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

ATUL SINGH DEORA, *et al.*,

Plaintiffs,

v.

NANTHEALTH, *et al.*,

Defendants.

Case No. 2:17-cv-01825-TJH-MRWx

**ORDER GRANTING MOTION  
FOR PRELIMINARY APPROVAL  
OF CLASS ACTION  
SETTLEMENT AND DIRECTING  
CLASS NOTICE [111]**

1 The parties to this litigation have entered into a Stipulation of Settlement,  
2 which if approved, would resolve this class action. Lead Plaintiff Southeastern  
3 Pennsylvania Transportation Authority (SEPTA) has filed a motion for preliminary  
4 approval of the settlement, which Defendants NantHealth, Inc., Patrick Soon-  
5 Shiong, Paul A. Holt, Michael S. Sitrick, Kirk K. Calhoun, Mark Burnett, Edward  
6 Miller, and Michael Blaszyk support. The Court has read and considered the  
7 Stipulation of Settlement and all the attached exhibits, including the proposed claim  
8 form and notices, and concludes that it is appropriate to direct notice in a reasonable  
9 manner to all Class Members who would be bound by the proposal, since the  
10 parties' showing establishes that the Court will likely be able to approve the proposal  
11 under Rule 23(e)(2). *See* Fed. R. Civ. P. 23(e)(1)(B).

12 The Court now GRANTS the pending motion and makes the following  
13 findings and orders:

14 1. Capitalized terms not otherwise defined shall have the same meaning as  
15 set forth in the Stipulation of Settlement.

16 **PRELIMINARY APPROVAL OF THE PROPOSED SETTLEMENT**

17 2. The Court has reviewed the terms of the Stipulation of Settlement, the  
18 attached exhibits, Lead Plaintiff's motion papers, the declarations of counsel, and  
19 all arguments made.

20 3. Based on its review, the Court finds that the Court will likely be able to  
21 approve the proposed Settlement as fair, reasonable, and adequate under Rule  
22 23(e)(2). *See* Fed. R. Civ. P. 23(e)(1)(B)(i). The Stipulation of Settlement: (a) results  
23 from efforts by Lead Plaintiff and Class Counsel who adequately represented the  
24 Classes; (b) was negotiated at arm's length with the assistance of mediator Robert  
25 A. Meyer, Esq., of JAMS; (c) provides relief for the Classes that is adequate, taking  
26 into account: (i) the costs, risks, and delay of trial and appeal; (ii) the effective  
27 proposed method of distributing relief to the Classes; and (iii) the terms of the  
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1 proposed award of attorney's fees, including timing of payment; and (d) treats Class  
2 Members equitably relative to each other.

3 4. The Court hereby preliminarily approves the Settlement as provided in  
4 the Stipulation of Settlement as being fair, reasonable, and adequate to the Classes,  
5 subject to further consideration at the Final Approval Hearing to be conducted as  
6 described below.

7 **NOTICE AND ADMINISTRATION**

8 5. The Court directs the Settlement Administrator to fulfill its notice duties  
9 and responsibilities specified in this Order and the Stipulation of Settlement.

10 6. The Court finds that the provisions for notice to the Class Members set  
11 forth in the Stipulation of Settlement satisfy the requirements of due process,  
12 Federal Rule of Civil Procedure 23, and the Private Securities Litigation Reform  
13 Act of 1995, and provide the best notice practicable under the circumstances,  
14 including individual notice to all Class Members who can be identified through  
15 reasonable effort. The notice is reasonably calculated to apprise Class Members of  
16 the nature of this litigation; the scope of the Classes, the Classes' claims, issues, or  
17 defenses; the terms of the Stipulation of Settlement; the right of Class Members to  
18 appear, object to the Stipulation of Settlement, and exclude themselves from the  
19 Classes and the process for doing so; the Final Approval Hearing; and the binding  
20 effect of a class judgment on the Classes. The Court therefore approves the  
21 proposed methods of providing notice and directs the Settlement Administrator to  
22 proceed with providing notice to Class Members, pursuant to the terms of the  
23 Stipulation of Settlement and this Order.

24 7. No later than FEBRUARY 24, 2020 (Notice Date), the Settlement  
25 Administrator shall substantially complete its notice obligations consistent with the  
26 specifications of the Stipulation of Settlement, including by disseminating the  
27 Mailed Notice to all reasonably identifiable Class Members by U.S. Mail, and  
28 through publication of the dedicated settlement

1 website. In addition, a Summary Notice will be published twice on a national  
2 business newswire at approximately 10 days and again at approximately 20 days  
3 after Mailed Notice is distributed. Nominees who purchased NantHealth, Inc.  
4 common stock for the beneficial ownership of Class Members during the Class  
5 Period shall send the Notice with Proof of Claim and Release form to all such  
6 beneficial owners of NantHealth, Inc. common stock within ten (10) days after  
7 receipt thereof from the Settlement Administrator, or send a list of the names and  
8 addresses of such beneficial owners to the Settlement Administrator within ten (10)  
9 days of receipt thereof, in which event the Settlement Administrator shall promptly  
10 mail the Notice with Proof of Claim and Release form to such beneficial owners.

11 8. No later than ten (10) days before the Final Approval Hearing for the  
12 Settlement, the Settlement Administrator shall provide an affidavit for the Court,  
13 attesting that notice was disseminated in a manner consistent with the Stipulation  
14 of Settlement, including its exhibits.

15 9. Defendants shall mail the notices described in the Class Action Fairness  
16 Act, 28 U.S.C. § 1715, within the time periods set forth in that statute.

17 **OBJECTIONS AND EXCLUSIONS**

18 10. Class Members who wish to opt-out and exclude themselves from the  
19 Classes may do so by submitting such request in writing consistent with the  
20 specification listed in the Mailed Notice no later than MAY 22, 2020.

21 11. To be valid, each request for exclusion must:

- 22 a. State the Class Member's full name and current address;
- 23 b. Provide the date(s), price(s), and number(s) of shares of  
24 NantHealth, Inc., common stock the Class Member purchased or  
25 acquired; and
- 26 c. Specifically and clearly state the Class Member's desire to be  
27 excluded from the Settlement and from the Classes.  
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1           12. The Settlement Administrator shall provide any requests for exclusion  
2 received, and copies of any written revocations of requests for exclusion received, to  
3 Class Counsel and Defendants' Counsel within three (3) business days of receipt,  
4 beginning 30 days after the Notice Date.

5           13. All Class Members who do not opt out and exclude themselves in the  
6 manner stated in this Order shall be deemed to have waived his, her, or its right to  
7 be excluded from the Classes, shall be forever barred from requesting exclusion  
8 from the Classes in this or any other proceeding, and shall be bound by the terms of  
9 the Stipulation of Settlement upon entry of the Final Approval Order and  
10 Judgment.

11           14. Any Class Member who does not request exclusion from the Classes and  
12 who wishes to object to the Settlement must, no later than MAY 22, 2020 [21 days  
13 before the hearing on final approval of this settlement], submit a written notice of  
14 objection consistent with the specifications listed in the Mailed Notice.

15           15. The written objection must contain:

- 16           a. The Class Member's full name, current address, and current  
17           telephone number;
- 18           b. A statement that the Class Member is objecting to the Settlement  
19           in this lawsuit, *Deora v. NantHealth, Inc.*, No. 2:17-cv-01825-TJH-  
20           MRW;
- 21           c. The date(s), price(s), and number(s) of shares of NantHealth, Inc.,  
22           common stock the Class Member purchased or acquired;
- 23           d. A statement of the objection(s), including all factual and legal  
24           grounds for the position and copies of documents the objector  
25           wishes to submit in support;
- 26           e. Whether the objection applies only to the objector, to a specific  
27           subset of the Classes, or to one or both of the Classes in their  
28           entirety; and

1 f. A signature and date on the objection.

2 16. Lawyers asserting objections on behalf of Class Members must: (a) file a  
3 notice of appearance with the Court by MAY 22, 2020 ; (b) file a sworn declaration  
4 attesting to his or her representation of each Class Member on whose behalf the  
5 objection is being filed or file (in camera) a copy of the contract between that lawyer  
6 and each such Class Member; and (c) comply with the procedures described in the  
7 Stipulation of Settlement.

8 17. If the objecting Class Member intends to appear, in person or by  
9 counsel, at the Final Approval Hearing, the objecting Class Member must so state  
10 in the objection. Any Class Member who does not state an intention to appear in  
11 accordance with the applicable deadlines and other specifications, or who has not  
12 filed an objection in accordance with the applicable deadlines and other  
13 specifications in this Order, will be deemed to have waived any objections to the  
14 Settlement, and shall be forever barred and foreclosed from objecting to the  
15 fairness, reasonableness, or adequacy of the Settlement, the Plan of Allocation, or  
16 the requested award of attorneys' fees and expenses in this or any other proceeding,  
17 and will be barred from speaking or otherwise presenting any views at the Final  
18 Approval Hearing.

19 18. These procedures and requirements for objecting are intended to ensure  
20 the efficient administration of justice and the orderly presentation of any Class  
21 Member's objection to the Settlement, in accordance with the due process rights of  
22 all Class Members.

23 **FINAL APPROVAL HEARING AND SCHEDULE**

24 19. The Court will hold a hearing on entry of final approval of the  
25 Settlement, an award of fees and expenses to Class Counsel, and a Compensatory  
26 Award to Lead Plaintiff at **10:00 a.m. on JUNE 15, 2020** , in Courtroom 9B at the  
27 U.S. District Court for the  
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1 Central District of California, Western Division, located at 350 W. 1st Street, 9th  
2 Floor, Los Angeles, California, 90012. At the Final Approval Hearing, the Court  
3 will consider: (a) whether the Settlement should be approved as fair, reasonable,  
4 and adequate for the Classes, and judgment entered on the terms stated in the  
5 Settlement; and (b) whether Lead Plaintiff's application for an award of attorneys'  
6 fees and expenses and payment of a Compensatory Award should be granted.

7 20. Lead Plaintiff shall move for final settlement approval and approval of  
8 attorneys' fees, litigation expense reimbursements, and a Compensatory Award for  
9 Lead Plaintiff no later than MARCH 23, 2020. No later than MAY 26, 2020,  
10 Lead Plaintiff may file reply papers, if any.

11 21. The Court stays all proceedings in this Court, except as necessary to  
12 implement the Settlement or comply with the terms of the Stipulation of Settlement  
13 and this Order, and enjoins the initiation of any new litigation by any Class  
14 Member in any court, arbitration or other tribunal that includes any Released  
15 Claims (as defined in the Stipulation of Settlement) against any of the Released  
16 Parties.

17 22. Pending final determination of whether the proposed Settlement should  
18 be approved, neither the Lead Plaintiff nor any Class Member, directly or indirectly,  
19 representatively, or in any other capacity, shall commence or prosecute against any  
20 of the Defendants or the Released Parties any action or proceeding in any court or  
21 tribunal asserting any of the Released Claims.

22 23. The Court reserves the right to adjust the date of the Final Approval  
23 Hearing and related deadlines. In that event, the revised hearing date or deadlines  
24 shall be posted on the settlement website referred to in the Mailed Notice, and the  
25 parties shall not be required to re-send or republish notice to the Classes.

26 24. Neither the Stipulation of Settlement, nor any of its terms or provisions, nor  
27 any of the negotiations or proceedings connected with it, shall be construed as  
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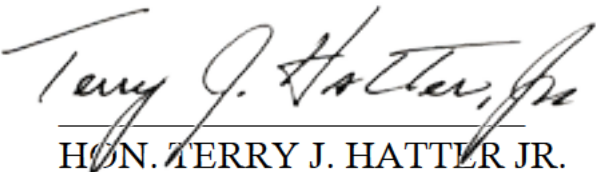
1 an admission or concession by anyone of the truth of any of the allegations in the  
2 Action or of any wrongdoing or liability by any Defendant or Released Party.

3 25. All funds held by the Escrow Agent shall be deemed *in custodia legis* of  
4 the Court and shall remain subject to the jurisdiction of the Court until such time as  
5 the funds shall be distributed pursuant to an order of the Court.

6 26. If the Stipulation of Settlement and the Settlement set forth therein is  
7 not approved or consummated or the Effective Date as provided therein fails to  
8 occur for any reason whatsoever, then this Order shall be rendered null and void  
9 except to the extent provided by and in accordance with the Stipulation of  
10 Settlement.

11  
12 IT IS SO ORDERED.

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15 Dated: JANUARY 31, 2020



HON. TERRY J. HATTER JR.  
UNITED STATES DISTRICT JUDGE