and expenses that will be considered at the Settlement Fairness Hearing. Lead Counsel will apply for an attorneys' fee award for Plaintiffs' Counsel in the amount of up to one-third of the Settlement Amount, plus payment of Plaintiffs' Counsel's expenses incurred in connection with this Action in an amount not to exceed \$100,000. In addition, Plaintiffs may seek a payment of up to \$12,000 in the aggregate for their efforts in representing the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. The fees requested will compensate Plaintiffs' Counsel for their work in achieving the Settlement. The Court will decide what constitutes a reasonable fee award and may award less than the amount requested by Plaintiffs' Counsel.

CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

Yes. If you do not want to receive a payment from this Settlement, or you want to keep the right to sue or continue to sue Defendants on your own about the legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself from, or "opting out" of, the Class. If you are requesting exclusion because you want to bring your own lawsuit based on the matters alleged in this Action, you may want to consult an attorney and discuss whether any individual claim that you may wish to pursue would be time-barred by the applicable statutes of limitation or repose.

To exclude yourself from the Class, you must send a signed letter by mail saying that you want to be excluded from the Class in the following Action: *In re Menlo Therapeutics Inc. Securities Litigation*, Lead Case No. 18CIV06049. Be sure to include your name, address, telephone number, and the date(s), price(s), and number of Menlo shares that you purchased or acquired in connection with Menlo's January 29, 2018 IPO. Your exclusion request must be **postmarked no later than July 24, 2020** and sent to the Claims Administrator at:

Menlo Securities Litigation Settlement
EXCLUSIONS
c/o Gilardi & Co. LLC
150 Royall Street, Suite 101
Canton, MA 02021

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

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

Yes. If you are a Class Member, you may object to the terms of the Settlement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs and expenses, Plaintiffs' request for payment for representing the Class and/or the Plan of Allocation. In order for any objection to be considered, you must file a written statement, accompanied by proof of Class membership, with the Court and send a copy to Plaintiffs' Counsel and the Menlo Defendants' Counsel, at the addresses listed below **by July 24, 2020**. The Court's address is Superior Court of California, County of San Mateo, Hall of Justice and Records, 400 County Center, Redwood City, CA 94063; Plaintiffs'

Counsel's address is Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, c/o James I. Jaconette; and the Menlo Defendants' Counsel's address is Wilson Sonsini Goodrich & Rosati, 650 Page Mill Road, Palo Alto, CA 94304, c/o Rodney G. Strickland. Attendance at the Settlement Fairness Hearing is not necessary; however, persons wishing to be heard orally at the Settlement Fairness Hearing are required to indicate in their written objection their intention to appear at the hearing and identify any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

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

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

WHAT ARE MY RIGHTS AND OBLIGATIONS UNDER THE SETTLEMENT?

If you are a Class Member and you do not exclude yourself from the Class, you may receive the benefit of, and you will be bound by, the terms of the Settlement described in this Notice, upon approval by the Court.

HOW CAN I GET A PAYMENT?

In order to qualify for a payment, you must timely complete and return the Proof of Claim that accompanies this Notice. A Proof of Claim is enclosed with this Notice and also may be downloaded at www.MenloSecuritiesLitigation.com. Read the instructions carefully; fill out the Proof of Claim; sign it; and mail or submit it online so that it is **postmarked (if mailed) or received (if submitted online) no later than August 17, 2020**. The Proof of Claim may be submitted online at www.MenloSecuritiesLitigation.com. If you do not submit a timely Proof of Claim with all of the required information, you will not receive a payment from the Settlement Fund; however, unless you expressly exclude yourself from the Class as described above, you will still be bound in all other respects by the Settlement, the Judgment, and the release contained in them.

WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?

If the Settlement is approved by the Court, the Court will enter a Judgment. If the Judgment becomes final pursuant to the terms of the Stipulation, all Class Members shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged any and all of the Released Parties from all Released Claims.

- "Related Parties" means each of a Defendant's past, present or future direct or indirect parents, subsidiaries, divisions, affiliates or joint ventures, as well as each of their respective present or former directors, officers, employees, partners, members, principals, agents, underwriters, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants, auditors, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, predecessors, successors, assigns, spouses, heirs, related or affiliated entities, any entity in which a Defendant has a controlling interest, any member of a Menlo Defendant's immediate family, any trust of which any Menlo Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his or her family, and the legal representatives, heirs, successors in interest or assigns of the Defendants.
- "Released Persons" means Defendants and each and all of their Related Parties.
- "Released Claims" means any and all claims (including Unknown Claims as defined below) against Defendants and their Related Parties, arising out of, relating to, or in connection with either (i) the facts, events, transactions, acts, occurrences, statements, representations, misrepresentations, or omissions which were or could have been alleged in this Action, or (ii) the purchase, acquisition, holding, sale, or disposition of Menlo common stock purchased or otherwise acquired pursuant and/or traceable to the Registration Statement and Prospectus issued in connection with Menlo's January 29, 2018 IPO, including any claims for violations for §§11, 12(a)(2), and 15 of the Securities Act of 1933 and §10(b) of the Securities Exchange Act of 1934.
- "Unknown Claims" means any and all Released Claims and potential claims against Defendants which Plaintiffs or any Class Member does not know or suspect to exist in their, his, her, or its favor as of the Effective Date, and any Released Claims against Plaintiffs which Defendants do not know or suspect to exist in their favor, which if known by them, him, her, or it might have affected their, his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants' Claims, the Parties stipulate and agree that by operation of the Final Judgment, upon the Effective Date, the Plaintiffs and Defendants shall have expressly waived, and each Class Member shall be deemed to have waived, and by operation of the Final Judgment shall have expressly waived, the provisions, rights and benefits of Cal. Civ. Code §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD

HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY;

and any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code §1542. Plaintiffs and Class Members may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Plaintiffs shall expressly fully, finally, and forever settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and Defendants acknowledge, and Class Members shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was an essential element of the Settlement.

The above description of the proposed Settlement is only a summary. The complete terms are set forth in the Stipulation (including its exhibits), which may be obtained at www.MenloSecuritiesLitigation.com, or by contacting Plaintiffs' Counsel listed on Page 5 above.

THE SETTLEMENT FAIRNESS HEARING

The Court will hold a Settlement Fairness Hearing on August 14, 2020, at 2:00 p.m., before the Honorable Richard H. DuBois at the Superior Court of California, County of San Mateo, Department 16, Courtroom 7A, 400 County Center, Redwood City, CA 94063, for the purpose of determining whether: (1) the Settlement as set forth in the Stipulation for \$9,500,000.00 in cash should be approved by the Court as fair, reasonable and adequate; (2) Judgment as provided under the Stipulation should be entered; (3) to award Plaintiffs' Counsel attorneys' fees and expenses out of the Settlement Fund and, if so, in what amount; (4) to pay Plaintiffs for their efforts in representing the Class out of the Settlement Fund and, if so, in what amount; and (5) the Plan of Allocation should be approved by the Court. The Court may adjourn or continue the Settlement Fairness Hearing without further notice to members of the Class.

Any Class Member may appear at the Settlement Fairness Hearing and be heard on any of the foregoing matters; provided, however, that no such person shall be heard unless his, her, or its objection is made in writing and is filed, together with proof of membership in the Class and with copies of all other papers and briefs to be submitted by him, her, or it to the Court at the Settlement Fairness Hearing, with the Court no later than July 24, 2020, and showing proof of service on the following counsel:

James I. Jaconette
ROBBINS GELLER RUDMAN &
DOWD LLP
655 West Broadway, Suite 1900
San Diego, CA 92101
Attorneys for Plaintiffs

Rodney G. Strickland
WILSON SONSINI GOODRICH
& ROSATI
650 Page Mill Road
Palo Alto, CA 94304
Attorneys for Menlo Defendants

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

If you hire an attorney (at your own expense) to represent you for purposes of objecting, your attorney must serve a notice of appearance on counsel listed above and file it with the Court (at the address set out above) by no later than July 24, 2020.

INJUNCTION

The Court has issued an order enjoining all Class Members from instituting, commencing, maintaining or prosecuting any action in any court or tribunal that asserts Released Claims against any Released Party, pending final determination by the Court of whether the Settlement should be approved.

HOW DO I OBTAIN ADDITIONAL INFORMATION?

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

Menlo Securities Litigation Settlement
c/o Gilardi & Co. LLC
P.O. Box 43350
Providence, RI 02940-3350
Email: info@menlosecuritieslitigation.com
Telephone: 1-866-526-2201
www.MenloSecuritiesLitigation.com

In addition, you may contact Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, if you have any questions about the Action or the Settlement.

DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION

SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

If you hold any shares of Menlo common stock purchased or acquired between January 25, 2018 and July 24, 2018, inclusive, as a nominee for a beneficial owner, then, within ten (10) business days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator at notifications@gilardi.com or:

Menlo Securities Litigation Settlement
c/o Gilardi & Co. LLC
P.O. Box 43350
Providence, RI 02940-3350

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

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

DATED: April 24, 2020

BY ORDER OF THE SUPERIOR COURT OF
CALIFORNIA, COUNTY OF SAN MATEO
HONORABLE RICHARD H. DUBOIS