

EXHIBIT A

GIBBS LAW GROUP LLP
Eric H. Gibbs (Bar # 178658)
David Stein (Bar # 257465)
Amanda M. Karl (Bar # 301088)
Kyla J. Gibboney (Bar # 301441)
505 14th Street, Suite 1110
Oakland, CA 94612-1406
Telephone: (510) 350-9700
Facsimile: (510) 350-9701
ehg@classlawgroup.com
ds@classlawgroup.com
amk@classlawgroup.com
kjpg@classlawgroup.com

KEHOE LAW FIRM, P.C.
John A. Kehoe
Two Penn Center Plaza
1500 JFK Boulevard, Suite 1020
Philadelphia, PA 19102
Telephone: (215) 792-6676
jkehoe@kehoelawfirm.com

Lead Counsel for Plaintiff and the Class

[Additional counsel on signature page]

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

ATUL SINGH DEORA, *et al.*,

Plaintiffs,

vs.

NANTHEALTH, INC., *et al.*,

Defendants.

WILSON SONSINI GOODRICH & ROSATI, P.C.

Boris Feldman (Bar # 128838)
650 Page Mill Road
Palo Alto, California 94304
boris.feldman@wsgr.com
Boris.Feldman@wsgr.com

Gideon A. Schor (admitted *pro hac vice*)
1301 Avenue of the Americas
40th Floor
New York, New York 10019
gschor@wsgr.com

Counsel for Defendants NantHealth, Inc., Patrick Soon-Shiong, Paul A. Holt, Michael S. Sitrick, Kirk K. Calhoun, Mark Burnett, Edward Miller, and Michael Blaszyk

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

STIPULATION OF SETTLEMENT

1 This Stipulation of Settlement (Stipulation), dated December 9, 2019, is made
2 and entered into by and between Lead Plaintiff Southeastern Pennsylvania Transit
3 Authority (SEPTA), individually and as a representative of the Classes defined below,
4 and Defendants NantHealth, Inc., Patrick Soon-Shiong, Paul A. Holt, Michael S.
5 Sitrick, Kirk K. Calhoun, Mark Burnett, Edward Miller, and Michael Blaszyk. This
6 Stipulation is intended by the parties to fully, finally, and forever resolve, discharge,
7 and settle the Released Claims, as defined below, upon the terms described below and
8 subject to Court approval.

9 WHEREAS, the following cases were commenced in the United States District
10 Court for the Central District of California on or after March 7, 2017, alleging
11 violations of the Securities Act of 1933, 15 U.S.C. § 77k, *et seq.* (Securities Act), and
12 of the Securities Exchange Act of 1934, 15 U.S.C. § 78j, *et seq.* (Exchange Act):

- 13 • *Atul Singh Deora v. NantHealth, Inc., et al.*, No. 2:17-cv-01825;
- 14 • *Di Rienzo v. NantHealth, Inc., et al.*, No. 2:17-cv-01912; and
- 15 • *Shafik v. NantHealth, Inc., et al.*, No. 2:17-cv-01940 (collectively, Federal
16 Cases);
- 17

18 WHEREAS, the following case was commenced in the United States District
19 Court for the Central District of California on or after March 7, 2017, alleging
20 violations of the Securities Act and of the Exchange Act and was voluntarily
21 dismissed without prejudice on March 9, 2017:

- 22 • *Holmberg v. NantHealth, Inc. et al.*, No. 2:17-cv-11824;

23 WHEREAS, the following case was commenced in the Superior Court of the
24 State of California, County of Los Angeles, on or about May 22, 2017, alleging
25 violations of the Securities Act:

- 26 • *Bucks County Employees Retirement Fund v. NantHealth, Inc., et al.*, No.
27 BC662330;
- 28

1 WHEREAS, on May 31, 2017, the Court consolidated the three Federal Cases
2 into this Action, appointed Michael Fontaine and SEPTA as Co-Lead Plaintiffs, and
3 Gibbs Law Group LLP and Kehoe Law Firm, P.C., as Co-Lead Counsel;

4 WHEREAS, on June 26, 2017, Co-Lead Plaintiffs filed an Amended
5 Consolidated Class Action Complaint alleging violations of section 11 of the
6 Securities Act, against all Defendants; violations of section 12(a)(2) of the Securities
7 Act against NantHealth, Inc.; violations of section 15 of the Securities Act and section
8 20(a) of the Exchange Act against Patrick Soon-Shiong and Paul Holt; and violations
9 of section 10(b) of the Exchange Act against NantHealth, Inc., Patrick Soon-Shiong,
10 and Paul Holt;

11 WHEREAS, on March 27, 2018, the Court granted Defendants' Motion to
12 Dismiss Co-Lead Plaintiffs' section 10(b) claim against Paul Holt, and denied
13 Defendants' Motion to Dismiss Co-Lead Plaintiffs' remaining claims;

14 WHEREAS, on September 20, 2018, Co-Lead Plaintiffs filed a motion for class
15 certification to certify the following Classes: (1) All persons or entities who purchased
16 or acquired NantHealth common stock in or traceable to NantHealth's IPO (Securities
17 Act Class); and (2) All persons and entities who purchased any NantHealth common
18 stock between June 1, 2016, and May 1, 2017 (Exchange Act Class);

19 WHEREAS, Defendants opposed Co-Lead Plaintiffs' motion for class
20 certification, arguing, among other things, that the Securities Act Class was
21 overbroad, and that SEPTA was not an adequate class representative for the Securities
22 Act Class;

23 WHEREAS, on June 13, 2019, SEPTA moved to substitute Melanie Fontaine
24 Alonzo as Co-Lead Plaintiff in place of Michael Fontaine, who died in May 2019;

25 WHEREAS, on July 30, 2019, the Court issued an order denying SEPTA's
26 motion to substitute, leaving SEPTA as the sole Lead Plaintiff, and granting SEPTA's
27 Motion for Class Certification, finding SEPTA to be an adequate representative for
28 both Classes, and appointing SEPTA as a class representative;

1 WHEREAS, on August 13, 2019, Defendants filed a petition in the Ninth
2 Circuit seeking permission to appeal the Court's class certification order pursuant to
3 Federal Rule of Civil Procedure 23(f), which Plaintiff opposed on August 23, 2019;

4 WHEREAS, on January 14, 2019, the parties participated in an in-person
5 mediation with Robert A. Meyer, Esq., of JAMS;

6 WHEREAS, the parties engaged in extensive party discovery, including all
7 parties responding to written discovery and producing documents (with Defendants
8 producing over 1,000,000 pages of documents), and Co-Lead Plaintiffs and
9 NantHealth employees sitting for depositions; and substantial third-party discovery,
10 including Lead Plaintiff deposing several third parties, serving document subpoenas
11 on, and receiving productions from, additional third parties, and Defendants serving
12 letters rogatory on, and receiving productions from, several international third parties;

13 WHEREAS, between January 14 and September 11, the parties continued
14 mediation discussions by telephone with Mr. Meyer, and on September 11, 2019, the
15 parties participated in a further in-person mediation with Mr. Meyer;

16 WHEREAS, although the mediation did not lead directly to the resolution of
17 this Action, the parties continued to negotiate under the supervision of and through the
18 mediator and ultimately agreed to fully resolve this Action based on the terms
19 contained in this Stipulation;

20 WHEREAS, Lead Plaintiff believes that the claims asserted have merit;

21 WHEREAS, Defendants have denied and continue to deny each and all of the
22 claims, contentions, liability, and damages alleged by the Classes;

23 WHEREAS, the respective parties have considered the uncertainty and risks
24 inherent in the litigation, and that further conduct of this Action would be protracted
25 and expensive, and have concluded it is desirable that this Action be fully and finally
26 settled in the manner and upon the terms and conditions set forth in this Stipulation;

27 **NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED**
28 between Lead Plaintiff and Defendants, by and through their undersigned counsel, that

1 the Action and the Released Claims shall be settled, compromised, and dismissed with
2 prejudice, subject to the approval of the Court, in the manner and upon the terms and
3 conditions set forth below.

4 **I. DEFINITIONS**

5 To the extent not otherwise defined herein, as used in this Stipulation, the
6 following terms have the meanings specified below:

7 A. **“Action”** means the above-captioned class action lawsuit, together
8 with all lawsuits consolidated with this Action.

9 B. **“Authorized Claimant”** means a member of either of the Classes
10 who submits a timely and valid Proof of Claim and Release form to the Settlement
11 Administrator. Only those members of the Classes filing valid and timely Proofs of
12 Claim and Releases shall be entitled to receive any distributions from the Net
13 Settlement Fund.

14 C. **“Classes or Class Members”** means the Classes certified by the
15 Court’s July 30, 2019 Order, consisting of all of the persons and entities listed below
16 who do not exclude themselves from the Classes consistent with the requirements of
17 this Stipulation and the Preliminary Approval Order:

- 18 (1) All persons or entities who purchased or acquired NantHealth common
19 stock in or traceable to NantHealth, Inc.’s initial public offering, or IPO
20 (the Securities Act Class); and
21 (2) All persons or entities who purchased any NantHealth, Inc., common
22 stock between June 1, 2016, and May 1, 2017 (the Exchange Act Class).

23 D. **“Class Counsel”** means the law firms of Gibbs Law Group LLP and
24 Kehoe Law Firm, P.C.

25 E. **“Compensatory Award”** means an award by the Court to Lead
26 Plaintiff for its time and expenses incurred in assisting in the prosecution of this
27 Action.

1 F. **“Compensatory Award Application”** means an application to the
2 Court for a Compensatory Award.

3 G. **“Court”** means the United States District Court for the Central
4 District of California.

5 H. **“Defendants”** means NantHealth, Inc., Patrick Soon-Shiong, Paul A.
6 Holt, Michael S. Sitrick, Kirk K. Calhoun, Mark Burnett, Edward Miller, and Michael
7 Blaszyk.

8 I. **“Defendants’ Counsel”** means the law firm of Wilson Sonsini
9 Goodrich & Rosati, P.C.

10 J. **“Effective Date”** means the first date by which all of the events and
11 conditions specified in Section XII.A. of this Stipulation shall have been met or have
12 occurred or have been waived.

13 K. **“Escrow Account”** means an interest-bearing escrow account
14 established by the Escrow Agent to receive the Settlement Amount.

15 L. **“Escrow Agent”** means Signature Bank.

16 M. **“Execution Date”** means the last date upon which this Stipulation has
17 been signed by all signatories through their counsel.

18 N. **“Fee Award”** means any award by the Court to Class Counsel
19 pursuant to a Fee and Expense Application.

20 O. **“Fee and Expense Application”** means one or more applications to
21 the Court for distributions to Class Counsel from the Gross Settlement Fund for: (a)
22 an award of attorneys’ fees; plus (b) reimbursement of actual costs and expenses,
23 including experts and consultants, incurred in connection with prosecuting this Action
24 plus any interest on such attorneys’ fees, costs and expenses at the same rate and for
25 the same periods as earned by the Gross Settlement Fund (until paid).

26 P. **“Final”** as used herein with respect to the Judgment means the date by
27 which the Judgment shall have been entered by the Court and the last of the following
28 shall have occurred: (i) the expiration of the time to file a motion to alter or amend

1 the Judgment under Federal Rule of Civil Procedure 59(e) has passed without any
2 such motion being filed; (ii) if no appeal is filed, the expiration date of the time
3 provided for filing or noticing any appeal under the Federal Rules of Appellate
4 Procedure, *i.e.*, thirty (30) days after entry of the judgment or order, unless the date to
5 take such an appeal shall have been extended by Court order or otherwise, or unless
6 the 30th day falls on a weekend or Court holiday, in which case the date for purposes
7 of this Stipulation shall be deemed to be the next business day after such 30th day;
8 (iii) if a timely motion to alter or amend is filed under Federal Rule of Civil Procedure
9 59(e), or if a timely appeal is taken from the Judgment, immediately after the
10 determination of that motion or appeal so that it is no longer subject to any further
11 judicial review or appeal whatsoever, whether by reason of affirmance by a court of
12 last resort, lapse of time, voluntary dismissal of the appeal or otherwise, and in such a
13 manner as to permit the consummation of the Settlement in accordance with the terms
14 and conditions of this Stipulation. For purposes of this paragraph, an “appeal” shall
15 include any petition for a writ of certiorari or other writ that may be filed in
16 connection with approval or disapproval of this Settlement. However, any appeal or
17 proceeding seeking subsequent judicial review pertaining solely to an order issued
18 with respect to (i) any Compensatory Award, (ii) any Fee Award, or (iii) the Plan of
19 Allocation, shall not in any way delay or preclude a judgment from becoming Final.

20 Q. **“Final Approval Hearing”** means the final hearing to be held by the
21 Court to determine whether the proposed Settlement should be approved as fair,
22 reasonable and adequate; whether an order approving the Settlement should be entered
23 thereon; whether the Plan of Allocation of the Settlement Fund should be approved;
24 and what amounts to award in response to the Fee and Expense Application and
25 Compensatory Award Application.

26 R. **“Gross Settlement Fund”** means the Settlement Amount (or any
27 proceeds from it), plus all interest earned on the Settlement Amount.
28

1 S. **“Judgment”** means the final order and judgment to be entered by the
2 Court approving of the Settlement, substantially in the form of **Exhibit 1**.

3 T. **“Mailed Notice”** means the form of notice of this Settlement to be
4 mailed to all Class Members who can be identified with reasonable effort as set forth
5 below, substantially in the form of **Exhibit 2**.

6 U. **“Net Settlement Fund”** means the Gross Settlement Fund, less: (i)
7 any Fee Award; (ii) taxes and tax expenses associated with the Settlement Fund; (iii)
8 Notice and Administration Expenses; and (iv) any Compensatory Award.

9 V. **“Notice and Administration Expenses”** means all expenses incurred
10 in connection with the Settlement administration, and shall include, among other
11 things, the cost of providing notice to the Classes; and the cost of processing Proofs of
12 Claims and Releases and distributing the Net Settlement Fund.

13 W. **“Person”** means an individual, corporation, partnership, limited
14 partnership, association, joint stock company, estate, legal representative, trust,
15 unincorporated association, government or any political subdivision or agency thereof,
16 and any business or legal entity, and their spouses, heirs, predecessors, successors,
17 representatives, or assigns.

18 X. **“Plan of Allocation”** means a plan or formula for allocating the Net
19 Settlement Fund to Authorized Claimants. The Plan of Allocation is not part of this
20 Stipulation and Defendants and the other Released Parties shall have no responsibility
21 or liability with respect to it.

22 Y. **“Preliminary Approval Order”** means the proposed order
23 preliminarily approving the Settlement and directing notice to the Class, substantially
24 in the form of **Exhibit 3**.

25 Z. **“Proof of Claim and Release”** means the proof of claim and release
26 form to be submitted by Authorized Claimants, substantially in the form of **Exhibit 4**.

27 AA. **“Released Parties”** means Defendants, their present and former
28 parents, subsidiaries, divisions, departments, affiliates, stockholders, officers,

1 directors, employees, agents, and any of their advisors, counsel, Underwriters,
2 insurers, co-insurers, reinsurers, accountants, auditors, representatives, controlling,
3 persons, administrators, estates, spouses, heirs, joint ventures, general or limited,
4 partners or partnerships, limited liability companies and any trust of which any
5 individual defendant is the settlor or which is for the benefit of an individual
6 defendant and/or any member of an individual defendant's immediate family, and any
7 entity in which a Defendant has a controlling interest (directly or indirectly) and each
8 of the foregoing's predecessors, successors, administrators and assigns.

9 BB. **"Released Claims"** means all claims, rights, demands, obligations,
10 damages, actions or causes of action, or liabilities whatsoever, of every nature and
11 description, whether known or unknown (including Unknown Claims defined below),
12 whether arising under federal, state, common or foreign law or regulation, whether
13 class or individual in nature, whether fixed or contingent, accrued or unaccrued,
14 liquidated or unliquidated, at law or in equity, matured or unmatured, whether
15 concealed or hidden, suspected or unsuspected, which now exist or heretofore have
16 existed, (i) that were, could have been, or could in the future be asserted in any
17 complaint based on the facts alleged in the operative complaint in this Action, or (ii)
18 that arise out of, are based on, or relate in any way to the acts, facts, statements, or
19 omissions alleged in the operative complaint in this Action, and that were, could have
20 been, or could in the future be asserted in any forum, case, or action, including,
21 without limitation, all claims that arise out of, are based on, or relate in any way to the
22 purchase, other acquisition, holding, sale, or other disposition of NantHealth, Inc.
23 securities by the Classes or Class Members.

24 CC. **"Settlement"** means the settlement contemplated by this Stipulation.

25 DD. **"Settlement Administrator"** means JND Legal Administration.

26 EE. **"Settlement Amount"** means \$16,500,000.

27 FF. **"Settlement Fund"** means the payments to be made in accordance
28 with Section II of this Stipulation.

1 GG. “**Summary Notice**” means the notice of this Settlement to be
2 published as described in this Stipulation, substantially in the form of **Exhibit 5**.

3 HH. “**Supplemental Agreement**” means the agreement executed by Class
4 Counsel and Defendants’ Counsel simultaneously herewith and described in Section
5 XII.H of this Stipulation.

6 II. “**Underwriters**” means the underwriters of NantHealth, Inc.’s initial
7 public offering, or IPO, including Jefferies LLC, Cowen and Company, LLC, First
8 Analysis Securities Corporation, Canaccord Genuity LLC, and FBR Capital Markets
9 & Co.¹

10 JJ. “**Unknown Claims**” shall collectively mean all claims, demands,
11 rights, liabilities, and causes of action of every nature and description which Lead
12 Plaintiff or any Class Member does not know or suspect to exist, or does not have
13 reason to know or suspect to exist, in his, her, or its favor at the time of the release of
14 the Released Parties, and that, if known by him, her, or it, would have materially
15 affected his, her, or its decision whether to enter into or object to this Settlement. With
16 respect to any and all Released Claims, the parties stipulate and agree that, upon the
17 Effective Date, Lead Plaintiff shall expressly waive, and each of the Class Members
18 shall be deemed to have waived, and by operation of the Judgment shall have waived,
19 the provisions, rights and benefits of California Civil Code section 1542 and any
20 similar rule or provision of law or equity of any other jurisdiction.

21 Section 1542 provides:

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

26
27 ¹ The Underwriters were named as defendants in certain of the initial complaints filed
28 on or after March 7, 2017, but were not named as defendants in the Amended
Consolidated Class Action Complaint filed on June 26, 2017.

1 **HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER**
2 **SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

3 Lead Plaintiff and Class Members may hereafter discover facts in addition to or
4 different from those which he, she, or it knows or believes to be true with respect to
5 the subject matter of the Released Claims, but Lead Plaintiff and all Class Members
6 nevertheless shall have expressly fully, finally, and forever settled and released any
7 and all Released Claims, whether or not concealed or hidden, which now exist, or
8 have existed before, upon any theory of law or equity now existing or coming into
9 existence in the future, including, but not limited to, conduct which is negligent,
10 intentional, with or without malice, or a breach of any duty, law or rule, without
11 regard to the subsequent discovery or existence of such different or additional facts.
12 The parties further stipulate and agree that Lead Plaintiff has had an opportunity to
13 consult with counsel about this waiver and its implications, and that each of the Class
14 Members by operation of the Judgment shall be deemed to have had such opportunity.
15 Lead Plaintiff acknowledges, and the Class Members shall be deemed by operation of
16 law and of the Judgment to have acknowledged, that this waiver was separately
17 bargained for and is a key and material element of the Settlement.

18 **II. SETTLEMENT CONSIDERATION**

19 A. Within twenty (20) business days after the later of (i) the entry by the
20 Court of the Preliminary Approval Order, or (ii) Defendants' Counsel's receipt from
21 Class Counsel of written payment instructions to issue and deliver the Settlement
22 Amount by check or ACH transfer to the Escrow Account (including wiring
23 instructions that include the bank name, bank address, bank e-mail address, bank
24 telephone number, ABA routing number, account name, account number, and SWIFT
25 code) and an Internal Revenue Service Form W-9 for the Escrow Account,
26 NantHealth, Inc. shall transfer or cause its insurers to transfer the Settlement Amount
27 to the Escrow Account maintained by the Escrow Agent on behalf of Lead Plaintiff
28 and the Classes.

1 B. Defendants and their insurers will not be required to pay, or cause
2 payment of, more than the Settlement Amount pursuant to this Stipulation and the
3 Settlement for any reason whatsoever, including, without limitation, as compensation
4 to any Class Member, as payment of attorneys' fees and expenses awarded by the
5 Court, as payment of Notice and Administration Expenses, as payment of any taxes or
6 tax expenses incurred on or by the Settlement Fund, or in payment of any fees or
7 expenses incurred by any Class Member or Class Counsel.

8 **III. THE ESCROW ACCOUNT**

9 A. The Escrow Account, including any interest earned upon it and net of
10 any taxes on the income, shall be used to pay: (i) any Fee Award; (ii) taxes and tax
11 expenses; (iii) Notice and Administration Expenses; and (iv) any Compensatory
12 Award. The balance of the Escrow Account shall be the Net Settlement Fund and shall
13 be distributed to the Authorized Claimants as set forth in the Plan of Allocation. Lead
14 Plaintiff and Class Members shall look solely to the Net Settlement Fund for payment
15 and satisfaction of any and all Released Claims.

16 B. All funds and instruments held by the Escrow Agent shall be deemed
17 *in custodia legis* of the Court and shall remain subject to the jurisdiction of the Court
18 until such time as the funds shall be distributed pursuant to an order of the Court.

19 C. Escrow Agent shall invest the Settlement Cash exclusively in
20 instruments or accounts backed by the full faith and credit of the United States
21 Government or fully insured by the United States Government or an agency thereof,
22 including a U.S. Treasury Fund or a bank account that is either (a) fully insured by the
23 Federal Deposit Insurance Corporation (FDIC); or (b) secured by instruments backed
24 by the full faith and credit of the United States Government. The Escrow Agent shall
25 invest the proceeds of these instruments or accounts as they mature in similar
26 instruments or accounts at their then-current market rates.

27
28

1 D. Prior to the Effective Date, the Escrow Agent shall not distribute the
2 Gross Settlement Fund except as provided in this Stipulation, by order of the Court, or
3 with the prior written agreement of Class Counsel and Defendants' Counsel.

4 E. After the Effective Date, Defendants shall have no interest in the
5 Gross Settlement Fund or in the Net Settlement Fund.

6 F. The Escrow Agent shall be authorized to execute only such
7 transactions as are consistent with the terms of this Stipulation and the Order(s) of the
8 Court.

9 G. Neither Defendants, Defendants' Counsel, Defendants' insurers, nor
10 any of the other Released Parties shall have any liability for any losses arising from
11 the investment or distribution of any portion of the Settlement Fund, the Gross
12 Settlement Fund, or the Net Settlement Fund, whether or not such investment or
13 distribution is in accordance with this Stipulation, the Settlement set forth herein, the
14 Plan of Allocation, or the orders of the Court.

15 **IV. NOTICES AND ADMINISTRATION EXPENSES**

16 A. All Notice and Administration Expenses, with the exception of any
17 costs associated with the CAFA notice discussed in Section XIV, shall be paid from
18 the Gross Settlement Fund. The Settlement Administrator shall invoice only such
19 Notice and Administration Expenses as are necessary and reasonable to provide
20 Notice to the Class and to administer the Settlement. Upon instruction from Class
21 Counsel, the Escrow Agent is authorized to pay up to \$250,000 in invoices for Notice
22 and Administration Expenses without further approval from Defendants or the Court.
23 No further amounts may be transferred prior to final approval except by Court order.
24 Lead Plaintiff, Class Counsel, Defendants, Defendants' Counsel, and the other
25 Released Parties shall not bear any liability for Notice and Administration Expenses.

26 B. In addition to the other duties listed in this Stipulation, including
27 disseminating the Mailed Notice and Summary Notice to Class Members, the
28 Settlement Administrator shall set up and maintain a website where the Settlement

1 Administrator will post the Mailed Notice; the Proof of Claim and Release; a copy of
2 this Stipulation; the motion and all supporting papers requesting entry of a
3 Preliminary Approval Order; the Preliminary Approval Order; the motion and all
4 supporting papers requesting entry of the Judgment; the Fee and Expense Application;
5 the Compensatory Award Application; and any other documents or information
6 jointly requested by the Parties. The website will also list the date of the Final
7 Approval Hearing.

8 C. The Mailed Notice and Summary Notice will list the URL for the
9 settlement website described in the preceding paragraph as well as a toll-free number
10 for Class Members to call to request a paper copy of the Mailed Notice, Proof of
11 Claim and Release, or other pertinent information.

12 V. PRELIMINARY APPROVAL ORDER

13 A. The parties shall submit this Stipulation together with its exhibits to
14 the Court, and Lead Plaintiff shall apply for entry of the Preliminary Approval Order
15 granting preliminary approval of the Settlement as set forth in this Stipulation,
16 approval of the form of the Mailed Notice to be mailed to all Class Members who can
17 be identified with reasonable effort, and approval of the form of the Summary Notice
18 to be published. The Mailed Notice shall include a Proof of Claim and Release form
19 and the general terms of the Settlement set forth in this Stipulation, and shall set forth
20 the procedure by which Persons who otherwise would be Class Members may request
21 to be excluded from the Class.

22 B. The parties shall request, after the Mailed Notice and Summary
23 Notice have been mailed and published in accordance with this Stipulation, that the
24 Court hold the Final Approval Hearing and finally approve the settlement of this
25 Action.

26 VI. FINAL JUDGMENT APPROVING THE SETTLEMENT

27 At the Final Approval Hearing, the parties shall jointly request entry of the
28 Judgment as defined above.

1 **VII. ATTORNEYS' FEES AND EXPENSES**

2 A. Class Counsel may submit a Fee and Expenses Application to the
3 Court. Class Counsel reserves the right to make additional applications for fees and
4 expenses incurred, if necessary, provided that any such fees and expenses shall be
5 paid exclusively from the Gross Settlement Fund.

6 B. Any Fee Award shall be paid, including any interest, from the Gross
7 Settlement Fund immediately after the Court enters an order awarding such fees and
8 expenses. This payment shall be subject to Class Counsel's obligation to make
9 appropriate refund or repayment to the Settlement Fund, plus accrued interest at the
10 same net rate as is earned by the Settlement Fund, within thirty (30) days of the date
11 that the Settlement is terminated pursuant to the terms of this Stipulation, or the date
12 on which the Court or any appellate court enters an order reversing or reducing any
13 award of attorneys' fees or litigation expenses.

14 C. The procedure for, and allowance or disallowance by the Court of,
15 any Fee and Expense Application are not a condition of the Settlement set forth in this
16 Stipulation. Any order or proceedings relating to the Fee and Expense Application,
17 including any appeal, reversal, or modification of any order or proceeding, shall not
18 operate to modify, terminate, or cancel this Stipulation, or affect or delay the Effective
19 Date or the releases contained in this Stipulation or any other orders entered pursuant
20 to this Stipulation.

21 D. Except as provided in Section II, the Released Parties shall have no
22 responsibility for, and no liability whatsoever with respect to, any payment to Class
23 Counsel or any other plaintiff's counsel, any Authorized Claimant, or any other
24 Person who receives payment from the Settlement Fund.

25 E. The Released Parties shall have no responsibility for, and no liability
26 whatsoever with respect to, the allocation among Class Counsel or any other Person
27 who may assert some claim thereto, of any Fee Award that the Court may make in the
28 Action. Class Counsel's application for a Fee Award is not the subject of any

1 agreement between Defendants and (i) Lead Plaintiff or (ii) any Class member, other
2 than what is set forth in this Stipulation.

3 F. Class Counsel may submit a Compensatory Award Application to the
4 Court. Any Compensatory Award to Lead Plaintiff shall be payable five (5) days after
5 the Effective Date from the Gross Settlement Fund only.

6 G. The procedure for, and allowance or disallowance by the Court of, the
7 Compensatory Award Application are not a condition of the Settlement set forth in
8 this Stipulation and are to be considered by the Court separately from the Court's
9 consideration of the fairness, reasonableness, and adequacy of the Settlement set forth
10 in this Stipulation. Any order of or proceeding relating to the Compensatory Award
11 Application, including any objection, motion regarding, or appeal from or reversal or
12 modification of such an order, shall not operate to modify, terminate, or cancel this
13 Stipulation, or affect or delay the Effective Date or the releases contained in this
14 Stipulation or any other orders entered pursuant to this Stipulation.

15 **VIII. ADMINISTRATION AND CALCULATION OF CLAIMS, FINAL**
16 **AWARDS, AND DISTRIBUTION OF THE NET SETTLEMENT**
17 **FUND**

18 A. Each Class Member wishing to participate in the Settlement shall be
19 required to submit a Proof of Claim and Release in the form of **Exhibit 4**, signed
20 under penalty of perjury by the beneficial owner(s) of the stock or by someone with
21 documented authority to sign for the beneficial owner(s), and supported by such
22 documentation as specified in the instructions accompanying the Proof of Claim and
23 Release.

24 B. All Proofs of Claim and Releases must be received within the time
25 prescribed in the Preliminary Approval Order unless otherwise ordered by the Court.

26 C. As part of the Preliminary Approval Order, Class Counsel shall seek
27 appointment of the Settlement Administrator. The Settlement Administrator shall
28

1 administer the Settlement subject to such approvals by the Court as circumstances
2 may require.

3 D. Each Proof of Claim and Release shall be submitted to the Settlement
4 Administrator who shall determine, in accordance with this Stipulation and the Plan of
5 Allocation to be formulated by Class Counsel, for approval by the Court, the extent, if
6 any, to which each claim shall be allowed, subject to appeal to the Court.

7 E. The Settlement Administrator shall administer and calculate the
8 claims submitted by the Class Members, determine the extent to which claims shall be
9 allowed, and oversee distribution of the Net Settlement Fund subject to appeal to, and
10 jurisdiction of, the Court. Neither Class Counsel, its designees or agents, Lead
11 Plaintiff, Defendants' counsel, Defendants, nor the other Released Parties shall have
12 any liability arising out of such determination.

13 F. The administrative determination of the Settlement Administrator
14 accepting, rejecting, or calculating the payment amount of claims shall be presented to
15 the Court, on notice to the Defendants' Counsel, for approval by the Court.

16 G. Following the Effective Date and upon approval of application to the
17 Court by Class Counsel, the Net Settlement Fund shall be distributed to Authorized
18 Claimants by the Settlement Administrator.

19 H. The Net Settlement Fund shall be distributed to the Authorized
20 Claimants substantially in accordance with the terms of this Stipulation and a Plan of
21 Allocation to be approved by the Court, subject to and in accordance with the
22 following:

- 23 1. Any such Plan of Allocation is not a part of this Stipulation
24 and it is not a condition of this Settlement that any particular Plan of
25 Allocation be approved. Any such Plan of Allocation is to be considered
26 by the Court in connection with the Court's consideration of the fairness,
27 reasonableness, and adequacy of the Settlement set forth in this
28 Stipulation. Any order or proceedings relating to the Plan of Allocation,

1 including any appeal, reversal, or modification of any order or
2 proceeding, shall not operate to modify, terminate, or cancel this
3 Stipulation, or affect or delay the Effective Date or the releases contained
4 in this Stipulation or any other orders entered pursuant to this Stipulation.

5 2. No funds from the Net Settlement Fund shall be distributed
6 to Authorized Claimants until after the Effective Date.

7 3. Each Class Member who claims to be an Authorized
8 Claimant shall be required to submit to the Settlement Administrator a
9 completed Proof of Claim and Release signed under penalty of perjury
10 and supported by such documents as specified in the Proof of Claim and
11 Release and as are reasonably available to such Class Member.

12 4. Except as otherwise ordered by the Court, all Class
13 Members who fail timely to submit a Proof of Claim and Release within
14 such period as may be ordered by the Court, or otherwise allowed, shall
15 be forever barred from receiving any payments pursuant to this
16 Stipulation and the Settlement set forth herein or from the Net Settlement
17 Fund, but shall in all other respects be subject to and bound by the
18 provisions of this Stipulation and the Judgment, including, without
19 limitation, the releases of the Released Claims and dismissal of the
20 Action with prejudice.

21 5. All Persons who fall within the definition of either of the
22 Classes and who do not timely and validly request to be excluded from
23 the Classes in accordance with the instructions set forth in the Mailed
24 Notice (as defined above) shall be subject to and bound by the provisions
25 of this Stipulation, the releases contained herein, and the Judgment with
26 respect to all Released Claims, regardless of whether such Persons seek
27 or obtain by any means, including, without limitation, by submitting a
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1 Proof of Claim and Release or any similar document, any distribution
2 from the Gross Settlement Fund or the Net Settlement Fund.

3 I. Defendants, their counsel, their insurers, and the other Released
4 Parties shall have no responsibility for, involvement in, interest in, or liability
5 whatsoever with respect to the selection, supervision, or conduct of the Settlement
6 Administrator, the Escrow Agent, or any other agent designated by Class Counsel; the
7 investment or distribution of any portion of the Settlement Fund, the Gross Settlement
8 Fund, or the Net Settlement Fund; the Plan of Allocation; the determination,
9 administration, or calculation of claims; the payment or withholding of taxes or tax
10 expenses; or any losses, fees, or costs incurred in connection therewith; and the
11 foregoing provision shall apply whether or not such selection, supervision, conduct,
12 investment, distribution, determination, administration, calculation, payment,
13 withholding, or incurrence of losses, fees, or costs is in accordance with this
14 Stipulation, the Settlement set forth in the Stipulation, the Plan of Allocation, or the
15 orders of the Court, and whether or not the Plan of Allocation is in accordance with
16 this Stipulation, the Settlement set forth in the Stipulation, or the orders of the Court.

17 J. This is not a claims-made settlement, and if all conditions of the
18 Stipulation are satisfied and the Effective Date occurs, no portion of the Settlement
19 Fund will be returned to Defendants or any of their insurers. No Person shall have any
20 claims against Class Counsel, the Settlement Administrator, or any other agent
21 designated by Class Counsel based on distribution determinations or claim rejections
22 made substantially in accordance with this Stipulation and the Settlement contained
23 herein, the Plan of Allocation, or orders of the Court. Class Counsel shall have the
24 right, but not the obligation, to waive what they deem to be formal or technical defects
25 in any Proofs of Claim and Releases filed, where doing so is in the interest of
26 achieving substantial justice.

27 K. Defendants and the other Released Parties shall have no involvement
28 in the solicitation or review of Proofs of Claim and Releases, or involvement in the

1 administration process, which will be conducted by the Settlement Administrator in
2 accordance with this Stipulation.

3 **IX. REQUESTS FOR EXCLUSION**

4 A. The provisions of this Section shall apply to any request by a Class
5 Member for exclusion from the Classes.

6 B. Any Class Member may make a request for exclusion by submitting a
7 request in writing as set forth in the Mailed Notice.

8 C. Any request for exclusion must be submitted not later than the date
9 specified in the Mailed Notice.

10 D. Any request for exclusion shall (i) state the Class Member's full name
11 and current address; (ii) provide the date(s), price(s), and number(s) of shares of
12 NantHealth, Inc., common stock the Class member purchased or acquired; and (iii)
13 specifically and clearly state the Class Member's desire to be excluded from the
14 Settlement and the Classes.

15 E. Failure to comply with these requirements and to timely submit the
16 request for exclusion will result in the Class Member being bound by the terms of this
17 Stipulation and the Judgment.

18 F. Any Class Member who submits a timely request for exclusion may
19 not file an objection to the Settlement and shall be deemed to have waived any rights
20 or benefits under the Settlement.

21 **X. OBJECTIONS**

22 A. Any Class Members who do not exclude themselves and wish to
23 comment on or object to the Settlement, the Fee and Expense Application, or the
24 Compensatory Award Application must do so in accordance with the terms of the
25 Preliminary Approval Order, which shall likewise be listed in the Mailed Notice.

26 **XI. TAX TREATMENT**

27 A. Lead Plaintiff, Defendants, their respective counsel, the Court, and the
28 Escrow Agent shall treat the Escrow Account as being at all times a "qualified

1 settlement fund” within the meaning of Treas. Reg. § 1.468B-1 for all periods on and
2 after the date of the Preliminary Approval Order. Lead Plaintiff, Defendants, their
3 respective counsel, the Court and the Escrow Agent agree to take no action
4 inconsistent with the treatment of the Escrow Account in such manner. In addition, the
5 Settlement Administrator, Escrow Agent, and, as necessary, NantHealth, Inc., shall
6 make the “relation back election” (as defined in Treas. Reg. § 1.468B-1(j)) back to the
7 earliest permitted date. Upon written request, NantHealth, Inc. will provide to Class
8 Counsel the statement described in Treasury Regulation § 1.468B-3(e). Such
9 elections shall be made in compliance with the procedures and requirements contained
10 in such regulations. It shall be the responsibility of the Settlement Administrator to
11 timely and properly prepare and deliver the necessary documentation for signature by
12 all necessary parties and thereafter to cause the appropriate filing to occur. All
13 provisions of this Stipulation shall be interpreted in a manner that is consistent with
14 the Escrow Account being a “qualified settlement fund” within the meaning of Treas.
15 Reg. § 1.468B-1.

16 B. For the purpose of § 468B of the Internal Revenue Code of 1986, as
17 amended, and the regulations promulgated thereunder, the “administrator” shall be the
18 Settlement Administrator. The Settlement Administrator shall satisfy the
19 administrative requirements imposed by Treas. Reg. § 1.468B-2 by, e.g., (a) obtaining
20 a taxpayer identification number, (b) timely and properly satisfying any information
21 reporting or withholding requirements imposed on distributions from the Escrow
22 Account, and (c) timely and properly filing or causing to be filed on a timely basis, all
23 federal, state, local and foreign tax returns and other tax related statements necessary
24 or advisable with respect to the Escrow Account (including, without limitation, all
25 income tax returns, all informational returns, and all returns described in Treas. Reg. §
26 1.468B-2(1)), and timely and properly paying any taxes imposed on the Escrow
27 Account. Such returns and statements (as well as the election described in X.A hereof)
28 shall be consistent with this X.B and in all events shall reflect that all taxes (including,

1 without limitation, any estimated taxes, interest or penalties) on the income earned by
2 the Escrow Account shall be paid out of the Escrow Account as provided in X.C
3 hereof.

4 C. All (a) taxes arising with respect to the income earned by the Escrow
5 Account and (b) tax expenses shall be paid out of the Escrow Account. Further, taxes
6 and the tax expenses shall be treated as, and considered to be, a cost of administration
7 of the Settlement and shall be timely paid by the Escrow Agent out of the Escrow
8 Account without prior order from the Court, and the Escrow Agent shall be obligated
9 (notwithstanding anything herein to contrary) to withhold from distribution to
10 Authorized Claimants any funds necessary to pay such amounts (as well as any
11 amounts that may be required to be deducted or withheld under Treas. Reg. § 1.468B-
12 2(l)(2)). Lead Plaintiff and Defendants agree to cooperate with the Escrow Agent,
13 each other, and their respective tax attorneys and accountants to the extent reasonably
14 necessary to carry out the provisions of paragraphs A-C of this Section.

15 D. The Released Parties shall have no responsibility to make any filings
16 relating to the Escrow Account and will have no responsibility to pay tax on any
17 income earned by the Escrow Account. If the Effective Date does not occur, or if the
18 Stipulation is terminated pursuant to its terms, any expenses already incurred and
19 properly chargeable pursuant to Section III.A(ii)-(iii) hereof at the time of such
20 termination or cancellation, but which have not been paid, shall be paid by the Escrow
21 Agent in accordance with the terms of the Stipulation prior to the balance being
22 refunded in accordance with Sections VII.B and XI.D. The Escrow Agent, Settlement
23 Administrator, or their designees shall apply for any tax refund owed on the
24 Settlement Fund and pay the proceeds, after deduction of any fees or expenses
25 incurred in connection with such application for refund, pursuant to written direction
26 from Defendants' Counsel. The Settlement Fund shall indemnify and hold each of the
27 Defendants and the Released Parties harmless for any taxes on any income earned by
28

1 the Settlement Fund (including, without limitation, taxes payable by reason of such
2 indemnification).

3 **XII. SETTLEMENT CONDITIONS AND TERMINATION**

4 A. The Effective Date of the Settlement shall be deemed to occur on the
5 occurrence or waiver of all of the following events:

6 1. Counsel for all Persons listed on the signature pages of this
7 Stipulation execute this Stipulation;

8 2. The Court enters an order that includes language materially the
9 same as the Preliminary Approval Order, as provided in Section V;

10 3. Defendants have not exercised their option to terminate the
11 Settlement pursuant to the provisions of Section XII.H, and the time to
12 exercise that option has expired;

13 4. The Court approves the Settlement as described in this
14 Stipulation following notice to the Settlement Class, and enters an order
15 and judgment that include(s) language materially the same as the
16 Judgment; and

17 5. The Judgment becomes Final.

18 B. Upon the Effective Date, Class Members (including, for purposes of
19 this paragraph, Lead Plaintiff) who do not timely and validly request exclusion from
20 the Class, on behalf of themselves, and to the fullest extent permitted by law, their
21 heirs, executors, administrators, personal representatives, attorneys, agents, partners,
22 successors, assigns, parents, subsidiaries, affiliates, members, and any other Person
23 claiming (now or in the future) to have acted through or on behalf of them, shall
24 hereby be deemed to have, and by operation of the Judgment shall have, fully, finally,
25 and forever, released, relinquished, settled and discharged the Released Parties from
26 the Released Claims and shall be permanently barred and enjoined from instituting,
27 commencing, or prosecuting any of the Released Claims against any of the Released
28 Parties directly, indirectly, or otherwise, whether or not such Class Member executes

1 and delivers a Proof of Claim and Release to the Settlement Administrator. Upon the
2 Effective Date, Defendants also hereby release and shall be permanently barred and
3 enjoined from instituting, commencing, or prosecuting any claim against Lead
4 Plaintiff, Class Members or Class Counsel related to this Action or its prosecution.
5 Nothing contained in this Stipulation shall, however, bar any action or claim to
6 enforce the terms of this Settlement or the Judgment.

7 C. If all of the conditions specified in paragraph A of this Section are not
8 met, then this Stipulation shall be canceled and terminated, unless Lead Plaintiff and
9 Defendants mutually agree in writing to proceed with the Settlement.

10 D. If either (a) the Effective Date does not occur, (b) this Stipulation is
11 canceled or terminated pursuant to its terms, or (c) this Stipulation does not become
12 Final for any reason, then the Gross Settlement Fund and all interest earned on the
13 Gross Settlement Fund while held in escrow (less (i) Notice and Administration
14 Expenses and (ii) taxes paid or incurred), shall be refunded by the Settlement
15 Administrator and/ or the Escrow Agent as directed by Defendants' Counsel within
16 thirty (30) days of such cancellation or termination.

17 E. Upon the occurrence of all the events specified in paragraph A of this
18 Section, the obligation of the Settlement Administrator and/or the Escrow Agent to
19 return funds from the Gross Settlement Fund to NantHealth, Inc., pursuant to
20 paragraph D of this Section, shall be absolutely and forever extinguished.

21 F. If either (a) the Effective Date does not occur, (b) this Stipulation is
22 canceled or terminated pursuant to its terms, or (c) this Stipulation does not become
23 Final for any reason, all of the parties to this Stipulation shall be deemed to have
24 reverted to their respective statuses as of October 21, 2019, counsel shall meet and
25 confer on an appropriate schedule to propose to the Court, and they shall proceed in
26 all respects as if this Stipulation had not been executed and the related orders had not
27 been entered, preserving in that event all of their respective claims and defenses in the
28 Action. Notwithstanding the foregoing language, the following provisions of this

1 Stipulation shall survive any termination or cancellation of the Settlement: Section
2 III.G; Section VII.B; Section X to the extent applicable; Section XI.C; Section XI.D;
3 Section XI.F; Section XII; and Section XIV to the extent applicable.

4 G. No order of the Court concerning the Plan of Allocation, the Fee and
5 Expense Application, the Compensatory Award Application, or modification or
6 reversal on appeal of any such order shall constitute grounds for cancellation or
7 termination of the Stipulation.

8 H. Defendants shall have the unilateral right to terminate the Settlement
9 in the event that Class Members timely and validly requesting exclusion from the
10 Classes meet the conditions set forth in the Supplemental Agreement, in accordance
11 with the terms of that agreement. The Supplemental Agreement is incorporated by
12 reference into this Stipulation. The Supplemental Agreement, which is being
13 executed concurrently herewith, shall not be filed with the Court and its terms shall
14 not be disclosed in any other manner (other than the statements herein and in the
15 Mailed Notice, to the extent necessary, or as otherwise provided in the Supplemental
16 Agreement) unless and until the Court otherwise directs or a dispute arises between
17 Lead Plaintiff or any Class Member and Defendants concerning its interpretation or
18 application, in which event the parties shall submit the Supplemental Agreement to
19 the Court in camera and request that the Court afford it confidential treatment. Copies
20 of all requests for exclusion received, together with copies of all written revocations of
21 requests for exclusion, shall be promptly delivered to Defendants' Counsel by Class
22 Counsel.

23 **XIII. NO ADMISSIONS**

24 A. The parties intend the Settlement as described in this Stipulation to be
25 a final and complete resolution of all disputes between them with respect to the Action
26 and entry in this Settlement shall not be deemed an admission by Lead Plaintiff, any
27 Class Member, any Defendant, or any of the other Released Parties as to the merits of
28 any claim or defense or any allegation.

1 B. Neither this Stipulation nor the Settlement, nor the negotiations
2 leading to the execution of this Stipulation, nor any act performed or document
3 executed pursuant to or in furtherance of this Stipulation or the Settlement: (a) is or
4 may be deemed to be or may be used as an admission of, or evidence of, the validity
5 or infirmity of any Released Claim, of any allegation made in the Action, or of any
6 wrongdoing or liability of any of the Released Parties; (b) is or may be deemed to be
7 or may be used as an admission of, or evidence of, any liability, fault or omission of
8 any of the Released Parties in any civil, criminal or administrative proceeding in any
9 court, administrative agency or other tribunal; or (c) is or may be deemed to be or may
10 be used as an admission or evidence that Lead Plaintiff and the Class Members would
11 have received less, or more, than the Settlement Amount had the Action been
12 prosecuted to conclusion. Neither this Stipulation nor the Settlement, nor the
13 negotiations leading to the execution of this Stipulation, nor any act performed or
14 document executed pursuant to or in furtherance of this Stipulation or the Settlement
15 shall be admissible in any proceeding for any purpose, except to enforce the terms of
16 the Settlement, and except that any of the Released Parties may file this Stipulation or
17 the Judgment in any action that may be brought against any of them in order to
18 support a defense or counterclaim based on principles of res judicata, collateral
19 estoppel, release, good faith settlement, judgment bar or reduction or any other theory
20 of claim preclusion or issue preclusion or similar defense or counterclaim.

21 **XIV. NOTICE AS REQUIRED BY CAFA**

22 A. Defendants shall be responsible for timely service of any notices that
23 might be required pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715.
24 Defendants shall provide a copy of such notices as well as proof of service of such
25 notices to Class Counsel. In accordance with 28 U.S.C. § 1715(d), the Final Approval
26 Hearing shall not be held earlier than ninety (90) days after any such requisite notices
27 are served. Defendants shall bear all costs and expenses associated with providing
28 CAFA notice.

1 **XV. MISCELLANEOUS PROVISIONS**

2 A. The parties (a) acknowledge that it is their intent to consummate the
3 Settlement contemplated by this Stipulation; (b) agree to cooperate to the extent
4 necessary to effectuate and implement all terms and conditions of this Stipulation; and
5 (c) agree to exercise their best efforts and to act in good faith to accomplish the
6 foregoing terms and conditions of the Stipulation.

7 B. All counsel who execute this Stipulation represent and warrant that
8 they have authority to do so on behalf of their respective clients.

9 C. All attached exhibits, except any Plan of Allocation to the extent
10 incorporated in those exhibits, are material and integral parts of this Stipulation and
11 are incorporated by reference.

12 D. This Stipulation may be amended or modified only by a written
13 instrument signed by counsel for all parties or their successors in interest.

14 E. This Stipulation, the attached exhibits, and the Supplemental
15 Agreement constitute the entire agreement between Lead Plaintiff, individually and as
16 a representative for the Classes, on the one hand, and Defendants on the other hand,
17 and supersede any and all prior agreements, written or oral, between the parties. No
18 representations, warranties or inducements have been made concerning this
19 Stipulation or its exhibits other than the representations, warranties and covenants
20 contained and memorialized in such documents.

21 F. This Stipulation may be executed in one or more original,
22 photocopied, scanned, or facsimile counterparts. All executed counterparts together
23 shall be deemed to be one and the same instrument. Counsel for the parties shall
24 exchange among themselves signed counterparts and a complete set of executed
25 counterparts shall be filed with the Court.

26 G. This Stipulation shall be binding upon, and inure to the benefit of the
27 successors, assigns, executors, administrators, affiliates (including parent companies),
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1 heirs and legal representatives of the parties, including the Released Parties. No
2 assignment shall relieve any party hereto of obligations hereunder.

3 H. The Stipulation and the exhibits hereto shall be considered to have
4 been negotiated, executed, delivered and to be wholly performed in the State of
5 California, and the rights and obligations of the parties to the Stipulation shall be
6 construed and enforced in accordance with and governed by, the internal, substantive
7 laws of the State of California without regard to its conflicts of law rules.

8 I. The parties to this Stipulation intend the Settlement to be a final and
9 complete resolution of all disputes asserted or which could be asserted by Lead
10 Plaintiff and the Class Members against the Released Parties with respect to the
11 Released Claims, and any potential claims or counterclaims Defendants and Released
12 Parties could have asserted against Lead Plaintiff, Class Members and their attorneys
13 with respect to the allegations and prosecution of this Action. Accordingly, Lead
14 Plaintiff, individually and as a representative for the Classes, and Defendants agree
15 not to assert in any forum that the litigation was brought by Lead Plaintiff or Class
16 Counsel, or defended by Defendants, or their counsel, in bad faith or without a
17 reasonable basis. The parties shall assert no claims of any violation of Rule 11 of the
18 Federal Rules of Civil Procedure relating to the prosecution, defense, or settlement of
19 the Action. The parties agree that the amount paid and the other terms of the
20 Settlement were negotiated at arm's-length and in good faith by the parties, and reflect
21 a settlement that was reached voluntarily after consultation with experienced legal
22 counsel, and with the assistance of an experienced mediator, Robert A. Meyer, Esq.

23 J. This Stipulation shall not be construed more strictly against one party
24 than another merely by virtue of the fact that it, or any part of it, may have been
25 prepared by counsel for one of the parties, or by virtue of the fact that one party or its
26 counsel may have caused an ambiguity, it being recognized that this Stipulation is the
27 result of arm's-length negotiations between the parties and all parties have contributed
28 substantially and materially to its preparation.

1 K. NantHealth, Inc., shall obtain and deliver to the Settlement
2 Administrator, no later than five (5) business days after entry of the Preliminary
3 Approval Order, a list of NantHealth, Inc.'s registered stockholders from the date of
4 NantHealth, Inc.'s initial public offering, or IPO, through May 1, 2017, as set forth in
5 the records of its transfer agent.

6 L. Pending approval of the Court of the Stipulation, all proceedings in
7 this Action shall be stayed other than proceedings necessary to carry out or enforce the
8 terms and conditions of this Stipulation, and pending final determination whether the
9 Settlement should be approved, Lead Plaintiff and all Class Members shall be barred
10 and enjoined from commencing and prosecuting any and all of the Released Claims
11 against each and all of the Defendants or the Released Parties.

12 M. Except as otherwise provided herein, each party shall bear its own
13 fees and costs.

14 N. The headings herein are used for the purpose of convenience and are
15 not intended to have legal effect.

16 O. Notices required or permitted by this Stipulation shall be submitted
17 either by overnight mail or in person as follows:

18

Notice to Lead Plaintiff and Class Members:	Notice to Defendants:
David Stein GIBBS LAW GROUP LLP 505 14th Street, Suite 1110 Oakland, CA 94612	Boris Feldman WILSON SONSINI GOODRICH & ROSATI, P.C. 650 Page Mill Road Palo Alto, CA 94304

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24 P. Whether or not this Stipulation is approved by the Court and whether
25 or not the Settlement is consummated or the Effective Date occurs, the parties and
26 their counsel shall keep all negotiations, discussions, acts performed, agreements,
27 drafts, documents signed, and proceedings in connection with the Stipulation
28 confidential.

1 **IN WITNESS HEREOF**, each of the parties hereto has caused this agreement
2 to be executed, as of the day(s) set forth below.

3
4 Dated: December 9, 2019

GIBBS LAW GROUP LLP

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6 

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8 Eric H. Gibbs
9 David Stein
10 Amy M. Zeman
11 Amanda M. Karl
12 Kyla J. Gibboney
13 Jeffrey Kosbie
14 505 14th Street, Suite 1110
15 Oakland, CA 94612-1406
16 Telephone: (510) 350-9700
17 Facsimile: (510) 350-9701
18 ehg@classlawgroup.com
19 ds@classlawgroup.com
20 amz@classlawgroup.com
21 amk@classlawgroup.com
22 kjg@classlawgroup.com
23 jbk@classlawgroup.com

KEHOE LAW FIRM, P.C.

18 John A. Kehoe
19 Two Penn Center Plaza
20 1500 JFK Boulevard, Suite 1020
21 Philadelphia, PA 19102
22 Telephone: (215) 792-6676
23 jkehoe@kehoelawfirm.com

Lead Counsel for Plaintiff and the Class

BLEICHMAR FONTI & AULD LLP

24 Javier Bleichmar
25 7 Times Square, 27th Floor
26 New York, NY 10036
27 Telephone: (212) 789-1341
28 jbleichmar@bfalaw.com

Additional Counsel

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Dated: December 9, 2019

**WILSON SONSINI
GOODRICH & ROSATI, P.C.**



Boris Feldman
Joni Ostler
Michael Petrocelli
650 Page Mill Road
Palo Alto, California 94304
boris.feldman@wsgr.com
jostler@wsgr.com
mpetrocelli@wsgr.com

Gideon A. Schor
1301 Avenue of the Americas, 40th Floor
New York, New York 10019
Email: gschor@wsgr.com

*Counsel for Defendants NantHealth, Inc., Patrick
Soon-Shiong, Paul A. Holt, Michael S. Sitrick,
Kirk K. Calhoun, Mark Burnett, Edward Miller,
and Michael Blaszyk*

EXHIBIT 1

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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

**[PROPOSED] FINAL ORDER AND
JUDGMENT**

1 Lead Plaintiff's Motion for Final Settlement Approval came before the Court
2 for hearing on _____, 20__, pursuant to the Court's Order Granting
3 Lead Plaintiff's Motion for Preliminary Approval of Class Action Settlement and
4 Directing Class Notice dated _____, 20__ (Preliminary Approval
5 Order) (ECF No. ____). Having considered the parties' settlement agreement
6 embodied in the Stipulation of Settlement (Stipulation), and all papers filed and
7 proceedings in this action,

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

9 1. This Court has subject matter jurisdiction over this Action. Capitalized
10 terms not otherwise defined herein shall have the same meaning as set forth in the
11 Stipulation.

12 2. This Order incorporates and makes a part hereof: the Stipulation, which
13 was filed with the Court on December 10, 2019, and the Mailed Notice and the
14 Summary Notice, which were filed with the Court on December 10, 2019.

15 3. The Court finds that notice has been disseminated to the Classes in
16 compliance with the Court's Preliminary Approval Order and that the notice given
17 was the best notice practicable under the circumstances, fully satisfied due process,
18 and met the requirements of Rule 23 of the Federal Rules of Civil Procedure, and
19 the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78-u4(a)(7).

20 4. The Court has considered the Plan of Allocation and hereby finds and
21 concludes that the formula for the calculation of the claims of Authorized
22 Claimants provides a fair and reasonable basis upon which to allocate the proceeds
23 of the Net Settlement Fund among the Class Members with due consideration
24 having been given to administrative convenience and necessity. The Court therefore
25 approves the Plan of Allocation as described in the Mailed Notice.

26 5. The Court has reviewed any objections to the Settlement, concludes that
27 none of the objections warrant disapproval of the Settlement, and therefore
28 overrules the objections.

1 6. The Court finds that the proposed Settlement is fair, reasonable, and
2 adequate under Rule 23(e)(2), is in the best interests of the Classes, and should be
3 and hereby is fully and finally approved. *See* Fed. R. Civ. P. 23(e)(1)(B)(i). The
4 Settlement:

- 5 a) Results from efforts by Lead Plaintiff and Class Counsel who
6 adequately represented the Classes;
- 7 b) Was negotiated at arm's length with the assistance of mediator
8 Robert A. Meyer, Esq., of JAMS;
- 9 c) Provides relief for the Classes that is adequate, taking into
10 account: (i) the costs, risks, and delay of trial and appeal; (ii) the
11 effective proposed method of distributing relief to the Classes; and
12 (iii) the terms of the proposed award of attorney's fees, including
13 timing of payment; and
- 14 d) Treats Class Members equitably relative to each other.

15 7. The Court incorporates the releases set forth in the Stipulation, in
16 Section I.BB (collectively, Release), and as of the Effective Date and by operation
17 of this Order, the Release is binding and effective on all Class Members who have
18 not properly excluded themselves from the Classes. The Stipulation, including the
19 full Release in Section I.BB, can be found on the Court's publicly available docket
20 at ECF No. _____. The terms of the Release, Stipulation, and this Judgment shall be
21 forever binding on Defendants, Lead Plaintiff, and all Class Members (regardless of
22 whether or not any individual Class Member submitted a Proof of Claim form or
23 sought or seeks or obtains a distribution from the Net Settlement Fund).

24 8. Attached as Exhibit A is a list with the name of each person or entity
25 who properly requested exclusion from the Classes in compliance with the
26 procedures set forth in the Preliminary Approval Order. The persons and entities
27 listed in Exhibit A shall be neither entitled to the benefits from the Settlement nor
28 bound by this Final Order and Judgment.

1 9. The Court finds and concludes that the parties and their respective
2 counsel have complied with the requirements of Rule 11 of the Federal Rules of
3 Civil Procedure in connection with the institution, prosecution, defense, and
4 Settlement of the Action.

5 10. There being no just reason for delay, the Court, in the interests of
6 justice, expressly directs the Clerk of the Court to enter this Final Order and
7 Judgment, and hereby decrees that, upon entry, it be deemed a final judgment.

8 11. Without affecting the finality of this Judgment in any way, this Court
9 hereby retains continuing jurisdiction over (a) implementation of the Settlement
10 and disposition of the Settlement Fund; (b) further proceedings, if necessary, on
11 applications for attorneys' fees, expenses, costs, and a Compensatory Award for the
12 Lead Plaintiff, in connection with the Action and the Settlement; and (c) the parties
13 and the Class Members for the purpose of construing, enforcing, and administering
14 the Stipulation and all related orders and judgments.

15 12. Neither this Judgment, nor the Stipulation, nor the Settlement
16 embodied therein, nor the negotiations leading to the execution of the Stipulation,
17 nor any act performed or document executed pursuant to or in furtherance of this
18 Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an
19 admission of, or evidence of, the validity or infirmity of any Released Claim, of any
20 allegation made in the Action, or of any wrongdoing or liability of any of the
21 Released Parties; (b) is or may be deemed to be or may be used as an admission of,
22 or evidence of, any liability, fault or omission of any of the Released Parties in any
23 civil, criminal or administrative proceeding in any court, administrative agency or
24 other tribunal; or (c) is or may be deemed to be or may be used as an admission or
25 evidence that Lead Plaintiff and the Class Members would have received less, or
26 more, than the Settlement Amount had the Action been prosecuted to conclusion.
27 Neither the Stipulation nor the Settlement, nor the negotiations leading to the
28 execution of this Stipulation, nor any act performed or document executed

1 pursuant to or in furtherance of this Stipulation or the Settlement shall be
2 admissible in any proceeding for any purpose, except to enforce the terms of the
3 Settlement, and except that any of the Released Parties may file the Stipulation or
4 this Judgment in any action that may be brought against any of them in order to
5 support a defense or counterclaim based on principles of res judicata, collateral
6 estoppel, release, good faith settlement, judgment bar or reduction or any other
7 theory of claim preclusion or issue preclusion or similar defense or counterclaim.

8 13. In the event the Stipulation and the Settlement set forth therein do not
9 become effective in accordance with the terms of the Stipulation or the Effective
10 Date as provided therein fails to occur for any reason whatsoever, then this
11 Judgment shall be vacated, rendered null and void and be of no further force and
12 effect, except to the extent provided by and in accordance with the Stipulation, and
13 the parties shall revert to their respective positions in the Action as of October 21,
14 2019, as provided in the Stipulation.

15
16 IT IS SO ORDERED.

17
18 Dated: _____

HON. TERRY J. HATTER JR.
U.S. DISTRICT COURT JUDGE

EXHIBIT 2

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

If you bought NantHealth, Inc., common stock between June 1, 2016, and May 1, 2017, you could benefit from a class action settlement.

A federal court authorized this notice. This is not a solicitation from a lawyer.

- NantHealth, Inc., has agreed to pay \$16,500,000, to resolve a class action lawsuit on behalf of investors who bought NantHealth common stock between June 1, 2016, and May 1, 2017 (the Class Period).
- The settlement resolves a lawsuit over whether NantHealth misled investors by overstating the market demand for NantHealth's genetic sequencing services in the company's registration statement, IPO prospectus, and other public statements. The settlement avoids the costs and risks to you from continuing the lawsuit; pays money to investors like you; and releases NantHealth from liability.
- Court-appointed lawyers for investors will ask the Court for attorneys' fees (up to \$4.125 million), cost reimbursements (up to \$375,000), and a compensatory award (up to \$25,000) to the Class Representative. If these requests are granted, and after settlement administration expenses are paid, an estimated \$11.725 million will remain to be paid to Class Members.
- NantHealth and the other Defendants are entering this settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation. Defendants have denied and continue to deny all of the wrongful conduct alleged in this case.
- The two sides disagree on how much money could have been won if investors won at trial.
- Your legal rights are affected whether you act or don't act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a payment.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against NantHealth and its executives about the legal claims in this case.
OBJECT	Write to the Court about why you don't like the settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

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

**QUESTIONS? CALL 1-800-000-0000 TOLL FREE, OR VISIT www.SettlementWebsite.com
PARA UNA NOTIFICACIÓN EN ESPAÑOL, LLAMAR O VISITAR NUESTRO WEBSITE**

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BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased or otherwise acquired shares of NantHealth common stock between June 1, 2016, and May 1, 2017.

The Court has ordered this notice because you have a right to know about a proposed settlement (the Settlement) of a class action lawsuit (the Action) and about your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after objections and appeals (if any) are resolved, an administrator appointed by the Court will make the payments that the Settlement allows. You can be informed of the progress of the Settlement by calling the toll-free number or visiting the website listed at the bottom of this page.

This notice explains the Action, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Central District of California, and the case is known as *Deora v. NantHealth, Inc.*, No. 2:17-cv-01825-TJH-MRW. The people who sued are called Plaintiffs, and the entities and individuals they sued, NantHealth, Inc., Patrick Soon-Shiong, Paul Holt, Michael S. Sitrick, Kirk K. Calhoun, Mark Burnett, Edward Miller and Michael Blaszyk, are called the Defendants.

2. What is this lawsuit about?

The lawsuit claims that NantHealth and some of its officers and directors misled investors by overstating the market demand for NantHealth's genetic sequencing services. The lawsuit also claimed that NantHealth made false statements or omitted material information from its financial statements and in other public statements. NantHealth and its officers and directors deny they did anything wrong.

3. Why is this a class action?

In a class action lawsuit, one or more persons or entities, called Class Representatives (in this case Southeastern Pennsylvania Transportation Authority, or SEPTA, which is referred to below as Plaintiff or as the Class Representative), sue on behalf of people or entities who have similar claims. All these people and entities are a Class or Class Members. One court resolves the issues for all Class Members, except those who exclude themselves from the Class. U.S. District Judge Terry J. Hatter is in charge of this class action.

4. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or Defendants. Plaintiff thinks it could have won \$2.41 per share if it won at trial (amounting to approximately \$40,935,148 in total for the Classes). That best-case scenario assumes Plaintiff would have defeated Defendants' appeal of class certification, survived Defendants' summary judgment motion, overcome Defendants' challenges to Plaintiff's experts and damages models, then won at trial and in any post-trial appeals—all of which is difficult, expensive, and would likely have taken several more years. Defendants dispute liability

and believe that the Classes are entitled to no recovery. But even if the jury found in favor of the Classes on liability, Defendants believe that Plaintiff would be able to prove no or only minimal damages. Among the key issues about which Plaintiff and Defendants disagree are: (i) whether Defendants misrepresented or concealed information in violation of the securities laws; (ii) the extent (if any) that the alleged misrepresentations and omissions influenced the trading prices of NantHealth common stock during the Class Period, and (iii) whether the alleged misrepresentations and omissions, even if proven, caused any harm to investors.

There was no trial. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial, and the Class Members will get compensation. The Class Representative and the attorneys think the Settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT?

To see if you will get money or other benefits from this Settlement, you first have to decide if you are a Class Member.

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

Judge Hatter decided that everyone who fits either of the following descriptions is a Class Member:

All persons or entities who purchased or acquired NantHealth common stock in or traceable to NantHealth's June 1, 2016 Initial Public Offering (IPO);

All persons or entities who purchased any NantHealth common stock between June 1, 2016, and May 1, 2017.

6. Are there exceptions to being included?

Not included in the Classes are Defendants; the officers and directors of NantHealth; any entity in which Defendants have or had a controlling interest; members of Defendants' immediate families and the legal representatives, heirs, successors or assigns of any such excluded party; any judge presiding over this matter, his or her spouse, and all persons within the third degree of relationship to either of them and the spouse of such persons; and any Class Member that files a timely and proper Request for Exclusion from the Classes.

If one of your mutual funds owns shares of NantHealth stock, that alone does not make you a Class Member. You are a Class Member only if you purchased shares of NantHealth stock individually. Contact your broker to see if you have or held NantHealth stock.

7. I am still not sure if I'm included.

If you are still not sure whether you are included, you can ask for free help. You can visit the website at www.SettlementWebsite.com or call 1-800-000-0000 for more information. Or you can fill out and return the Claim Form described below on page 5, to see if you qualify.

This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the settlement agreement (Stipulation of Settlement) available at www.SettlementWebsite.com, by contacting Class Counsel at www.ClassLawGroup.com, or by

accessing 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>.

SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the Settlement provide?

In exchange for the Settlement and dismissal of the Action, Defendants have agreed to pay \$16,500,000, or \$0.97 average per allegedly damaged share, to be distributed, less Court-approved fees and expenses, to all Class Members who send in a valid claim form and are entitled to a distribution from the Settlement fund (Authorized Claimants).

9. How much will my payment be?

If you are an Authorized Claimant entitled to a payment, your share of the fund will depend on the number of valid claim forms that Class Members send in, how many shares of NantHealth stock you bought, and when you bought and sold those shares.

You can calculate what is called your Net Recognized Loss by following the instructions below in the Plan of Allocation, which shows how the Settlement, less Court-approved fees and expenses (which equals the Net Settlement Fund), will be distributed. It is unlikely that you will get a payment for all of your Net Recognized Loss. After all Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Claim divided by the total of everyone's Recognized Claims, with certain adjustments made for different types of claims. All of the \$11.725 million available will be distributed. See the Plan of Allocation on pages 10-15 for more information.

If every eligible Class Member sends in a valid claim form, the average payment will be \$0.69 per share. The number of claimants who send in claims varies widely from case to case. If less than 100% of Class Members send in a claim form, you could get more money.

HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM

10. How can I get a payment?

To collect payment from the Settlement, you must send in a Claim Form by the [DATE]. You can get a Claim Form at www.SettlementWebsite.com, or by calling 1-800-000-0000. Follow all of the instructions on the Claim Form.

The Claim Form must be completed by the actual beneficial purchaser(s) or acquirer(s) of the NantHealth common stock upon which this claim is based, or by their legal representative(s). Each separate legal entity must complete its own Claim Form, and all joint purchasers (e.g., executors, administrators, guardians, conservators, and trustees) must sign it. The beneficial owner's Social Security (or taxpayer identification) number and telephone number may be used in verifying the claim.

You can submit your claim electronically at www.SettlementWebsite.com or by mail to the address listed on the Claim Form. Please keep a copy of your completed Claim Form and all documentation you submit for your own records.

11. When would I get my payment?

The Hon. Terry J. Hatter, U.S. District Court Judge, will hold a Fairness Hearing on [DATE] at [TIME] in Courtroom 9B at the U.S. District Court for the Central District of California, located at 350 W. 1st Street, 9th Floor, Los Angeles, California, 90012, to decide whether to approve the Settlement. (The hearing may be rescheduled without further notice. To obtain updated scheduling information, see the Settlement website, at www.SettlementWebsite.com.) If the Court approves the Settlement, there may be appeals afterwards. It is always uncertain whether any appeals will be filed, and, if so, whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Please be patient.

12. What am I giving up to get the payments, or to stay in the Classes?

Unless you exclude yourself, you are staying in the Classes, and that means that you can't sue, continue to sue, or be part of any other lawsuit against NantHealth or the other entities and individuals released by the Settlement (listed in Section I.AA of the Stipulation of Settlement, which you can view at www.SettlementWebsite.com) about the legal issues in this case. It also means that all of the Court's orders will apply to you and legally bind you. If you sign the Claim Form and receive payment, you will agree to a "Release of Claims," described on the Claim Form, which describes exactly the legal claims that you give up if you get settlement benefits.

The Released Claims, which you will be giving up if you stay in the Classes, are defined as follows:

All claims, rights, demands, obligations, damages, actions or causes of action, or liabilities whatsoever, of every nature and description, whether known or unknown (including Unknown Claims defined below), whether arising under federal, state, common or foreign law or regulation, whether class or individual in nature, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether concealed or hidden, suspected or unsuspected, which now exist or heretofore have existed, (i) that were, could have been, or could in the future be asserted in any complaint based on the facts alleged in the operative complaint in this Action, or (ii) that arise out of, are based on, or relate in any way to the acts, facts, statements, or omissions alleged in the operative complaint in this Action, and that were, could have been, or could in the future be asserted in any forum, case, or action, including, without limitation, all claims that arise out of, are based on, or relate in any way to the purchase, other acquisition, holding, sale, or other disposition of NantHealth, Inc. securities by the Classes or Class Members.

If you have any questions about the scope of the legal claims you give up by staying in the Classes, you may view Section I.BB of the Stipulation of Settlement (available at www.SettlementWebsite.com) or you contact the lawyers representing the Classes:

<p>David Stein GIBBS LAW GROUP LLP 505 14th Street, Suite 1110, Oakland, California 94612 Telephone: (510) 350-9700 Facsimile: (510) 350-9701 ds@classlawgroup.com www.ClassLawGroup.com</p>	<p>John Kehoe KEHOE LAW FIRM PC Two Penn Center Plaza 1500 JFK Boulevard, Suite 1020 Philadelphia, PA 19102 Telephone: (215) 792-6676 jkehoe@kehoelawfirm.com www.KehoeLawFirm.com</p>
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EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want a payment from this Settlement, but you want to keep the right to sue or continue to sue NantHealth and the other Defendants, on your own, about the legal issues in this case, then you must take steps to get out of the Settlement. This is called excluding yourself—or is sometimes referred to as opting out of the settlement class.

13. How do I get out of the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail saying that you want to be excluded from *Deora v. NantHealth, Inc.*, No. 2:17-cv-01825-TJH-MRW. Be sure to include your name, address, telephone number, the date(s), price(s), and number(s) of shares of NantHealth common stock you purchased or acquired, a statement that you desire to be excluded from the Settlement and the Classes, and your signature. You must mail your exclusion request postmarked no later than [DATE] to:

NantHealth, Inc., Securities Litigation
c/o Settlement Administrator
[Address]

You can't exclude yourself on the phone or by e-mail. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) NantHealth or the other Defendants in the future.

14. If I don't exclude myself, can I sue NantHealth for the same thing later?

No. Unless you exclude yourself, you give up the right to sue NantHealth or the other entities and individuals released by the Settlement for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that lawsuit immediately. You must exclude yourself from the Classes in *this* case to continue your own lawsuit. Remember, the exclusion deadline is [DATE].

15. If I exclude myself, can I get money or other benefits from this Settlement?

No. If you exclude yourself, do not send in a Claim Form to ask for any reimbursement. But, you may sue, continue to sue, or be part of a different lawsuit against NantHealth.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court asked Eric H. Gibbs and David Stein of the law firm Gibbs Law Group LLP and John A. Kehoe of the Kehoe Law Firm PC to represent you and other Class Members. Together, the lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Class Counsel have prosecuted this case on a contingency basis for over two years. That means Class Counsel have not been compensated for litigating this case on behalf of the Classes and have advanced all litigation expenses.

Class Counsel will ask the Court for attorneys' fees of up to 25% of the Settlement Fund (\$4,125,000); reimbursement of the approximately \$375,000 in litigation expenses they have or will advance on behalf of the Classes; and a payment of up to \$25,000 for the Class Representative, plus interest on those fees and expenses at the same rate as earned by the Settlement Fund. The Court may award less than these amounts. These amounts, and the costs to administer the Settlement, will be paid out of the \$16.5 million fund that Defendants agreed to pay in order to settle this Action (with the proposed fees and cost reimbursements together equal to about \$0.28 per share).

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the Settlement or some part of it.

18. How do I tell the Court that I like or dislike the Settlement?

If you are a Class Member, you can object to the Settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views.

To object, you must submit a letter that is received no later than [the date specified in the Preliminary Approval Order] to the addresses below. Your letter must include the following: (i) a statement that you are objecting to the settlement in this lawsuit, *Deora v. NantHealth, Inc.*, No. 2:17-cv-01825-TJH-MRW; (ii) your full name, current address, and current telephone number; (iii) the date(s), price(s), and number(s) of all shares of NantHealth, Inc., common stock you purchased or acquired; (iv) a statement of your objection, including all supporting factual and legal grounds for the position and copies of documents you wish to submit in support of your objection; (v) a statement of whether your objection applies only to you, to a subset of the Classes, or to one or both Classes in their entirety; and (vi) your signature and the date of the objection.

If you intend to appear, in person or by counsel, at the final approval hearing, you must so state in your objection. Any failure to do so, or otherwise comply with the requirements listed, may be treated as a waiver of your objections to the Settlement and can lead to you being barred from speaking or otherwise presenting any views at the final approval hearing.

Lawyers asserting objections on behalf of Class Members must: (a) file a notice of appearance with the Court by the [date set forth in the Preliminary Approval order]; (b) file a sworn declaration attesting to his or her representation of each Class Member on whose behalf the objection is being filed or file (in camera) a copy of the contract between that lawyer and each such Class Member; and (c) comply with the procedures described in this notice.

You must send your objection and any supporting documentation so that it is received no later than [the date specified in the Preliminary Approval Order] to the Court, Class Counsel, and Defense Counsel at the following addresses:

Clerk of Court	Class Counsel	Defense Counsel
Clerk of Court United States District Court for the Central District of California Western Division 350 W. 1st Street Los Angeles, CA 90012	David Stein GIBBS LAW GROUP LLP 505 14th Street, Suite 1110, Oakland, California 94612	Boris Feldman WILSON SONSINI GOODRICH & ROSATI, PC 650 Page Mill Road Palo Alto, California 94304

19. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you don't like something about the Settlement. You can object only if you stay in the Classes. Excluding yourself is telling the Court that you do not want to be part of the Classes and the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, subject to the requirements above, but you don't have to.

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

The Court will hold a Fairness Hearing at [TIME] on [DATE] Courtroom 9B at the U.S. District Court for the Central District of California, Western Division, located at 350 W. 1st Street, 9th Floor, Los Angeles, California, 90012. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Hatter will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

The hearing may be rescheduled without further notice to you. Updated scheduling information will be available at [www.SettlementWebsite.com].

21. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge Hatter may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time and complied with the above specifications, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

22. May I speak at the hearing?

You may ask the Court's permission to speak at the Fairness Hearing, as discussed above. To do so, you must follow the specifications above, including by stating in your objection that you intend to appear, either in person or by counsel. You cannot speak at the hearing if you excluded yourself.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you'll get no money from this Settlement. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against NantHealth about the legal issues in this case, ever again.

GETTING MORE INFORMATION

24. Are there more details about the Settlement?

This notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement, which you can view at [www.SettlementWebsite.com]. You can also get a copy of the Stipulation of Settlement by writing to David Stein, Gibbs Law Group LLP, 505 14th Street, Suite 1110, Oakland, CA 94612.

25. How do I get more information?

You can call [1-800-000-0000] toll free or visit [www.SettlementWebsite.com], where you will find answers to common questions about the Settlement, a claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.

PROPOSED PLAN OF ALLOCATION

The objective of this Plan is to fairly distribute the Net Settlement Fund to Authorized Claimants who suffered economic losses as a result of the violations of the securities laws alleged in the Action. The calculations are not intended to estimate the damages the Classes might have recovered after a trial, or the amount Authorized Claimants will be paid under the Settlement. These calculations are only a method to weigh Authorized Claims against one another to make fair pro rata allocations of the Net Settlement Fund.

To create the Plan of Allocation, Plaintiff's expert estimated the artificial inflation in NantHealth's stock price caused by Defendants' allegedly misleading statements and omissions and considered the impact of subsequent public announcements that Plaintiff believes corrected those statements and omissions. The alleged misstatements and omissions in this case occurred between June 1, 2016, and April 25, 2017. The expert adjusted for changes in NantHealth's stock price that were caused by regular market or industry forces, on a per share basis, and ultimately concluded that only the following public announcements related to the allegations in this case caused corresponding share-price declines with a high degree of confidence following a statistical analysis: November 7, 2016 (after market close), March 6, 2017 (prior to market open), April 9, 2017 (Sunday, market closed), and April 25, 2017 (after market close), removing artificial inflation from NantHealth's stock price, causing it to decline on: November 8, 2016, March 6-7 2017, April 10, 2017 and April 26, 2017. The Plan of Allocation therefore operates to provide remuneration for the shares allegedly damaged in connection with those share-price declines only.

Recognized Loss Amounts are based primarily on the difference between the amount of alleged artificial inflation in NantHealth’s stock price at the time of purchase and sale; or the difference between the actual purchase price and the sale price. Accordingly, to have a Recognized Loss Amount under this plan, an Authorized Claimant that purchased or acquired NantHealth common stock before any corrective disclosure must have held the shares through at least the end of day on November 7, 2016. An Authorized Claimant that purchased or acquired NantHealth common stock from November 8, 2016, through April 25, 2017, must have held those shares through at least one of the later corrective disclosure dates (listed above).

CALCULATION OF RECOGNIZED LOSS AMOUNT

Use the formula below to calculate Recognized Loss Amounts for each share of NantHealth common stock purchased or acquired during the Class Period (June 1, 2016, through May 1, 2017). (If the Recognized Loss Amount is negative or zero, the Recognized Loss Amount will be zero.)

	RECOGNIZED LOSS AMOUNT
Sold before Nov. 8, 2016	\$0.00.
Sold between Nov. 8, 2016, and April 25, 2017	<i>the lesser of:</i> (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A <i>minus</i> the amount of artificial inflation per share on the date of sale shown in Table A; or (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) <i>minus</i> the sale price (excluding all fees, taxes, and commissions).
Sold between April 26, 2017, and July 24, 2017	<i>the least of:</i> (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) <i>minus</i> the sale price (excluding all fees, taxes, and commissions); or (iii) the purchase/acquisition price (excluding all fees, taxes, and commissions) <i>minus</i> the average closing price between April 26, 2017 and the date of sale as stated in Table B below
Held as of the close of trading on July 24, 2017	<i>the lesser of:</i> (i) the amount of artificial inflation per share on the date of purchase/acquisition; or (ii) the purchase/acquisition price <i>minus</i> \$3.67. ¹

¹ Under section 21D(e)(1) of the Exchange Act, the award of damages to a private plaintiff under the Exchange Act 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 this requirement, Recognized Loss Amounts are reduced to an appropriate extent using the mean closing prices of NantHealth common stock during the “90-day look-back period” (April 26, 2017 – July 24, 2017), or \$3.67.

ADDITIONAL PROVISIONS

Calculation of Claimant’s “Recognized Claim”: A Claimant’s “Recognized Claim” will be the sum of all Recognized Loss Amounts as calculated above for NantHealth common stock.

In consideration of the difference in the burden in establishing a Section 11 claim as compared to a Section 10(b) claim, for purchases and acquisitions in NantHealth’s IPO, Recognized Loss Amounts will be multiplied by 1.26.

FIFO Matching: If a Class Member made more than one purchase or acquisition or sale of NantHealth common stock during the Class Period, all of the transactions will 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 and acquisitions in chronological order, beginning with the earliest during the Settlement Class Period.

“Purchase/Sale” Dates: Purchases, acquisitions, and sales of NantHealth common stock will 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 NantHealth common stock during the Class Period shall not be deemed a purchase, acquisition, or sale of NantHealth common stock for the calculation of a Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase, acquisition, or sale of NantHealth common stock unless (i) the donor or decedent purchased, acquired, or sold NantHealth common stock during the Settlement Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of NantHealth common stock.

Short Sales: The Recognized Loss Amount on short sales and purchases covering short sales is zero.

If a Claimant has an opening short position in NantHealth common stock, the earliest purchases or acquisitions during the Class Period will be matched against such opening short position and not be entitled to a recovery until that short position is fully covered. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the NantHealth common stock. The date of a “short sale” is deemed to be the date of sale of the NantHealth common stock.

Common Stock Purchased/Sold Through the Exercise of Options: The purchase or sale date is the exercise date of the option, and the purchase or sale price is the exercise price of the option.

Determination of Distribution Amount: The Settlement Administrator will evaluate submitted claims, decide payment amounts consistent with the Plan of Allocation, and oversee payments to Class Members.

Proofs of Claim that do not meet the submission requirements listed in this Notice may be rejected. Before rejecting a claim, the Settlement Administrator will reach out and provide the Class Member the chance to remedy the claim (if possible). Any Class Member receiving such notice will have 21 days to respond with written reasons and documents that would support reevaluation of the claim; Class Members may also contact Class Counsel for assistance. If a dispute concerning a claim cannot be otherwise resolved, Class Counsel will present the request for review to the Court.

If the total of Recognized Claims of all Authorized Claimants entitled to receive payment is greater than the Net Settlement Fund, each Authorized Claimant shall receive a pro rata share calculated by dividing the Authorized Claimant's Recognized Claim by the total of all Recognized Claims, multiplied by the Net Settlement Fund amount.

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

If an Authorized Claimant's Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable efforts to have Authorized Claimants cash their distribution checks. To the extent any money remains three (3) months after the initial distribution, if Class Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will 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 Class Counsel, in consultation with the Claims Administrator, determine 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 will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Class Counsel and approved by the Court.

Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiff, Class Counsel, Plaintiff's damages experts or consultants, Defendants, Defendants' counsel, any person or entity against whom claims are being released in this Action, or the Claims Administrator or other agent designated by Class 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. Plaintiff, Defendants, and their respective counsel, and all Released Parties, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation approved by the Court; the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Classes. Any Orders regarding any modification of the Plan of Allocation will be posted on the case website, www.SettlementWebsite.com.

TABLE A
Estimated Artificial Inflation with Respect to NantHealth Common Stock Transactions June 1, 2016 through and including April 25, 2017

Date Range	Artificial Inflation Per Share
June 1, 2016 – November 7, 2016	\$4.17
November 8, 2016 – March 5, 2017	\$3.08
March 6, 2017	\$1.49
March 7, 2017 – April 9, 2017	\$1.00
April 10, 2017 – April 25, 2017	\$0.27

TABLE B
90-Day Look-back Table for NantHealth Common Stock Closing Price and Average Closing Price April 26, 2017 through July 24, 2017

Date	Closing Price	Average Closing Price Between April 26, 2017 and Date Shown	Date	Closing Price	Average Closing Price Between April 26, 2017 and Date Shown
4/26/2017	\$3.24	\$3.24	6/9/2017	\$3.39	\$3.22
4/27/2017	\$3.32	\$3.28	6/12/2017	\$3.28	\$3.22
4/28/2017	\$3.11	\$3.22	6/13/2017	\$3.57	\$3.23
5/1/2017	\$2.98	\$3.16	6/14/2017	\$3.55	\$3.24
5/2/2017	\$3.12	\$3.15	6/15/2017	\$3.39	\$3.24
5/3/2017	\$3.12	\$3.15	6/16/2017	\$3.57	\$3.25
5/4/2017	\$3.12	\$3.14	6/19/2017	\$4.35	\$3.28
5/5/2017	\$3.17	\$3.15	6/20/2017	\$4.33	\$3.31
5/8/2017	\$3.24	\$3.16	6/21/2017	\$4.44	\$3.33
5/9/2017	\$3.24	\$3.17	6/22/2017	\$4.64	\$3.37
5/10/2017	\$3.44	\$3.19	6/23/2017	\$4.58	\$3.40
5/11/2017	\$3.36	\$3.21	6/26/2017	\$4.95	\$3.43
5/12/2017	\$3.22	\$3.21	6/27/2017	\$4.70	\$3.46
5/15/2017	\$3.17	\$3.20	6/28/2017	\$4.47	\$3.48
5/16/2017	\$3.21	\$3.20	6/29/2017	\$4.42	\$3.50
5/17/2017	\$3.05	\$3.19	6/30/2017	\$4.23	\$3.52
5/18/2017	\$3.20	\$3.19	7/3/2017	\$4.13	\$3.53
5/19/2017	\$3.08	\$3.19	7/5/2017	\$4.02	\$3.54
5/22/2017	\$3.17	\$3.19	7/6/2017	\$3.82	\$3.55

Date	Closing Price	Average Closing Price Between April 26, 2017 and Date Shown	Date	Closing Price	Average Closing Price Between April 26, 2017 and Date Shown
5/23/2017	\$3.19	\$3.19	7/7/2017	\$4.08	\$3.56
5/24/2017	\$3.17	\$3.19	7/10/2017	\$4.09	\$3.57
5/25/2017	\$3.09	\$3.18	7/11/2017	\$4.35	\$3.58
5/26/2017	\$3.07	\$3.18	7/12/2017	\$4.27	\$3.60
5/30/2017	\$3.15	\$3.18	7/13/2017	\$4.29	\$3.61
5/31/2017	\$3.09	\$3.17	7/14/2017	\$4.25	\$3.62
6/1/2017	\$3.42	\$3.18	7/17/2017	\$4.27	\$3.63
6/2/2017	\$3.48	\$3.19	7/18/2017	\$4.04	\$3.64
6/5/2017	\$3.19	\$3.19	7/19/2017	\$4.00	\$3.64
6/6/2017	\$3.13	\$3.19	7/20/2017	\$4.32	\$3.66
6/7/2017	\$3.58	\$3.20	7/21/2017	\$4.20	\$3.66
6/8/2017	\$3.40	\$3.21	7/24/2017	\$4.24	\$3.67

EXHIBIT 3

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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

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

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
28

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 _____ [21 days after the of entry of this
25 Order] (Notice Date), the Settlement Administrator shall substantially complete its
26 notice obligations consistent with the specifications of the Stipulation of Settlement,
27 including by disseminating the Mailed Notice to all reasonably identifiable Class
28 Members by U.S. Mail, and 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 _____ [21 days
21 before the hearing on final approval of this settlement].

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

- 23 a. State the Class Member's full name and current address;
- 24 b. Provide the date(s), price(s), and number(s) of shares of
25 NantHealth, Inc., common stock the Class Member purchased or
26 acquired; and
- 27 c. Specifically and clearly state the Class Member's desire to be
28 excluded from the Settlement and from the Classes.

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
12 and who wishes to object to the Settlement must, no later than _____
13 [21 days before the hearing on final approval of this settlement], submit a written
14 notice of 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 _____ [21 days before the
4 hearing on final approval of this settlement]; (b) file a sworn declaration attesting to
5 his or her representation of each Class Member on whose behalf the objection is
6 being filed or file (in camera) a copy of the contract between that lawyer and each
7 such Class Member; and (c) comply with the procedures described in the
8 Stipulation of Settlement.

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

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

24 **FINAL APPROVAL HEARING AND SCHEDULE**

25 19. The Court will hold a hearing on entry of final approval of the
26 Settlement, an award of fees and expenses to Class Counsel, and a Compensatory
27 Award to Lead Plaintiff at [10:00 a.m.] on _____ [approximately 125
28 days after entry of this Order], in Courtroom 9B at the U.S. District Court for the

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 _____ [50 days after the entry of this
10 Order]. No later than _____ [111 days after entry of this Order], Lead
11 Plaintiff may file reply papers, if any.

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

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

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

27 24. Neither the Stipulation of Settlement, nor any of its terms or provisions,
28 nor any of the negotiations or proceedings connected with it, shall be construed as

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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14
15 Dated: _____

16 HON. TERRY J. HATTER JR.
17 U.S. DISTRICT COURT JUDGE
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EXHIBIT 4

PROOF OF CLAIM FORM AND RELEASE

**MUST BE POSTMARKED
NO LATER THAN
_____, 2020**

Deora v. NantHealth, Inc.
No. 2:17-cv-01825-TJH-MRW (C.D. Cal.)

For Official Use Only

COMPLETE, ENCLOSE DOCUMENTS, SIGN, AND SEND BY [DATE], TO:

NantHealth, Inc., Securities Litigation
c/o Settlement Administrator
Address

[1] CLAIMANT INFORMATION – Provide the information below for the person or entity filing the claim.

Specify one of the following:

Individual(s) Corporation UGMA Custodian IRA Partnership Estate Trust

Other: _____

Number and Street or P.O. Box

City _____	State _____	Zip Code _____
Foreign Province and Postal Code _____	Foreign Country _____	
Telephone Number _____	Email Address _____	
Social Security No. (for individuals) or Taxpayer Identification No. _____	Account Number _____	

A. Complete this Section ONLY if the Beneficial Owner¹ is an individual, joint, or IRA account. Otherwise, proceed to B.

Last Name (Beneficial Owner) _____	First Name (Beneficial Owner) _____
Last Name (Joint Beneficial Owner, if applicable) _____	First Name (Joint Beneficial Owner, if applicable) _____
Name of IRA Custodian, if applicable _____	

This is an IRA account, and I would like any settlement check I may receive made payable to the IRA account.

1. If you purchased NantHealth common stock through a third party, such as a nominee or brokerage firm, and the shares were registered in the name of that third party, you are the beneficial purchaser or acquirer of the shares.

B. Complete this Section ONLY if the Beneficial Owner is an Entity

Entity Name
Name of Representative, if applicable (Executor, administrator, trustee, etc.)

[2] SCHEDULE OF TRANSACTIONS – Complete this Section. You must also submit documentation of your transactions.

A. Stock Purchases. List all purchases and acquisitions of NantHealth common stock between June 1, 2016, and May 1, 2017.

Date of Purchase (list chronologically) (Month/Day/Year)	Number of Shares	Purchase Price Per Share	Amount Paid (including commissions, taxes, and fees)	Purchased on the Open Market?	
				Yes	No

B. Stock Sales. List all sales of NantHealth common stock between June 1, 2016, and July 24, 2017.

Date of Sale (list chronologically) (Month/Day/Year)	Number of Shares	Sale Price Per Share	Amount Received (excluding commissions, taxes, and fees)	Sold on the Open Market?	
				Yes	No

C. Ending Holdings. Number of shares of NantHealth common stock held at the close of trading on July 24, 2017, if any.

Number of Shares

D. Short Sales. If any of the above transactions relate to short sales, please check this box

[3] RELEASES AND CERTIFICATION

A. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I submit this Proof of Claim form under the terms of the Stipulation of Settlement described in the Notice. I submit to the jurisdiction of the United States District Court for the Central District of California, with respect to my claim and for enforcing the release below. I acknowledge I will be bound by the terms of any judgment entered in connection with the Settlement. I agree to provide additional information regarding this claim if the Claims Administrator requests it. I have not submitted any other claim covering the same transactions of NantHealth common stock at issue in the Action and know of no other person having done so on my (our) behalf.

B. RELEASE

I understand that I am irrevocably releasing my legal claims in exchange for the compensation as detailed in Section I.BB of the Stipulation of Settlement, which I have reviewed carefully (see www.SettlementWebsite.com).

C. CERTIFICATION

I have no reason to believe that I am subject to backup withholding. (If you have been notified by the IRS that you are subject to backup tax withholding, please strike out the previous sentence.)

I attest that all of the above information is true and correct to the best of my knowledge.

Executed on: _____, 20____ in _____, _____.
Date City State/Country

Signature

Type or Print Name

Capacity of person signing (e.g., beneficial purchaser, executor, administrator)

[4] SUBMIT

COMPLETE, ENCLOSE DOCUMENTS, SIGN, AND SEND BY [DATE], TO:

NantHealth, Inc., Securities Litigation
c/o Settlement Administrator

Address

REMINDER CHECKLIST

- Please sign the above release and certification. If this claim is being made on behalf of joint claimants, both must sign.
- Remember to attach supporting documentation. Do not highlight the Proof of Claim form or supporting documentation.
- Do not send original stock certificates or other original documentation; please send only copies. These items cannot be returned to you by the Settlement Administrator.
- Keep a copy of your Proof of Claim form for your records.
- The Settlement Administrator will acknowledge receipt of your Proof of Claim by mail, within 60 days. Your claim is not deemed by the Settlement Administrator to be submitted unless you receive an acknowledgement postcard. If you do not receive an acknowledgement postcard within 60 days, please call the Settlement Administrator. Also, you can submit your claim using a service that provides you with proof of mailing, such as: registered or certified mail, return receipt requested; express mail that does not waive signature; or courier service.
- If you move or change your name, please inform the Settlement Administrator of your new address or name.

EXHIBIT 5

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

If you bought NantHealth, Inc., common stock between June 1, 2016, and May 1, 2017, you could benefit from a class action settlement.

A federal court authorized this notice. This is not a solicitation from a lawyer.

A settlement has been proposed in a class action lawsuit about the price of NantHealth stock. Under the settlement, NantHealth will pay \$16.5 million to resolve claims by investors who bought NantHealth common stock between June 1, 2016, and May 1, 2017. If you qualify, you may send in a claim form to request a payment, or you can exclude yourself from the settlement, or object to it.

The United States District Court for the Central District of California authorized this notice. Before any money is paid, the Court will have a hearing to decide whether to approve the settlement.

WHO IS IN THE SETTLEMENT?

You are a Class Member and could get benefits if you bought NantHealth stock between June 1, 2016, and May 1, 2017. You are a Class Member only if you bought shares of NantHealth stock individually, not simply through a mutual fund. Contact your broker to see if you have or held NantHealth stock. Certain people, such as NantHealth officers and directors and their families, are not Class Members. You can get more information, by visiting the website below or calling 1-800-000-0000.

WHAT IS THE CASE ABOUT?

The lawsuit claims that NantHealth and some of its officers and directors misled investors about demand for its services in the company's registration statement, IPO prospectus, and other public statements. NantHealth and its officers and directors deny they did anything wrong. The Court did not decide which side was right. But both sides agreed to the settlement to resolve the case and get benefits to investors. The two sides disagree on how much money could have been won if the investors had won at a trial.

WHAT DOES THE SETTLEMENT PROVIDE?

NantHealth will pay \$16.5 million to create a settlement fund to resolve claims by all Class Members. Those Class Members who send in valid claim forms and who are entitled to payment under the Plan of Allocation detailed in the long-form notice available at the website below will receive payment. Your payment will depend on the number of valid claim forms that

Class Members send in, how many shares of NantHealth stock you bought, and when you bought and sold them. The settlement agreement, available at the website below, describes all of the details about the proposed settlement. If every eligible Class Member sends in a valid claim form, the average payment will be \$0.69 per share.

The settlement fund will also pay attorneys' fees (up to \$4.125 million), and cost reimbursements (up to \$375,000), for the Court-appointed lawyers for investors (Gibbs Law Group LLP, of Oakland, CA, and Kehoe Law Firm PC, of Philadelphia, PA), and a compensatory award (up to \$25,000) to the Class Representative. These amounts, and the costs to administer the settlement, together equal to about \$0.28 per share. If these requests are granted, and after settlement administration expenses are paid, an estimated \$11.725 million will remain to be paid to Class Members.

HOW DO YOU ASK FOR PAYMENT?

A detailed notice and claim form package contains everything you need. Just call or visit the website below to get one. To qualify for a payment, you must send in a claim form by [_____, 20__].

WHAT ARE YOUR OTHER OPTIONS?

If you don't want to be legally bound by the settlement, you must exclude yourself by **DATE**, or you won't be able to sue, or continue to sue, NantHealth or the other Released Parties covered by the settlement about the legal claims in this case. If you exclude yourself, you can't get money from this settlement. If you stay in the settlement, you may object to it by [_____, 20__]. The detailed notice explains how to exclude yourself or object.

The Court will hold a hearing in this case (*Deora v. NantHealth, Inc.*, No. 2:17-cv-01825-TJH-MRW) on [_____, 20__], to consider whether to approve the settlement and the attorneys' fee request by the lawyers representing investors. You may ask to appear at the hearing, but you don't have to. For more information, visit **www.SettlementWebsite.com**, call 1-800-000-0000, or write to the Settlement Administrator, P.O. Box 000, City, ST 0000-0000.

**QUESTIONS? CALL 1-800-000-0000 TOLL FREE, OR VISIT www.SettlementWebsite.com
PARA UNA NOTIFICACIÓN EN ESPAÑOL, LLAMAR O VISITAR NUESTRO WEBSITE**