

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

IN RE: SANDISK LLC SECURITIES
LITIGATION

Case No. 3:15-cv-01455-VC

Hon. Vince Chhabria

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

If you purchased or otherwise acquired the publicly traded common stock of SanDisk Corp. during the period from October 16, 2014, through April 15, 2015, a class action settlement may affect your rights.

*A federal court authorized this notice. This is not a solicitation from a lawyer.
Please read this notice carefully and in its entirety.*

This Settlement Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Class. ***This notice is different from the Notice of Pendency of Class Action (“Class Notice”), which you might have already received alerting you to the fact that the Class had been certified.***¹

- The Settlement, if approved by the Court, will provide **\$50,000,000** (on average approximately \$1.01 per allegedly damaged share before the deduction of Court-approved fees and expenses) in cash for the benefit of the Class (described below).
- The Settlement resolves claims in a class action by City of Bristol Pension Fund (“Bristol”), City of Milford, Connecticut Pension & Retirement Board (“Milford”), Pavers and Road Builders Pension, Annuity and Welfare Funds (“Pavers and Road Builders Benefit Funds”), City of Newport News Employees’ Retirement Fund (“NNERF”), and Massachusetts Laborers’ Pension Fund (“Massachusetts Laborers,” together with Bristol, Milford, Pavers and Road Builders Benefit Funds, and NNERF, “Class Representatives” or “Lead Plaintiffs”); against SanDisk Corporation (n/k/a “SanDisk LLC” and owned by Western Digital, referred to herein as “SanDisk” or the “Company”), Sanjay Mehrotra (“Mehrotra”), and Judy Bruner (“Bruner,” with Mehrotra, “Individual Defendants,” and with SanDisk as well, “Defendants”).
- Class Representatives claim that Defendants made materially false and misleading statements and failed to disclose material information concerning SanDisk’s enterprise business. The complaint in the Action further alleged that the price of SanDisk’s publicly traded common stock was artificially inflated, as a result of the allegedly false and misleading statements, and declined when the truth was allegedly revealed. Defendants deny all of the Class Representatives’ allegations and further deny that they did anything wrong. Defendants also deny that the Class Representatives or the Class suffered damages or that the price of SanDisk’s common stock was artificially inflated by reasons of alleged misrepresentations, nondisclosures, or otherwise. The Court did not decide in favor of either the Class or Defendants.
- Class Counsel, on behalf of Plaintiffs’ Counsel, will ask the Court for no more than \$14 million in attorneys’ fees (28% of the Settlement Fund) and up to \$1 million in litigation expenses, which will include a reimbursement request for the Class Representatives pursuant to the Private Securities Litigation Reform Act of 1995 (the “PSLRA”). If approved by the Court, these amounts (totaling on average up to approximately \$0.30 per allegedly damaged share) will be deducted from the \$50,000,000 Settlement.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and after any appeals are resolved. Please be patient.
- **If you are a Class Member, your legal rights will be affected by this Settlement whether you act or do not act. Please read this Settlement Notice carefully.**

¹ All capitalized terms not defined in this Settlement Notice have the meanings provided in the Stipulation and Agreement of Settlement, dated as of May 6, 2019 (the “Stipulation”), which can be viewed at www.SanDiskSecuritiesLitigation.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A PROOF OF CLAIM FORM BY SEPTEMBER 12, 2019	The <u>only</u> way to get a payment. (See Question 8 below.)
OPT-BACK INTO THE CLASS BY SUBMITTING A REQUEST BY SEPTEMBER 5, 2019	If you previously submitted a request for exclusion from the Class in connection with the previously mailed Class Notice and now want to be part of the Class in order to receive a payment, you must follow the steps for “Opting-Back Into the Class.” (See Question 12 below.)
EXCLUDE YOURSELF BY SEPTEMBER 5, 2019	You will get no payment. This is the only option that, assuming your claim is timely brought, might allow you ever to bring or be part of any other lawsuit against the Defendants and the other Released Defendants’ Parties concerning the Released Claims. (See Question 10 below.)
OBJECT BY SEPTEMBER 5, 2019	Write to the Court about why you do not like the Settlement, the Fee and Expense Application, or the proposed Plan of Allocation. (See Question 15 below.)
GO TO A HEARING ON SEPTEMBER 26, 2019	Ask to speak in Court about the Settlement. (See Question 18 below.)
DO NOTHING	Get no payment AND give up your rights to bring your own individual action.

Identification of Attorneys’ Representatives

Class Representatives and the Class are being represented by Scott+Scott Attorneys at Law LLP, Court-appointed Class Counsel. Any questions regarding the Settlement should be directed to:

Deborah Clark-Weintraub
Max R. Schwartz
Scott+Scott Attorneys at Law LLP
The Helmsley Building
230 Park Avenue, 17th Floor
New York, NY 10169
Telephone: (212) 223-6444
www.scott-scott.com

Please do not contact the Court regarding this notice.

BASIC INFORMATION

1. Why did I get this Settlement Notice?

The Court authorized that this Settlement Notice be sent to you because you or someone in your family may have purchased or otherwise acquired the publicly traded common stock of SanDisk from October 16, 2014, through April 15, 2015, inclusive.

If this description applies to you or someone in your family, you have a right to know about the proposed Settlement of this class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, an administrator appointed by the Court will make the payments to eligible claimants that the Settlement allows.

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

The Court in charge of this Action is the United States District Court for the Northern District of California (the "Court"), and the case is known as *In re: SanDisk LLC Securities Litigation*, No. 3:15-cv-01455-VC (N.D. Cal.) (the "Action"). The Action is assigned to the Honorable Vince Chhabria, United States District Judge.

The Court did not decide in favor of either the Class or Defendants. Instead, they have agreed to a settlement. For Class Representatives, the principal reason for the Settlement is the certain benefit of a substantial cash recovery for the Class, in contrast to the risk that the Court may grant, in whole or in part, some or all of Defendants' motion for summary judgment, the uncertainty of being able to prove the allegations at a jury trial, and the difficulties and delays inherent in such litigation (including any appeals), which could result in a lower recovery. For Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that any Class Members were damaged, the principal reason for entering into the Settlement is to bring to an end the substantial burden, expense, uncertainty, and risk of further litigation.

2. What is this lawsuit about? What has happened so far?

This case arises out of allegations that Defendants violated §§10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder. The initial complaint in the case was filed on March 30, 2015. The operative complaint in the Action, the Second Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws (the "SAC"), was filed on July 15, 2016.²

Class Representatives claim that Defendants made materially false and misleading statements and failed to disclose information to investors about the condition and prospects of SanDisk's enterprise business, including the then-recently acquired Fusion-io business unit, in violation of the Exchange Act. Class Representatives further allege that the false and misleading statements and omissions artificially inflated the price of SanDisk's common stock and that, when Defendants later disclosed that the enterprise business was not performing as strongly as previously touted, SanDisk's stock price dropped.

Defendants moved to dismiss the SAC and its prior iterations several times. On January 20, 2017, they filed their final motion to dismiss, and Class Representatives opposed that motion thereafter. On June 22, 2017, the Court issued an Order denying Defendants' motion to dismiss. The SAC, which describes Class Representatives' allegations in further detail, and the Court's Order on the Motion to Dismiss, are available at www.SanDiskSecuritiesLitigation.com.

On August 7, 2017, Defendants answered the SAC, denying the claims and asserting various affirmative defenses.

On January 19, 2018, Lead Plaintiffs filed their motion for class certification. Following briefing on the motion and oral argument, on September 4, 2018, the Court issued an Order granting the motion, certifying the Class, appointing Lead Plaintiffs as "Class Representatives," and appointing Scott+Scott as Class Counsel. The Court's Order is available at www.SanDiskSecuritiesLitigation.com. Pursuant to an Order entered December 13, 2018, beginning on January 9, 2019, the Class Notice was mailed to potential Class Members, and the Summary Notice of Pendency of Class Action was published in *Investor's Business Daily* and transmitted over the *PR Newswire* on January 21, 2019. The Class Notice provided Class Members with the opportunity to request exclusion from the Class, explained that right, and set forth the deadline and procedures for doing so. The deadline for requesting exclusion from the Class pursuant to the Class Notice was February 28, 2019.

² The Action includes all of the actions that were consolidated into this Action, specifically, *Glore v. SanDisk Corp.*, No. 3:15-cv-01455-VC (now captioned *In re: SanDisk LLC Securities Litigation*), *Bowers v. SanDisk Corp.*, No. 3:15-cv-02050-VC, and *City of Sterling Heights General Employees' Retirement System v. SanDisk Corp.*, No. 3:15-cv-02358-VC.

The Parties completed comprehensive class, fact, and expert discovery in the Action during which the Class Representatives analyzed over 160,000 documents produced by Defendants. In addition, the Class Representatives took a total of 12 fact and expert depositions. The Class Representatives sat for Rule 30(b)(6) depositions and Class Counsel twice defended the deposition of the Class' expert on causation and damages, once in connection with class certification proceedings and later on merits issues.

On January 17, 2019, Defendants moved for summary judgment seeking dismissal of the claims as a matter of law and the exclusion of Class Representatives' damages expert's opinions. On February 28, 2019, Class Representatives filed their opposition to Defendants' summary judgment motion and motion to exclude Class Representatives' damages expert, and moved to exclude the opinions of Defendants' damages expert. Trial was scheduled to begin on May 28, 2019.

Following the completion of fact discovery and the exchange of expert reports, the Parties engaged the Hon. Layn R. Phillips (Ret.) ("Judge Phillips"), a well-respected and highly experienced mediator and former federal judge, to assist them in exploring a potential negotiated resolution of the claims in the Action. Following an exchange of mediation statements and exhibits, on October 29, 2018, the Parties met with Judge Phillips in an attempt to reach a settlement in a full-day mediation. The mediation did not result in a settlement of the Action, but Judge Phillips continued his efforts to facilitate discussions among the Parties. Before Defendants filed their reply papers in support of summary judgment, the Parties attended a second in-person mediation with Judge Phillips on March 8, 2019, which resulted in an agreement-in-principle to settle the Action for \$50,000,000, and entered into a Memorandum of Understanding.

Defendants deny all of Class Representatives' allegations and further deny that they did anything wrong. Defendants also deny that Class Representatives or the Class suffered damages or that the price of SanDisk common stock was artificially inflated by reasons of alleged misrepresentations, nondisclosures or otherwise.

3. Why is this a class action?

In a class action, one or more persons or entities (in this case, Class Representatives), sue on behalf of people and entities that have similar claims. Together, these people and entities are a class, and each is a class member. Bringing a case, such as this one, as a class action allows the Court to resolve many similar claims of persons and entities that might be economically too small to bring as individual actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or "opt-out," from the class.

WHO IS IN THE SETTLEMENT

4. How do I know if I am part of the Class?

The Court has certified the following Class, subject to certain exceptions identified below:

All persons and entities who purchased or otherwise acquired publicly traded shares of common stock of SanDisk Corporation from October 16, 2014, through April 15, 2015, inclusive, and were damaged thereby.

Check your investment records or contact your broker to see if you purchased or acquired the publicly traded common stock of SanDisk during the period from October 16, 2014, through April 15, 2015, inclusive.

5. Are there exceptions to the Class definition and to being included in the Class?

Yes. Some people are excluded from the Class by definition. Excluded from the Class are: (i) Defendants and their immediate family members; (ii) the officers and directors of the Company during the Class Period and their immediate family members; (iii) any entity in which Defendants have, or had, a controlling interest; and (iv) the legal representatives, heirs, successors, assigns, or affiliates of any excluded person. Also excluded from the Class are those who had (a) sold all of their SanDisk stock prior to the first alleged corrective disclosure on March 26, 2015; and (b) made no subsequent purchases between March 26, 2015, and April 15, 2015.

Also excluded from the Class are Class Members who submitted timely and valid requests for exclusion in connection with the previously mailed Class Notice, and Class Members who submit timely and valid requests for exclusion from the Class in accordance with the procedures set forth in Question 10 below.

6. What if I am still not sure if I am included?

If you are still not sure whether you are included in the Class, you can ask for free help. You can call the Claims Administrator toll-free at (877) 432-3788, send an email to the Claims Administrator at info@SanDiskSecuritiesLitigation.com or write to the Claims Administrator, *SanDisk Securities Litigation*, c/o Epiq, P.O. Box 3058, Portland, OR 97208-3058. Or you can fill out and return the Claim Form described in Question 8 to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

7. How much will my payment be?

In exchange for the Settlement and the release of certain claims (the “Released Claims” as defined below) against Defendants and the Released Defendants’ Parties, Defendants have agreed to fund a \$50,000,000 Settlement Fund. That fund will earn interest and will be distributed, after the deduction of Court-approved fees and expenses, among all Class Members who submit valid Claim Forms and who are found to be entitled to a distribution from the Net Settlement Fund (“Authorized Claimants”).

If you are an Authorized Claimant entitled to a payment, your share of the Net Settlement Fund will depend on several things, including: how many Class Members send in valid Claim Forms; the total amount of recognized losses of other Authorized Claimants; how many shares of SanDisk common stock you purchased; the prices and dates of those purchases; and the prices and dates of any sales.

You can calculate your recognized loss in accordance with the formulas shown below in the Plan of Allocation. It is unlikely that you will receive a payment for all of your recognized loss. See the Plan of Allocation of Net Settlement Fund on pp. 9-13 for more information on your recognized loss.

HOW YOU RECEIVE A PAYMENT: SUBMITTING A PROOF OF CLAIM FORM

8. How can I receive a payment?

To qualify for a payment, you must submit a timely and valid Claim Form. A Claim Form is included with this Settlement Notice. If you did not receive a Claim Form, you can obtain one on the website: www.SanDiskSecuritiesLitigation.com. You can also ask for a Claim Form by calling the Claims Administrator toll-free at (877) 432-3788.

Please read the instructions carefully, fill out the Claim Form, include all the documents the form requests, sign it, and mail or electronically submit it to the Claims Administrator so that it is *postmarked or electronically submitted no later than September 12, 2019*.

9. What am I giving up to receive a payment or by staying in the Class?

Unless you exclude yourself, or previously excluded yourself, you are staying in the Class, and that means that upon the “Effective Date,” you will release all “Released Claims,” as defined below, against the “Released Defendants’ Parties.” Released Claims include claims that share an identical factual predicate with the claims asserted in the Action.

“Released Claims” means all claims, demands, losses, rights, and causes of action of any nature whatsoever that have been, or could have been, asserted in the Action or could in the future be asserted in any forum, whether foreign or domestic, whether arising under federal, state, common, or foreign law, by Class Representatives, any member of the Class, or their successors, assigns, executors, administrators, representatives, attorneys, and agents, in their capacities as such, whether brought directly or indirectly against any of the Released Defendants’ Parties (defined below), which both: (a) arise out of, are based on, or relate in any way to any of the allegations, acts, transactions, facts, events, matters, occurrences, representations, or omissions involved that are set forth, alleged, or referred to in the Action, or which could have been alleged in the Action; and (b) arise out of, are based on, or relate to the purchase or acquisition of any SanDisk common stock. This means that the Released Claims are only those claims that are based on the identical factual predicate as the securities fraud claims at issue in the Action. Released Claims do not include claims to enforce this Settlement.

“Released Defendants’ Parties” means (i) each Defendant; (ii) each of their respective family members (for individuals) and each of their direct or indirect parent entities, subsidiaries, and related entities and affiliates (including Western Digital); and (iii) for any of the entities listed in parts (i) or (ii), their respective past and present general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof, in their capacities as such.

Please consult the Stipulation, filed with the Court and posted at www.SanDiskSecuritiesLitigation.com, for additional defined terms.

The “Effective Date” will occur when an Order entered by the Court approving the Settlement becomes final and is not subject to appeal. If you remain a member of the Class, all of the Court’s orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE CLASS

*If you already submitted a valid and timely request for exclusion in connection with the Class Notice, you do not need to do so again.*³

If you **did not** previously submit a request for exclusion and **do not** want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue Defendants and the other Released Defendants' Parties on your own concerning the Released Claims, then you must take steps to remove yourself from the Class. This is called excluding yourself or "opting out." **Please note: if you decide to exclude yourself because you want to bring your own lawsuit to pursue claims alleged in the Action, you should consult with an attorney to discuss whether your individual claim would be time-barred by the applicable statutes of limitations or repose.** Also, Defendants may terminate the Settlement if Class Members who purchased in excess of a certain amount of shares of SanDisk common stock seek exclusion from the Class.

10. How do I exclude myself from the Class?

To exclude yourself from the Class, you must submit a signed letter stating that you request to be "excluded from the Class in *In re: SanDisk LLC Sec. Litig.* No. 3:15-cv-01455-VC." You cannot exclude yourself by telephone or email. Your letter must state the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of SanDisk common stock during the period from October 16, 2014, through April 15, 2015. Your letter must include your name, mailing address, telephone number, email address, and signature. You must submit your exclusion request by First-Class Mail or online at www.SanDiskSecuritiesLitigation.com so that it is **received (not simply postmarked) no later than September 5, 2019** to:

SanDisk Securities Litigation
Claims Administrator
c/o Epiq
P.O. Box 3058
Portland, OR 97208-3058

Your exclusion request must comply with these requirements in order to be valid, unless it is otherwise accepted by the Court. If you ask to be excluded, you will not receive any payment from the Net Settlement Fund, and you cannot object to the Settlement because you will no longer be part of the Class.

11. If I do not exclude myself, can I sue Defendants and the other Released Defendants' Parties for the same thing later?

No. Unless you properly exclude yourself, you remain in the Class and you give up any rights to sue Defendants and the other Released Defendants' Parties for any and all Released Claims. If you have a pending lawsuit, **speak to your lawyer in that case immediately.** You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is **September 5, 2019.**

OPTING-BACK INTO THE CLASS

12. What if I previously requested exclusion in connection with the Class Notice and now want to be eligible to receive a payment from the Settlement? How do I opt-back into the Class?

If you previously submitted a request for exclusion from the Class in connection with the Class Notice, you may opt-back into the Class and be eligible to receive a payment from the Settlement. If you are not certain whether you previously submitted a request for exclusion, please contact the Claims Administrator at (877) 432-3788 for assistance.

In order to opt-back into the Class, you, individually or through counsel, must mail a written "Request to Opt-Back into the Class" to the Claims Administrator, addressed as follows: *SanDisk Securities Litigation, c/o Epiq, P.O. Box 3058, Portland, OR 97208-3058.* This request must be **received (not simply postmarked) no later than September 5, 2019.** Your Request to Opt-Back into the Class must: (i) state the name, address, and telephone number of the person or entity requesting to opt-back into the Class; (ii) state that such person or entity "requests to opt-back into the Class in *In re: SanDisk LLC Sec. Litig.* No. 3:15-cv-01455-VC"; and (iii) be signed by the person or entity requesting to opt-back into the Class or an authorized representative.

Please note: Opting-back into the Class **does not mean** that you will automatically be entitled to receive proceeds from the Settlement. If you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are also required to submit the Claim Form that is being distributed with this Settlement Notice. See Question 8, above.

³ If you are not sure whether you did, please call the Claims Administrator at (877) 432-3788.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court ordered the law firm of Scott+Scott Attorneys at Law LLP (Scott+Scott) to represent all Class Members. These lawyers are called Class Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Class Counsel's fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

Class Counsel has been prosecuting the Action on a contingent basis and has not been paid for any of its work. Class Counsel, on behalf of itself and other Plaintiffs' Counsel, will seek an attorneys' fee award of no more than 28% of the Settlement Fund, which will include accrued interest. Plaintiffs' Counsel is Class Counsel (Scott+Scott), Labaton Sucharow LLP, and Cohen Milstein Sellers & Toll PLLC, as well as additional counsel that assisted certain Class Representatives, the Thornton Law Firm and The Corrente Law Corporation. Any attorneys' fees awarded by the Court to Class Counsel will be allocated by Class Counsel to other Plaintiffs' Counsel. Class Counsel will also seek payment of litigation expenses incurred by Plaintiffs' Counsel in the prosecution of this Action of no more than \$1 million plus accrued interest, which will also include an application in accordance with the PSLRA for the reasonable costs and expenses (including lost wages) of Class Representatives directly related to their representation of the Class. Any attorneys' fees and expenses awarded by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or any part of it.

15. How do I tell the Court that I do not like something about the proposed Settlement, the Plan of Allocation, or the Fee and Expense Application?

If you are a Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation, and/or the Fee and Expense Application. You may write to the Court about your objection. You can ask the Court not to approve the Settlement, however, you cannot ask the Court to order a larger or different settlement; the Court can only approve or deny this Settlement. If the Court denies approval, the Settlement payments will not be sent out and the Parties will return to the position they were in before the Settlement was agreed to. If you would like the Court to consider your views, you must file a proper objection within the deadline set forth below, and according to the following procedures. Failure to comply with the requirements for submitting objections may be excused by the Court for good cause. You may also write in support of the Settlement and related relief.

To object, you must mail or file a signed letter stating that you "object to the proposed Settlement, Plan of Allocation, and/or Fee and Expense Application in *In re: SanDisk LLC Sec. Litig.* No. 3:15-cv-01455-VC." Your objection must state why you are objecting and whether your objection applies only to you, a subset of the Class, or the entire Class. The objection must also: (i) include the name, address, and telephone number of the person or entity objecting; (ii) contain a statement of the objection and the specific reasons for it, including any legal and evidentiary support (including witnesses) you wish to bring to the Court's attention; and (iii) identify the number of shares of SanDisk common stock purchased, acquired, and sold during the Class Period, as well as the date, number of shares, and price per share of each such purchase, acquisition, and sale. Unless otherwise ordered by the Court, any Class Member who does not object in the manner described in this Settlement Notice will be deemed to have waived any objection and will be forever foreclosed from making any objection to the proposed Settlement, the Plan of Allocation, and/or the Fee and Expense Application.

Your objection must be submitted to the Court either by (i) mailing it to the Class Action Clerk, United States District Court for the Northern District of California, San Francisco Courthouse, 450 Golden Gate Avenue, Box 36060, San Francisco, California 94102-3489, or (ii) filing it in person at any location of the United States District Court for the Northern District of California. Your objection must be ***received or filed, not simply postmarked, on or before September 5, 2019.***

You do not need to attend the Settlement Hearing to have your written objection considered by the Court. However, any Class Member who has complied with the procedures set out in this Question 15 and below in Question 18 may appear at the Settlement Hearing and be heard, to the extent allowed by the Court, either in person or through an attorney, arranged at his, her, or its own expense.

16. What is the difference between objecting and excluding?

Objecting is telling the Court that you do not like something about the proposed Settlement, Plan of Allocation, or Fee and Expense Application. You can still recover from the Settlement, and you will still be bound by the Settlement and any Court order in this Action. **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 Settlement no longer affects you.

THE SETTLEMENT HEARING

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

The Court will hold the Settlement Hearing on **September 26, 2019 at 10:00 a.m.**, at the United States District Court for the Northern District of California, San Francisco Courthouse, in Courtroom 4, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102.

At this hearing, the Court will consider: (i) whether the Settlement is fair, reasonable, and adequate, and should be finally approved; (ii) whether the proposed Plan of Allocation is fair, reasonable, and adequate; and (iii) the application of Class Counsel for an award of attorneys' fees and payment of litigation expenses. The Court will take into consideration any written objections filed in accordance with the instructions in Question 15. We do not know how long it will take the Court to make these decisions.

You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Class Members. If you want to attend the Settlement Hearing, you should check with Class Counsel beforehand to be sure that the date and/or time has not changed, periodically check the Court's website at www.cand.uscourts.gov, or periodically check the case-specific website at www.SanDiskSecuritiesLitigation.com to see if the Settlement Hearing stays as calendared or is changed.

18. May I speak at the Settlement Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must submit a statement that it is your intention to appear in *In re: SanDisk LLC Sec. Litig.* No. 3:15-cv-01455-VC." Persons who intend to object to the Settlement, the Plan of Allocation, or Class Counsel's Fee and Expense Application, and desire to present evidence at the Settlement Hearing, must also include in their objections (prepared and submitted in accordance with the answer to Question 15 above) the identity of any witness they may wish to call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing. You may not speak at the Settlement Hearing if you excluded yourself from the Class, or if you have not provided written notice of your objection and/or intention to speak at the Settlement Hearing in accordance with the procedures described in Questions 10, 15, and 18, unless your failure to follow these requirements is excused by the Court for good cause.

IF YOU DO NOTHING

19. What happens if I do nothing at all?

If you do nothing and you are a member of the Class, you will receive no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Defendants' Parties concerning the Released Claims. To share in the Net Settlement Fund, you must submit a Claim Form (*see* Question 8). To start, continue, or be a part of any other lawsuit against Defendants and the other Released Defendants' Parties concerning the Released Claims in this case, to the extent it is otherwise permissible to do so or there are other lawsuits, you must exclude yourself from the Class (*see* Question 10).

GETTING MORE INFORMATION

20. Are there more details about the proposed Settlement?

This Settlement Notice summarizes the proposed Settlement. More details are in the Stipulation. Similarly, Class Counsel's motions in support of final approval of the Settlement, the request for attorneys' fees and litigation expenses, and approval of the proposed Plan of Allocation will be filed with the Court no later than August 22, 2019, and be available from Class Counsel, the Claims Administrator, or the Court, pursuant to the instructions below.

You can get a copy of the Stipulation and other case documents by calling the Claims Administrator toll-free at (877) 432-3788; writing to the Claims Administrator at *SanDisk Securities Litigation*, c/o Epiq, P.O. Box 3058, Portland, OR 97208-3058; or visiting the websites: www.SanDiskSecuritiesLitigation.com or www.scott-scott.com where you will find answers to common questions about the Settlement, can download copies of the Stipulation or Claim Form, and locate other information.

You may also review the Stipulation or documents filed in the case at the Office of the Clerk of the United States District Court for the Northern District of California, San Francisco Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102-3489, on weekdays (other than court holidays) between 9:00 a.m. and 4:00 p.m. Subscribers to PACER, a fee-based service, can also view the papers filed publicly in the Action through the Court's online Case Management/Electronic Case Filing System at <https://www.pacer.gov>.

Please do not Call the Court with Questions about the Settlement.

PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

The Plan of Allocation set forth below is the plan for distributing the proceeds of the Settlement among eligible Class Members that is being proposed by Class Representatives and their counsel to the Court for approval. The Court may approve this Plan of Allocation or modify it without additional notice to the Class. Any order modifying the Plan of Allocation will be posted on the Settlement website at www.SanDiskSecuritiesLitigation.com.

The \$50 million Settlement Amount and any interest earned thereon is the "Settlement Fund." The Settlement Fund, less all Taxes, approved costs, fees and expenses (the "Net Settlement Fund") will be distributed to members of the Class who submit valid Claim Forms that are accepted for payment, in accordance with the Plan of Allocation approved by the Court ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The calculations made pursuant to the Plan of Allocation are not intended to estimate the amount a Class Member might have been able to recover after a trial; nor are they to estimate the amount that will be paid to Authorized Claimants pursuant to the Settlement. The calculations pursuant to the Plan are a method to weigh the claims of Authorized Claimants against one another for the purpose of making *pro rata* allocations of the Net Settlement Fund.

The objective of this Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants who suffered economic losses as a result of the alleged violations of the federal securities laws during the Class Period (October 16, 2014, through April 15, 2015). To design this Plan, Class Counsel has conferred with their damages expert. This Plan is intended to be generally consistent with an assessment of, among other things, the damages that Class Counsel and Class Representatives believe were recoverable in the Action. The Plan of Allocation, however, is not a formal damages analysis.

For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the securities at issue. In this case, Class Representatives allege that Defendants issued false statements and omitted material facts during the Class Period, which artificially inflated the price of SanDisk common stock. It is alleged that corrective information released to the market on March 26, 2015 (prior to market open and continuing through March 27, 2015) and April 15, 2015 (after market close), impacted the market price of SanDisk common stock in a statistically significant manner and removed portions of the alleged artificial inflation from SanDisk common stock on March 26-27, 2015, and April 16, 2015. Accordingly, in order to have a compensable loss in this Settlement, SanDisk common stock must have been purchased or otherwise acquired during the Class Period and held through at least one of the alleged corrective disclosures listed above.

CALCULATION OF RECOGNIZED LOSS AND RECOGNIZED GAIN AMOUNTS

For purposes of determining whether a Claimant has a "Recognized Claim," purchases, acquisitions, and sales of SanDisk common stock will first be matched on a First In/First Out ("FIFO") basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

A "Recognized Loss Amount" will be calculated as set forth for each purchase of SanDisk common stock during the Class Period from October 16, 2014, through April 15, 2015 that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of a Claimant's Recognized Loss Amount results in a negative number, that number shall be set to zero.

For each share of SanDisk common stock purchased or otherwise acquired during the Class Period and sold before the close of trading on July 14, 2015, an "Out of Pocket Loss" will be calculated. Out of Pocket Loss is defined as the purchase price (without regard to any fees, taxes, commissions or other costs) minus the sale price (without regard to any fees, taxes, commissions or other costs). To the extent that the calculation of the Out of Pocket Loss results in a negative number, that number shall be set to zero.

For each share of SanDisk common stock purchased or acquired at any point from October 16, 2014 through and including April 15, 2015 and:

- A. Sold before the opening of trading on March 26, 2015, the Recognized Loss Amount for each such share shall be zero.
- B. Sold after the opening of trading on March 26, 2015, and before the close of trading on April 15, 2015, the Recognized Loss Amount for each such share shall be *the lesser of*:
 1. the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below *minus* the dollar artificial inflation applicable to each such share on the date of sale as set forth in **Table 1** below; or
 2. the Out of Pocket Loss.
- C. Sold after the close of trading on April 15, 2015, and before the close of trading on July 14, 2015, the Recognized Loss Amount for each such share shall be *the least of*:
 1. the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below; or
 2. the actual purchase/acquisition price of each such share *minus* the average closing price from April 16, 2015, up to the date of sale as set forth in **Table 2** below; or
 3. the Out of Pocket Loss.
- D. Held as of the close of trading on July 14, 2015, the Recognized Loss Amount for each such share shall be *the lesser of*:
 1. the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below; or
 2. the actual purchase/acquisition price of each such share *minus* \$64.90.⁴

For shares of SanDisk common stock held as of the close of trading on October 15, 2014 and sold during the Class Period, a Recognized Gain Amount will be calculated as follows:

Shares of SanDisk common stock held as of the close of trading on October 15, 2014 and sold during the Class Period were sold at artificially inflated prices. For each share of SanDisk common stock held as of the close of trading on October 15, 2014, and sold at any point from October 16, 2014, through and including April 15, 2015, a Recognized Gain Amount will be calculated by multiplying the number of shares held as of the close of trading on October 15, 2014, by the amount of artificial inflation per share on the date of sale as set forth in **Table 1**.

TABLE 1
SanDisk Common Stock Artificial Inflation
For Purposes of Calculating Purchase and Sale Inflation

Transaction Date	Artificial Inflation Per Share
October 16, 2014 – March 25, 2015	\$9.04
March 26, 2015	\$2.26
March 27, 2015 – April 15, 2015	\$1.35

⁴ Pursuant to Section 21D(e)(1) of the Exchange Act, “in any private action arising under this title 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 Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of SanDisk common stock during the “90-day look-back period,” April 16, 2015, through July 14, 2015. The mean (average) closing price for SanDisk common stock during this 90-day look-back period was \$64.90.

TABLE 2**SanDisk Common Stock Closing Price and Average Closing Price
April 16, 2015 – July 14, 2015**

Date	Closing Price	Average Closing Price between April 16, 2015 and Date Shown	Date	Closing Price	Average Closing Price between April 16, 2015 and Date Shown
4/16/2015	\$67.91	\$67.91	6/1/2015	\$68.23	\$67.60
4/17/2015	\$67.01	\$67.46	6/2/2015	\$67.07	\$67.59
4/20/2015	\$66.87	\$67.26	6/3/2015	\$67.51	\$67.59
4/21/2015	\$67.92	\$67.43	6/4/2015	\$67.10	\$67.57
4/22/2015	\$68.48	\$67.64	6/5/2015	\$68.67	\$67.60
4/23/2015	\$68.76	\$67.82	6/8/2015	\$67.51	\$67.60
4/24/2015	\$67.92	\$67.84	6/9/2015	\$66.81	\$67.58
4/27/2015	\$67.67	\$67.82	6/10/2015	\$67.26	\$67.57
4/28/2015	\$68.69	\$67.91	6/11/2015	\$66.66	\$67.55
4/29/2015	\$67.84	\$67.91	6/12/2015	\$66.10	\$67.51
4/30/2015	\$66.94	\$67.82	6/15/2015	\$64.18	\$67.43
5/1/2015	\$68.47	\$67.87	6/16/2015	\$64.52	\$67.37
5/4/2015	\$67.51	\$67.84	6/17/2015	\$64.73	\$67.31
5/5/2015	\$66.97	\$67.78	6/18/2015	\$65.21	\$67.26
5/6/2015	\$66.64	\$67.71	6/19/2015	\$63.92	\$67.19
5/7/2015	\$66.59	\$67.64	6/22/2015	\$65.48	\$67.15
5/8/2015	\$67.73	\$67.64	6/23/2015	\$65.09	\$67.11
5/11/2015	\$67.77	\$67.65	6/24/2015	\$63.79	\$67.04
5/12/2015	\$66.67	\$67.60	6/25/2015	\$63.35	\$66.97
5/13/2015	\$67.20	\$67.58	6/26/2015	\$62.12	\$66.87
5/14/2015	\$67.00	\$67.55	6/29/2015	\$60.19	\$66.74
5/15/2015	\$67.19	\$67.53	6/30/2015	\$58.22	\$66.58
5/18/2015	\$67.50	\$67.53	7/1/2015	\$56.41	\$66.39
5/19/2015	\$67.33	\$67.52	7/2/2015	\$56.36	\$66.21
5/20/2015	\$67.08	\$67.51	7/6/2015	\$55.48	\$66.02
5/21/2015	\$67.02	\$67.49	7/7/2015	\$55.89	\$65.84
5/22/2015	\$67.08	\$67.47	7/8/2015	\$54.15	\$65.64
5/26/2015	\$66.39	\$67.43	7/9/2015	\$53.81	\$65.44
5/27/2015	\$69.01	\$67.49	7/10/2015	\$53.53	\$65.24
5/28/2015	\$69.59	\$67.56	7/13/2015	\$53.65	\$65.05
5/29/2015	\$68.38	\$67.58	7/14/2015	\$55.45	\$64.90

ADDITIONAL PROVISIONS

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

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

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

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

The sum of a Claimant’s Recognized Loss Amounts minus the sum of a Claimant’s Recognized Gain Amounts will be the Claimant’s “Recognized Claim.” To the extent that the calculation of a Claimant’s Recognized Claim results in a negative number, the Claimant’s Recognized Claim will be zero.

An Authorized Claimant’s Recognized Claim shall be the amount used to calculate the Authorized Claimant’s *pro rata* share of the Net Settlement Fund. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant’s Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

Class Members who do not submit valid Claim Forms will not share in the distribution of the Net Settlement Fund, however, they will nevertheless be bound by the Settlement and the Judgment of the Court dismissing this Action unless they have timely and validly sought exclusion.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed distributions or otherwise and it is economical to do so, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund at least four months after the initial distribution of such funds shall be redistributed on a *pro rata* basis to Class Members who have cashed their initial distributions in an equitable and economical manner, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution. These redistributions shall be repeated until the balance in the Net Settlement Fund is no longer economical to distribute. Any balance that still remains in the Net Settlement Fund after redistribution(s), which is not feasible or economical to reallocate, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund, shall be contributed, in equal amount, to the Consumer Federation of American and the Council of Institutional Investors.

Payment pursuant to the Plan of Allocation or such other plan as may be approved by the Court shall be conclusive against all Claimants. No person shall have any claim against Class Representatives, Plaintiffs’ Counsel, their damages expert, the Claims Administrator, or other agent designated by Class Counsel, arising from determinations or distributions to Claimants made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further orders of the Court. Defendants, their respective counsel, and all other Released Defendants’ Parties shall have no responsibility for 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 non-performance of the Claims Administrator, the payment or withholding of Taxes owed by the Settlement Fund or any losses incurred in connection therewith.

The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any Claimant. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES

In the previously mailed Class Notice, you were advised that if, for the beneficial interest of any person or entity other than yourself, you purchased SanDisk common stock during the period from October 16, 2014, through April 15, 2015, inclusive, you either had to: (1) provide a list of the names, addresses, and emails of all such beneficial owners to the Claims Administrator; or (2) request from the Claims Administrator sufficient copies of the Class Notice to forward to all such beneficial owners, and forward them to all such beneficial owners.

If you chose the first option, the Claims Administrator sent a copy of the Settlement Notices and Proof of Claim and Release Forms (together, the "Claim Packet") to the beneficial owners whose names and addresses you previously supplied. Unless you have identified additional beneficial owners whose names you did not previously provide, **you need do nothing further at this time.**

If you chose the second option, *i.e.*, you elected to mail the Class Notice directly to beneficial owners, you were advised that you must retain the mailing records for use in connection with any further notices that may be provided in the Action. If you elected this option, the Claims Administrator will forward the same number of Claim Packets to you to send to the beneficial owners **WITHIN TEN (10) CALENDAR DAYS** of receipt of the Claim Packets. If you require more copies than you previously requested, please contact the Claims Administrator at (877) 432-3788 and let them know how many additional Claim Packets you require. You must mail the Claim Packets to the beneficial owners **WITHIN TEN (10) CALENDAR DAYS** of your receipt of the packets.

If you believe that you have identified additional beneficial owners since responding to the Class Notice, you must either (a) **WITHIN TEN (10) CALENDAR DAYS** of receipt of the Claim Packet, provide a list of the names and addresses (including emails if available) of all such additional beneficial owners to the Claims Administrator, or (b) **WITHIN TEN (10) CALENDAR DAYS** of receipt of the Claim Packet, request from the Claims Administrator sufficient copies of the Claim Packet to forward to all such additional beneficial owners, which you shall, **WITHIN TEN (10) CALENDAR DAYS** of receipt of the Claim Packets from the Claims Administrator, mail, by First-Class Mail and postage prepaid, to the beneficial owners and provide the Claims Administrator with email addresses for all such beneficial owners. If you elect to send the Claim Packet to beneficial owners, you shall also send a statement to the Claims Administrator confirming that the mailing was made and shall retain your mailing records for use in connection with any further notices that may be provided in the Action.

Upon full and timely compliance with these directions, you may seek reimbursement of your reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Settlement Notice and the Claim Form may also be obtained from the website for this Action, www.SanDiskSecuritiesLitigation.com, or by calling the Claims Administrator at (877) 432-3788.

All communications concerning the foregoing should be addressed to the Claims Administrator:

SanDisk Securities Litigation
Claims Administrator
c/o Epiq
P.O. Box 3058
Portland, OR 97208-3058
Phone: (877) 432-3788
info@SanDiskSecuritiesLitigation.com
www.SanDiskSecuritiesLitigation.com

Dated: June 19, 2019

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