

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

STEVEN LAZAN,

Plaintiff,

v.

QUANTUM CORPORATION, *et. al.*,

Defendants.

Case No. 3:18-cv-00923-RS

Hon. Richard Seeborg

Class Action

ALEXANDER E. NABHAN,

Plaintiff,

v.

QUANTUM CORP., *et al.*,

Defendants.

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

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

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”) pending in the United States District Court for the Northern District of California, San Francisco Division (the “Court”), if, during the period between April 18, 2016 through February 8, 2018, inclusive (the “Settlement Class Period”), you purchased common stock of Quantum Corporation (“Quantum”), and you were injured thereby.<sup>1</sup>

**NOTICE OF SETTLEMENT:** Please also be advised that the Court-appointed Lead Plaintiff, Globis Capital Advisors L.L.C. (“Lead Plaintiff”), on behalf of itself and the Settlement Class (as defined in ¶ 20 below), have reached a proposed settlement of the Action for \$8,150,000 in cash that, if approved, will resolve all claims, whether known or unknown, in the Action (the “Settlement”).

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

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact Quantum, any other Defendants in the Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 78 below).**

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<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation of Settlement dated June 28, 2019 (the “Stipulation”), which is available at [www.quantumsecuritieslitigation.com](http://www.quantumsecuritieslitigation.com)

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN DECEMBER 13, 2019.</b>	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 29 below) that you have against Defendants and the other Defendants' Released Parties (defined in ¶ 30 below), so it is in your interest to submit a Claim Form.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN OCTOBER 24, 2019.</b>	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants' Released Parties concerning the Released Plaintiffs' Claims.
<b>OBJECT TO THE SETTLEMENT OR THE REQUEST FOR FEES AND EXPENSES BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN OCTOBER 24, 2019.</b>	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, among others, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.
<b>GO TO A HEARING ON NOVEMBER 14, 2019 AT 1:30 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS <i>RECEIVED</i> NO LATER THAN OCTOBER 24, 2019.</b>	Filing a written objection and notice of intention to appear by October 24, 2019 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
<b>DO NOTHING.</b>	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Defendants Quantum Corporation (“Quantum”), Jon W. Gacek (“Gacek”), and Fuad Ahmad (“Ahmad”) (collectively, the “Defendants”) violated the federal securities laws as a result of improper revenue recognition that artificially inflated Quantum’s reported revenues and earnings. A more detailed description of the Action is set forth in ¶¶ 11-19 below. The proposed Settlement, if approved by the Court, will settle all claims, both known and unknown, of the Settlement Class, as defined in ¶ 20 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of himself and the Settlement Class, has agreed to settle the Action in exchange for a settlement payment of \$8,150,000 in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”), less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, and (d) any attorneys’ fees awarded by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth on pages 10-12 below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff’s damages expert’s estimates of the number of shares of Quantum common stock publicly traded on the New York Stock Exchange (“NYSE”) purchased during the Settlement Class Period that may have been affected by the conduct at issue in the Action and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) per eligible security is \$0.48. Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, (a) the number of Settlement Class Members who file claims, (b) the number of shares of Quantum common stock Settlement Class Members purchased and sold during the Settlement Class Period, and (c) when and at what prices they purchased or sold shares of Quantum common stock during the Class Period. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* pages 10-12 below) or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail in the Action. Defendants disagree with Lead Plaintiff concerning the number of allegedly damaged shares and the amount of per-share recoverable damages in the event that Lead Plaintiff was to prevail in this Action. Defendants also maintain that they committed no violation of the federal securities laws.

5. **Attorneys’ Fees and Expenses Sought:** Lead Counsel, which have been prosecuting the Action on a wholly contingent basis since its inception, have not received any payment of attorneys’ fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Lead Counsel, Kirby McInerney LLP, will apply to the Court for an award of attorneys’ fees in an amount not to exceed 25% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution, and resolution of the claims against the Defendants, in an amount not to exceed \$125,000. Any fees and/or expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. Estimates of the average cost per affected share of Quantum, if the Court approves Lead Counsel’s fee and expense application, is \$0.13 per eligible share.

6. **Identification of Attorneys’ Representatives:** Lead Plaintiff and the Settlement Class are represented by Ira M. Press, Esq. and Christopher Studebaker, Esq. of Kirby McInerney LLP, 250 Park Avenue, Suite 820, New York, NY 10177, (212) 371-6600.

7. **Reasons for the Settlement:** Lead Plaintiff’s principal reason for entering into the Settlement is the immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Moreover, the cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a trial of the Action, and the likely appeals that would follow a trial. The factors that Lead Plaintiff considered in agreeing to settle the litigation include, among other things, the following facts and risks:

- a. Although Lead Plaintiff and Lead Counsel believe they would ultimately prevail on the claims, they recognize the significant risk that the operative complaint would be dismissed given the stringent requirements of the Private Securities Litigation Reform Act of 1995.

- b. Even if the operative complaint survived Defendants' dismissal motions, Lead Plaintiff would have faced numerous hurdles including at the class certification stage, during completion of fact and expert discovery, at summary judgment, trial, and in subsequent appeals.
- c. Lead Plaintiff has determined that there are obstacles to establishing Defendants' liability and any damages. These obstacles include, among other things:
  - i. that Lead Plaintiff may be unable to prove that any materially inaccurate statements Defendants made concerning improper revenue recognition, which artificially inflated Quantum's reported revenues and earnings, were made with the requisite state of mind to support the securities fraud claim alleged; and
  - ii. that the class proposed by Lead Plaintiff would not be certified, and/or that it might only be certified for part of the class period for which certification was sought.

Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

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## WHY DID I GET THE POSTCARD NOTICE?

8. The Court directed that the Postcard Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased Quantum common stock during the Settlement Class Period. The Court also directed that this Notice be posted online at [www.quantumsecuritieslitigation.com](http://www.quantumsecuritieslitigation.com) and mailed to you upon request to the Claims Administrator. The Court has directed us to disseminate these notices because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy

of the Settlement, the proposed Plan of Allocation, and the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). See paragraph 68 below for details about the Settlement Hearing, including the date and location of the hearing.

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

### WHAT IS THIS CASE ABOUT?

11. Quantum is a technology company providing data storage, archive, and protection products and services.

12. Two class action complaints were filed in the United States District Court for the Northern District of California, which by Order dated May 16, 2018, were consolidated and Lead Plaintiff and Lead Counsel were approved and appointed by the Court.

13. On July 30, 2018, Lead Plaintiff filed a Consolidated Class Action Complaint ("CCAC") for Violations of the Federal Securities Laws asserting claims under (1) Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder against Defendants; and (2) Section 20(a) of the Exchange Act against defendants Gacek and Ahmad (collectively, the "Individual Defendants"). Among other things, the CCAC alleged that during the Settlement Class Period, Quantum recognized revenue improperly, which artificially inflated Quantum's reported revenues and earnings, as well as the prices of Quantum publicly traded common stock.

14. Quantum announced, in a Form 8-K filed with the U.S. Securities and Exchange Commission (the "SEC") on September 14, 2018 (the "September 14 8-K"), that its Board of Directors concluded that Quantum's previously-issued consolidated financial statements and other financial data for specific periods should no longer be relied upon because of misstatements and that Quantum would issue consequent adjustments to its financial statements and file restated financial statements as soon as practicable. As a result of the September 14 8-K, Lead Plaintiff anticipated filing an Amended Consolidated Complaint once Quantum provided additional information regarding the misstatements, made consequent adjustments to its financial statements, and filed restated results (the "Restatement").

15. On September 25, 2018, the Court entered an Order approving the Parties' stipulation and setting forth the time at which Lead Plaintiff would file its Amended Consolidated Complaint along with a briefing schedule for Defendants' motion(s) to dismiss the Amended Consolidated Complaint.

16. Lead Plaintiff continued its investigation into the claims asserted and although the Parties believe in the merits of their respective positions, they also recognized the benefits that would accrue if they could reach an agreement to resolve the Action. On February 20, 2019, the Parties participated in a mediation session before Robert Meyer, Esq., an experienced mediator. The Parties exchanged detailed mediation statements that addressed, among other things, issues related to liability and damages which were submitted to the mediator in advance of a full-day mediation session. The session ended with a settlement proposal of \$8.15 million that includes confirmatory discovery, which both Parties accepted. Thereafter, all proceedings were stayed in the district court.

17. Based upon their investigation, prosecution, and mediation of the case, Lead Plaintiff and Lead Counsel have concluded that the terms and conditions of the Settlement are fair, reasonable, and adequate to Lead Plaintiff and the other members of the Settlement Class, and in their best interests. Based on the investigation and mediation of the case and Lead Plaintiff's direct oversight of the prosecution of this matter and with the advice of his counsel, Lead Plaintiff has agreed to settle and release the claims raised in the Action pursuant to the terms and provisions of the Stipulation, after considering, among other things, (a) the substantial financial benefit that Lead Plaintiff and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

18. Defendants are entering into the Stipulation solely to eliminate the uncertainty, burden, and expense of further protracted litigation. Each of the Defendants denies any wrongdoing or liability, and the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Defendants' Released Parties (defined in ¶ 30 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage



whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Lead Plaintiff or Plaintiffs' Released Parties of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

19. On July 26, 2019, the Court preliminarily approved the Settlement, authorized the Postcard Notice to be mailed to potential Settlement Class Members and this Notice to be posted online and mailed to potential Settlement Class Members upon request, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

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

20. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

all Persons<sup>2</sup> who purchased Quantum common stock during the period from April 18, 2016 through February 8, 2018, inclusive (the "Settlement Class Period"), and who were damaged thereby.

Excluded from the Settlement Class are: Defendants; the Officers and directors of Quantum at all relevant times, as well as members of their Immediate Families and their legal representatives, heirs, successors, or assigns; and any entity in which Defendants have or had a controlling interest. Also excluded from the Settlement Class are any Persons who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. See "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?" on page 12 below.

**PLEASE NOTE: RECEIPT OF THE POSTCARD NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.**

**If you are a Settlement Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Claim Form that is available online at [www.quantumsecuritieslitigation.com](http://www.quantumsecuritieslitigation.com) or which can be mailed to you upon request to the Claims Administrator, and the required supporting documentation as set forth therein, postmarked no later than December 13, 2019.**

#### **WHAT ARE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENT?**

21. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue the claims against the remaining Defendants through trial and appeals, as well as the very substantial obstacles they would face in establishing liability and damages. Defendants had numerous avenues of attack that could preclude a recovery as to those challenged statements. For example, they would assert that any materially inaccurate statements they made were not made with the requisite state of mind to support the securities fraud claim alleged. Even if the hurdles to establishing liability were overcome, the amount of damages that could be attributed to the allegedly false statements would be hotly contested. Lead Plaintiff would have to prevail at several stages – motions for dismissal, summary judgment, trial – and even if it was to prevail at those phases, then Lead Plaintiff would also have to prevail on the appeals that would likely follow. Thus, Lead Plaintiff faced very significant risks attendant to the continued prosecution of the Action.

22. In light of these risks, the amount of the Settlement and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$8,150,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no, recovery after summary judgment, trial, and appeals, possibly years in the future.

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<sup>2</sup> "Person" or "Persons" means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assigns.

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

#### **WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

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

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

25. As a Settlement Class Member, you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” on page 13 below.

26. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?,” on page 12 below.

27. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, and/or Lead Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” on page 13 below.

28. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs’ Claim (as defined in ¶ 29 below) against the Defendants and the Defendants’ Released Parties (as defined in ¶ 30 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs’ Claims against any of the Defendants’ Released Parties.

29. “Released Plaintiffs’ Claims” means all claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every nature and description, whether known or Unknown Claims (as defined below), whether arising under federal, state, common, or foreign law, that Lead Plaintiff or any other member of the Settlement Class: (i) asserted in this Action; or (ii) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, practices, SEC filings, matters or occurrences, representations or omissions involved, set forth, or referred to in the complaints filed in this Action and that relate to the purchase of Quantum common stock during the Settlement Class Period including but not limited to the Restatement and the SEC Inquiry (as defined in ¶ 33 below). Released Plaintiffs’ Claims do not include: (i) claims to enforce the Settlement; or (ii) claims of any Person that submits a request for exclusion that is accepted by the Court.

30. “Defendants’ Released Parties” means Defendants, their present and former parents, subsidiaries, divisions, departments, affiliates, stockholders, officers, directors, employees, agents, and any of their advisors, counsel, underwriters, insurers, co-insurers, reinsurers, accountants, auditors, representatives, controlling persons, administrators, estates, spouses, heirs, joint ventures, general or limited partners or partnerships, limited liability companies, and any trust of which any Individual Defendant is the settlor or which is for the benefit of an Individual Defendant and/or any member of an Individual Defendant’s Immediate

Family, and any entity in which a Defendant has a controlling interest (directly or indirectly) (and the predecessors, successors, administrators, and assigns of each of the foregoing).

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

Lead Plaintiff, the other Settlement Class Members, the other Plaintiffs’ Released Parties, the Defendants, or the other Defendants’ Released Parties 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 Lead Plaintiff and the Defendants shall expressly, fully, finally, and forever settle and release, and each other Settlement Class Member and each other of Plaintiffs’ Released Parties and Defendants’ Released Parties shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff and Defendants acknowledge, and each of the other Plaintiffs’ Released Parties and Defendants’ Released Parties shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

32. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants’ Claim (as defined in ¶ 33 below) against Lead Plaintiff and the other Plaintiffs’ Released Parties (as defined in ¶ 34 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants’ Claims against any of the Plaintiffs’ Released Parties.

33. “Released Defendants’ Claims” means all claims, rights, demands, obligations, damages, actions or causes of action, or liabilities whatsoever, of every nature and description, whether known or Unknown Claims (as defined below), whether arising under federal, state, common, or foreign law or regulation, that arise out of or relate in any way to the institution, prosecution, assertion, settlement, or resolution of the Action insofar as it concerns the purchase, other acquisition, sale, or other disposition of Quantum common stock during the Settlement Class Period, and/or the acts, facts, practices, SEC filings, statements, or omissions that were or could have been alleged or asserted by Plaintiffs or any member of the Settlement Class in the Action or in any other action in any court or forum, including but not limited to the Restatement and the SEC subpoena to Quantum, disclosed in Quantum’s press release of February 8, 2018, relating to Quantum’s financial reporting (the “SEC Inquiry”). Released Defendants’ Claims do not include: (i) claims to enforce the Settlement; (ii) claims by Quantum, any of its current or former directors, officers, employees, or any other Person for coverage under an insurance policy against the insurer(s) under such policy; (iii) claims by any current or former directors, officers, or employees of Quantum to enforce any rights to indemnification and advancement by Quantum; or (iv) claims of any Person that submits a request for exclusion that is accepted by the Court.

34. “Plaintiffs’ Released Parties” means Lead Plaintiff, its respective attorneys, each and every Settlement Class Member, and their respective current and former officers, directors, agents, parents, affiliates, subsidiaries, heirs, successors, predecessors, executors, administrators, assigns, assignees, employees, and attorneys, in their capacities as such.



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

35. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than December 13, 2019**. A Claim Form is available on the website maintained by the Claims Administrator for the Settlement, [www.quantumsecuritieslitigation.com](http://www.quantumsecuritieslitigation.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at 1-866-905-8124. Please retain all records of your ownership of and transactions in Quantum common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

## HOW MUCH WILL MY PAYMENT BE?

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

37. Pursuant to the Settlement, Defendants have agreed to pay or cause to be paid eight million one hundred and fifty thousand dollars (\$8,150,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state, and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

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

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

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

41. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before December 13, 2019, shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiffs’ Claims (as defined in ¶ 29 above) against the Defendants’ Released Parties (as defined in ¶ 30 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs’ Claims against any of the Defendants’ Released Parties whether or not such Settlement Class Member submits a Claim Form.

42. Participants in, and beneficiaries of, a plan covered by ERISA (“ERISA Plan”) should NOT include any information relating to their transactions in Quantum common stock held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased outside of the ERISA Plan. Claims based on any ERISA Plan’s purchases or acquisitions of Quantum common stock during the Settlement Class Period may be made by the plan’s trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the ERISA Plan.

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

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

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

### **PROPOSED PLAN OF ALLOCATION**

46. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged violations of the federal securities laws, as opposed to losses caused by market, industry, or company-specific factors or factors unrelated to the alleged violations of law. The Plan of Allocation is not a formal damage analysis, and the calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh, in a fair and equitable manner, the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

47. The Plan of Allocation generally measures the amount of loss that a Settlement Class Member can claim for purposes of making *pro rata* allocations of the cash in the Net Settlement Fund to Authorized Claimants. The Plan of Allocation is not a formal damage analysis. Recognized Loss Amounts are based primarily on the price declines observed over the period in which Lead Plaintiff alleges corrective information was entering the marketplace. In this case, Lead Plaintiff alleges that Defendants made false statements and omitted material facts between April 18, 2016 through and including February 8, 2018, which had the effect of artificially inflating the price of Quantum common stock.

48. In order to have recoverable damages, disclosure of the alleged misrepresentations must be the cause of the decline in the price of Quantum common stock. Lead Plaintiff alleges, among other things, that artificial inflation was removed from the price of Quantum common stock as a result of the alleged corrective disclosures that occurred on August 9, 2017 and February 8, 2018.<sup>3</sup>

49. To the extent a Claimant does not satisfy one of the conditions set forth in the preceding paragraph, his, her, or its Recognized Loss Amount for those transactions will be zero.

### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

50. Based on the formulas set forth below, a “Recognized Loss Amount” shall be calculated for each purchase of Quantum common stock that was publicly traded on the NYSE during the Settlement Class Period that is listed in the Proof of Claim Form and for which adequate documentation is provided. In the calculations below, if a Recognized Loss Amount calculates to a negative number or zero, that Recognized Loss Amount shall be zero.

51. For all Quantum common stock that were purchased during the period from April 18, 2016 through and including August 9, 2017, that were:

- a. sold prior to August 10, 2017, the Recognized Loss is \$0;

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<sup>3</sup> Any transactions in Quantum common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

- b. sold during the period from August 10, 2017 through February 7, 2018, the Recognized Loss shall be equal to: (a) the lesser of the purchase price and \$7.41, minus (b) the greater of the sale price and \$5.38; and
- c. still held on February 8, 2018, the Recognized Loss shall be equal to: (a) the lesser of the purchase price and \$7.41, minus (b) the greater of the sale price and \$3.90.

52. For all Quantum common stock that were purchased during the period from August 10, 2017 through February 8, 2018, that were:

- a. sold prior to February 8, 2018, the Recognized Loss shall be \$0; and
- b. still held on February 8, 2018, the Recognized Loss shall be equal to: (a) the lesser of the purchase price and \$5.57, minus (b) the greater of the sale price and \$3.90.<sup>4</sup>

### **ADDITIONAL PROVISIONS**

53. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 56 below) is \$10.00 or greater.

54. To the extent an Authorized Claimant had an aggregate gain from his, her, or its transactions in Quantum common stock during the Settlement Class Period, the value of his, her, or its total Recognized Loss will be zero. Such Authorized Claimant shall in any event be bound by the Settlement. To the extent that an Authorized Claimant suffered an overall loss on his, her, or its transactions in Quantum common stock during the Settlement Class Period, but the loss was less than the Recognized Loss calculated above, then the Recognized Loss shall be limited to the amount of the actual loss. Purchases that were made in order to cover short sales are ineligible and will not be included in the Recognized Loss calculation; however, any aggregate gains with respect to short sales shall be offset against the Recognized Loss on other transactions. All purchases and sales of Quantum common stock during the Settlement Class Period shall be matched on a Last-In-First-Out (“LIFO”) basis.

55. A Claimant’s “Recognized Claim” under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss Amounts for all of the Quantum common stocks.

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

57. Purchases and sales of Quantum common stock that was publicly traded on the NYSE shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. However, for Quantum common stock that were put to investors pursuant to put options sold by those investors, the purchase of Quantum common stock shall be deemed to have occurred on the date that the put option was sold, rather than the date on which the Quantum common stock was subsequently put to the investor pursuant to that option. The proceeds of any put option sales shall be offset against any losses from Quantum common stock purchased during the Settlement Class Period though the exercise of a call option shall be treated as a purchase on the date of exercise for the exercise price plus the cost of the call option, and any Claim arising from such transaction shall be computed as provided for other purchases of Quantum common stock as set forth herein.

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<sup>4</sup> Under Section 21(D)(e)(1) of the Exchange Act, “in any private action arising under this Act in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Quantum common stock during the 90-day look-back period. The mean (average) closing price for Quantum common stock during this 90-day look-back period was \$3.87.

58. The receipt or grant by gift, devise, or inheritance of Quantum common stock during the Settlement Class Period shall not be deemed to be a purchase of Quantum common stock for the calculation of an Authorized Claimant's Recognized Loss if the Person from which the Quantum common stock was received did not themselves acquire the common stock during the Settlement Class Period, nor shall it be deemed an assignment of any claim relating to the purchase of such Quantum common stock unless specifically provided in the instrument or gift or assignment.

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

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

61. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiff after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, [www.quantumsecuritieslitigation.com](http://www.quantumsecuritieslitigation.com).

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

62. Lead Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have Lead Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for Lead Counsel in an amount not to exceed 25% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$125,000. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

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

63. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to Quantum Securities Litigation, Case No. 3:18-cv-00923-RS, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217. The exclusion request must be *received* no later than October 24, 2019. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must: (a) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Class in *Lazan, et al., v. Quantum Corp., et al.*, Case No. 3:18-cv-00923-RS"; (c) identify and state the number of Quantum common stock that the person or entity requesting

exclusion purchased and/or sold during the Settlement Class Period (*i.e.*, between April 18, 2016 and February 8, 2018, inclusive), as well as the dates and prices of each such purchase and sale; and (d) be signed by the person or entity requesting exclusion or by an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

64. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendants' Released Parties.

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

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

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

**67. Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

68. The Settlement Hearing will be held on November 14, 2019, at 1:30 p.m., before the Honorable Richard Seeborg at the United States District Court for the Northern District of California, Phillip Burton Federal Building & United States Courthouse, Courtroom 3, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

69. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses.

70. The Court can only approve or deny the settlement, not change its terms. You can ask the Court to deny approval by filing an objection.

71. Objections must be in writing to the Court. You must file any written objection, together with copies of all other papers and briefs supporting the objection, either (a) in person at any location of the United States District Court for the Northern District of California; or (b) by mail, to the Class Action Clerk's Office at the United States District Court for the Northern District of California at the address set forth below, on or before October 24, 2019.

**Clerk's Office**  
Class Action Clerk  
United States District Court  
for the Northern District of California  
San Francisco Division  
Phillip Burton Federal Building & United States Courthouse  
450 Golden Gate Avenue  
San Francisco, California 94102

Any objection: (a) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (b) must clearly identify the case name and number (*Lazan, et al., v. Quantum Corp., et al.*, Case No. 3:18-cv-00923-RS); (c) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (d) must include documents sufficient to prove membership in the Settlement Class, including the number of Quantum common stock that the objecting Settlement Class Member purchased and/or sold during the Settlement Class Period (*i.e.*, between April



18, 2016 and February 8, 2018, inclusive), as well as the dates and prices of each such purchase and sale. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

72. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

73. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office at the addresses set forth above so that it is **received on or before October 24, 2019**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

74. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court at the address set forth in ¶ 71 above so that the notice is **received on or before October 24, 2019**.

75. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

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

#### **WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?**

77. If you purchased Quantum common stock between April 18, 2016 and February 8, 2018, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either: (a) within seven (7) calendar days of receipt of the Postcard Notice, request from the Claims Administrator sufficient copies of the Postcard Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Postcard Notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Postcard Notice, provide a list of the names and addresses of all such beneficial owners to Quantum Securities Litigation, c/o A.B. Data, Ltd., P.O. Box 173071, Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Postcard Notice to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, up to a maximum of \$0.70 per notice, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Any dispute concerning the reasonableness of reimbursement costs shall be resolved by the Court. Copies of this Notice and the Claim Form may be obtained from the website maintained by the Claims Administrator, [www.quantumsecuritieslitigation.com](http://www.quantumsecuritieslitigation.com), or by calling the Claims Administrator toll-free at 1-866-905-8124.

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

78. This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at [www.quantumsecuritieslitigation.com](http://www.quantumsecuritieslitigation.com), contact Lead Counsel at (212) 371-6600, access the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or visit the Office of the Clerk, United States District Court for the Northern District of California, San Francisco Division, Phillip Burton Federal Building & United States Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. The Settlement Agreement and other relevant documents also are available on the Settlement website, at [www.quantumsecuritieslitigation.com](http://www.quantumsecuritieslitigation.com).

All inquiries concerning the Notice and the Claim Form should be directed to the Claims Administrator or Lead Counsel at:

Quantum Securities Litigation  
Case No. 3:18-cv-00923-RS  
c/o A.B. Data, Ltd.  
P.O. Box 173071  
Milwaukee, WI 53217  
Telephone: 1-866-905-8124  
[www.quantumsecuritieslitigation.com](http://www.quantumsecuritieslitigation.com)  
[info@quantumsecuritieslitigation.com](mailto:info@quantumsecuritieslitigation.com)

and/  
or

Ira M. Press, Esq.  
Christopher Studebaker, Esq.  
KIRBY McINERNEY LLP  
250 Park Avenue, Suite 820  
New York, NY 10177  
(212) 371-6600

**PLEASE DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS, OR THEIR COUNSEL REGARDING THIS NOTICE.**

**Dated: July 26, 2019**

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