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UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA

In re LENDINGCLUB SECURITIES	)	Case No. 3:16-cv-02627-WHA
LITIGATION	)	
_____	)	<u>CLASS ACTION</u>
	)	
This Document Relates To:	)	STIPULATION OF SETTLEMENT
	)	
ALL ACTIONS.	)	
_____	)	

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18 Co-Lead Counsel for State Class Representatives  
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20 SUPERIOR COURT OF THE STATE OF CALIFORNIA

21 COUNTY OF SAN MATEO

22	In re LENDINGCLUB CORPORATION	)	Lead Case No. 537300
	SHAREHOLDER LITIGATION	)	
23	_____	)	<u>CLASS ACTION</u>
		)	
24	This Document Relates To:	)	STIPULATION OF SETTLEMENT
		)	
25	ALL ACTIONS.	)	
	_____	)	
26		)	
27		)	
28		)	

1           This Stipulation of Settlement dated February 21, 2018 (the “Stipulation”), is made and  
2 entered into by and among: (i) Lead Plaintiff Water and Power Employees’ Retirement, Disability  
3 and Death Plan of the City of Los Angeles (“WPERP” or “Federal Lead Plaintiff”), on behalf of  
4 itself and each of the members of the Class (as defined herein), by and through its counsel of record  
5 in the Federal Litigation (as defined herein); (ii) State Class Representatives Kathy Geller, Dylan  
6 Youngblood, and Alton Consulting LLC (the “State Class Representatives”), on behalf of  
7 themselves and each of the members of the State Class (as defined herein), by and through their  
8 counsel of record in the State Litigation (as defined herein); and (iii) Defendants LendingClub  
9 Corporation (“LendingClub” or the “Company”), former Chief Executive Officer (“CEO”) Renaud  
10 Laplanche (“Laplanche”), former Chief Financial Officer (“CFO”) Carrie Dolan (“Dolan”); directors  
11 Daniel T. Ciporin, Jeffrey Crowe, Rebecca Lynn, John J. Mack, Mary Meeker, John C. (Hans)  
12 Morris, Lawrence H. Summers, and Simon Williams (collectively, the “Director Defendants”); and  
13 Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC (formerly known as Goldman, Sachs &  
14 Co.), Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc., Allen & Company LLC,  
15 Stifel, Nicolaus & Company, Incorporated, BMO Capital Markets Corp., William Blair & Company,  
16 L.L.C., and Wells Fargo Securities, LLC (collectively, the “Underwriter Defendants”) (collectively,  
17 “Defendants”), by and through their respective counsel of record in the Litigations. The Stipulation  
18 is intended to fully, finally, and forever resolve, discharge, and settle the Released Claims (as  
19 defined herein) as against all Releasing Defendants (as defined herein), subject to the approval of the  
20 Court and the terms and conditions set forth in this Stipulation.

21 **I. FEDERAL LEAD PLAINTIFF’S CLAIMS**

22           The Federal Litigation is a consolidated securities class action brought in this Court against  
23 Defendants by Federal Lead Plaintiff individually and on behalf of all persons or entities who  
24 purchased or otherwise acquired LendingClub common stock from December 11, 2014 through  
25 May 6, 2016 (for claims under the Securities Exchange Act of 1934 (the “Exchange Act”)) and all  
26 those who purchased or acquired LendingClub common stock during the period from December 11,  
27 2014 through June 8, 2015 (for claims under the Securities Act of 1933 (the “1933 Act”)). The  
28 initial complaint in this action alleged 1933 Act and Exchange Act claims and was filed against

1 Defendants LendingClub, Laplanche, and Dolan on May 16, 2016, in the United States District  
2 Court for the Northern District of California. On August 15, 2016, the Court appointed WPERP as  
3 Federal Lead Plaintiff. ECF No. 90. On October 28, 2016, the Court appointed Robbins Geller  
4 Rudman & Dowd LLP (“Robbins Geller”) as Federal Lead Counsel. ECF No. 113.

5 Federal Lead Plaintiff filed the Consolidated Complaint for Violation of the Federal  
6 Securities Laws on December 9, 2016. ECF No. 127. The complaint alleged violations of §11 of  
7 the 1933 Act against all Defendants, §15 of the 1933 Act against Laplanche, Dolan and the Director  
8 Defendants, and §§10(b) and 20(a) of the Exchange Act against LendingClub, Laplanche, and  
9 Dolan. Federal Lead Plaintiff alleged that LendingClub, Laplanche and Dolan made certain  
10 misstatements and omissions concerning LendingClub’s internal controls, data integrity and security,  
11 and related-party transactions in communications with investors who purchased LendingClub  
12 common stock from December 11, 2014 through May 6, 2016, and that these Defendants violated  
13 §10(b) of the Exchange Act, as well as SEC Rule 10b-5 promulgated thereunder, by making such  
14 statements or omissions knowingly or with extreme recklessness, and caused the price of  
15 LendingClub common stock to be artificially inflated during the period from December 11, 2014  
16 through May 6, 2016. Federal Lead Plaintiff also asserted claims under §§11 and 15 of the 1933 Act  
17 on behalf of investors who purchased LendingClub common stock traceable to LendingClub’s IPO,  
18 because LendingClub’s offering materials allegedly contained material misstatements and/or  
19 omissions concerning LendingClub’s internal controls, data integrity and security, and related-party  
20 transactions.

21 Following briefing on Defendants’ motions to dismiss and oral argument, on May 25, 2017,  
22 the Court granted in part and denied in part the motions to dismiss. ECF No. 181. The Court upheld  
23 Federal Lead Plaintiff’s claims against all Defendants, but granted the motions in part and dismissed  
24 certain allegations concerning LendingClub’s loan approval process and Exchange Act claims  
25 concerning data integrity and, as to Dolan, related-party transactions. The Court granted Federal  
26 Lead Plaintiff leave to amend. ECF No. 181.

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1 Federal Lead Plaintiff filed the Amended Consolidated Complaint for Violation of the  
2 Federal Securities Laws (the “Complaint”) on June 15, 2017. ECF No. 182. Federal Lead Plaintiff  
3 did not re-plead the dismissed allegations.

4 On September 7, 2017, Federal Lead Plaintiff moved to certify a class, to appoint WPERP as  
5 the class representative, and to appoint Robbins Geller as class counsel. ECF No. 215. The Court  
6 certified the following class:

7 All persons and entities who purchased or otherwise acquired the common stock of  
8 LendingClub Corporation (“LendingClub” or the “Company”) during the period  
9 from December 11, 2014 through May 6, 2016 (for claims under the Exchange Act  
10 of 1934) and all those who purchased or acquired LendingClub common stock during  
11 the period from December 11, 2014 through June 8, 2015 (for claims under the 1933  
12 Securities Act) and were damaged thereby (collectively, the “Class”). Excluded  
13 from the Class are short sellers who incurred losses during the class period as a result  
14 of their short sales, defendants and their families, the officers, directors, and affiliates  
15 of defendants, at all relevant times, members of their immediate families and their  
16 legal representatives, heirs, successors or assigns, and any entity in which defendants  
17 have or had a controlling interest. Notwithstanding the foregoing, the Class shall  
18 include any investment company or pooled investment fund, including, but not  
19 limited to, mutual fund families, exchange traded funds, fund of funds and hedge  
20 funds, in which the Underwriter Defendants, or any of them, have, has or may have a  
21 direct or indirect interest, or as to which any Underwriter Defendant’s affiliates may  
22 act as an investment advisor, but as to which any Underwriter Defendant alone or  
23 together with any of its respective affiliates is neither a majority owner nor the holder  
24 of a majority beneficial interest.

25 ECF No. 255.

26 On November 28, 2017, the parties engaged in an in-person settlement conference before  
27 Chief Magistrate Judge Joseph C. Spero, pursuant to an order of the Court. ECF No. 280. The  
28 settlement conference was preceded by submission of settlement conference statements and exhibits  
by each party. Settlement discussions were unsuccessful at that settlement conference. On  
January 29, 2018, the parties engaged in another in-person settlement conference before Judge  
Spero, pursuant to an order of the Court. ECF No. 328. The parties submitted amended settlement  
conference statements. The parties engaged in arm’s-length negotiations during the mediation  
session. At the end of the conference, Judge Spero made a mediator’s proposal to Federal and State  
Lead Counsel and counsel for LendingClub, which was accepted as Judge Spero advised on  
February 5, 2018. Thereafter, all parties reached an agreement-in-principle to resolve the Litigations  
on the terms set forth herein, subject to approval by the Court.

1 Federal Lead Plaintiff and its counsel recognize and acknowledge the expense and time it  
2 would take to prosecute the Federal Litigation against Defendants through trial and through any  
3 subsequent appeals. Likewise, Federal Lead Plaintiff and its counsel have taken into account the  
4 uncertain outcome and the risk of any litigation, especially in complex actions such as the Federal  
5 Litigation, as well as the difficulties and delays inherent in such litigation. Accordingly, Federal  
6 Lead Plaintiff and its counsel believe that the settlement set forth in the Stipulation confers  
7 substantial benefits upon Class Members and is in the best interests of Class Members under all the  
8 circumstances.

9 **II. THE STATE CLASS REPRESENTATIVES' CLAIMS**

10 On February 26, 2016, State Class Representative Kathy Geller filed, in the State Court, the  
11 first class action complaint asserting securities laws violations in connection with LendingClub's  
12 IPO. The State Litigation alleged that Defendants had violated §§11, 12(a)(2) and 15 of the 1933  
13 Act by selling, or offering to sell, LendingClub shares pursuant to offering materials that contained  
14 materially false or misleading statements and/or omitted to disclose material information required to  
15 be disclosed therein. The State Court consolidated the case and several others in the spring of 2016.  
16 The State Class Representatives filed their initial Consolidated Complaint on June 15, 2016, and  
17 thereafter filed an Amended Consolidated Complaint on August 26, 2016.

18 On September 30, 2016, the State Court held that State Class Representatives had adequately  
19 pled claims under §11 of the 1933 Act against all Defendants (plus related §15 "control person"  
20 liability claims against certain defendants), but sustained the demurrer as to their §12(a)(2) claims  
21 with leave to re-plead. Discovery commenced shortly thereafter. On January 17, 2017, State Class  
22 Representatives filed their operative Second Amended Consolidated Complaint ("State Complaint"),  
23 which repleaded the §12(a)(2) claims on behalf of State Class Representative Youngblood. On  
24 March 17, 2017, Judge Weiner sustained the Underwriter Defendants' and Dolan's demurrers as to  
25 the amended §12(a)(2) claims against them. The claims that survived demurrer were thus §11  
26 claims against all Defendants, §12(a)(2) claims against LendingClub and Laplanche, and related §15  
27 control person claims against the other Defendants.

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1 On April 3, 2017, the State Class Representatives moved for class certification. Following  
2 extensive class certification-related discovery (including the depositions of each of the proposed  
3 representative State Class Representatives), full briefing, and oral argument, on June 23, 2017, the  
4 State Court certified the following class:

5 All Persons and entities who purchased or acquired LendingClub common stock  
6 during the period from December 10, 2014 through June 8, 2015 (for claims under  
7 the 1933 Act), and were damaged thereby. Excluded from the State Class are  
8 defendants and their immediate families, the officers, directors and affiliates of  
9 defendants, at all relevant times, members of their immediate families and their legal  
10 representatives, heirs, successors or assigns, and any entity in which defendants have  
11 or had a controlling interest. Notwithstanding the foregoing, the State Class shall  
12 include any investment company or pooled investment fund, including, but not  
13 limited to, mutual fund families, exchange traded funds, fund of funds and hedge  
14 funds, in which the Underwriter Defendants, or any of them, have, has or may have a  
15 direct or indirect interest, or as to which any Underwriter Defendant's affiliates may  
16 act as an investment advisor, but as to which any Underwriter Defendant alone or  
17 together with any of its respective affiliates is neither a majority owner nor the holder  
18 of a majority beneficial interest.

19 On November 28, 2017, the State Class Representatives participated in the in-person  
20 settlement conference before Judge Spero, pursuant to an order of the Court. ECF No. 280. On  
21 January 29, 2018, the State Class Representatives again participated in the settlement conference  
22 before Judge Spero, which led to the transmission of the mediator's proposal and the agreement-in-  
23 principle to resolve both Litigations, subject to approval by the Court.

### 24 **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

25 Defendants have denied and continue to deny each and all of the claims alleged by the  
26 plaintiffs in the Litigations. Defendants expressly have denied and continue to deny all charges of  
27 wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions  
28 alleged, or that could have been alleged, in the Litigations. Nonetheless, Defendants have concluded  
that further conduct of the Litigations could be protracted and expensive. Defendants also have  
taken into account the uncertainty and risks inherent in any litigation, especially in complex cases  
such as the Litigations. Defendants have, therefore, determined that it is desirable and beneficial to  
them that the Litigations be fully and finally settled in the manner and upon the terms and conditions  
set forth in this Stipulation.

1 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

2 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among  
3 Federal Lead Plaintiff (for itself and the Class Members), the State Class Representatives (for  
4 themselves and the State Class members), and Defendants, by and through their respective counsel  
5 or attorneys of record, that, subject to the approval of the Court, the Litigations and the Released  
6 Claims shall be finally and fully compromised, settled, and released, and the Litigations shall be  
7 dismissed with prejudice, as to all Settling Parties and their Related Parties (as defined below), upon  
8 and subject to the terms and conditions of the Stipulation, as follows.

9 **1. Definitions**

10 As used in the Stipulation the following terms have the meanings specified below:

11 1.1 “Authorized Claimant” means any Class Member whose claim for recovery has been  
12 allowed pursuant to the terms of the Stipulation.

13 1.2 “Claims Administrator” means the firm of Gilardi & Co. LLC.

14 1.3 “Class” means all Persons and entities who purchased or otherwise acquired the  
15 common stock of LendingClub Corporation during the period from December 11, 2014 through  
16 May 6, 2016 (for claims under the Exchange Act), and all those who purchased or acquired  
17 LendingClub common stock during the period from December 10, 2014 through June 8, 2015 (for  
18 claims under the 1933 Act), and were damaged thereby. Excluded from the Class are defendants and  
19 their immediate families, the officers, directors and affiliates of defendants, at all relevant times,  
20 members of their immediate families and their legal representatives, heirs, successors or assigns, and  
21 any entity in which defendants have or had a controlling interest. Notwithstanding the foregoing, the  
22 Class shall include any investment company or pooled investment fund, including, but not limited to,  
23 mutual fund families, exchange traded funds, fund of funds and hedge funds, in which the  
24 Underwriter Defendants, or any of them, have, has or may have a direct or indirect interest, or as to  
25 which any Underwriter Defendant’s affiliates may act as an investment advisor, but as to which any  
26 Underwriter Defendant alone or together with any of its respective affiliates is neither a majority  
27 owner nor the holder of a majority beneficial interest. Also excluded from the Class are those  
28 Persons who timely and validly request exclusion.



1           1.4     “Class Member” means a Person who falls within the definition of the Class as set  
2 forth above. Concurrent with Federal Lead Plaintiff’s Motion for Preliminary Approval, Federal  
3 Lead Plaintiff and Defendants will file a joint motion with the Court to amend the definition of the  
4 class that had previously been certified by the Court solely for purposes of settlement in order to  
5 reconcile the minimal differences between the respective classes certified in the Litigations and to  
6 ensure that all members of the State Class are included in the Class for purposes of settlement.

7           1.5     “Court” means the United States District Court for the Northern District of California.

8           1.6     “Defendants” means LendingClub Corporation (“LendingClub”), former CEO  
9 Renaud Laplanche (“Laplanche”), former CFO Carrie Dolan (“Dolan”), directors Daniel T. Ciporin,  
10 Jeffrey Crowe, Rebecca Lynn, John J. Mack, Mary Meeker, John C. (Hans) Morris, Lawrence H.  
11 Summers, and Simon Williams (the Director Defendants); and underwriters Morgan Stanley & Co.  
12 LLC, Goldman Sachs & Co. LLC (formerly known as Goldman, Sachs & Co.), Credit Suisse  
13 Securities (USA) LLC, Citigroup Global Markets Inc., Allen & Company LLC, Stifel, Nicolaus &  
14 Company, Incorporated, BMO Capital Markets Corp., William Blair & Company, L.L.C., and Wells  
15 Fargo Securities, LLC (the Underwriter Defendants).

16           1.7     “Effective Date,” or the date upon which this settlement becomes “effective,” means  
17 the date by which all of the events and conditions specified in ¶8.1 of the Stipulation have been met  
18 and have occurred.

19           1.8     “Escrow Account” means the segregated and separate escrow account designated and  
20 controlled by the Escrow Agent at one or more national banking institutions into which the  
21 Settlement Amount will be deposited for the benefit of Class Members.

22           1.9     “Escrow Agent” means the law firm of Robbins Geller Rudman & Dowd LLP or its  
23 successor(s).

24           1.10    “Federal Lead Counsel” means Robbins Geller Rudman & Dowd LLP, 655 West  
25 Broadway, Suite 1900, San Diego, CA 92101.

26           1.11    “Federal Lead Plaintiff” means Water and Power Employees’ Retirement, Disability  
27 and Death Plan of the City of Los Angeles.

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1           1.12 “Federal Litigation” means the action captioned *In re LendingClub Securities*  
2 *Litigation*, Case No. 3:16-cv-02627-WHA.

3           1.13 “Final” means, with respect to any order or judgment of court, including, without  
4 limitation, the Court’s Judgment and the State Court’s order of dismissal, that such order or  
5 judgment represents a final and binding determination of all issues within its scope and is not subject  
6 to further review on appeal or otherwise. Without limitation, an order becomes “Final” when the last  
7 of the following has occurred: (a) the expiration of the time to file a motion to reconsider, alter or  
8 amend the judgment or order without any such motion having been filed; (b) the time in which to  
9 appeal the judgment or order has passed without any appeal having been taken; and (c) if a motion to  
10 reconsider, alter or amend is filed or if an appeal is taken, immediately after the determination of that  
11 motion or appeal so that it is no longer subject to any further judicial review or appeal whatsoever,  
12 whether by reason of affirmance by a court of last resort, lapse of time, voluntary dismissal of the  
13 appeal or otherwise in such a manner as to permit the consummation of the settlement substantially  
14 in accordance with the terms and conditions of this Stipulation. For purposes of this paragraph, an  
15 “appeal” shall 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, but shall not include any appeal which  
17 concerns only the issue of attorneys’ fees and expenses, the Plan of Allocation of the Net Settlement  
18 Fund, as hereinafter defined, or the procedures for determining Authorized Claimants’ recognized  
19 claims.

20           1.14 “Judgment” means the Judgment to be rendered by the Court, substantially in the  
21 form attached hereto as Exhibit B.

22           1.15 “LendingClub” means LendingClub Corporation.

23           1.16 “Litigations” means, collectively, the Federal Litigation (defined above) and the State  
24 Litigation (defined below).

25           1.17 “Net Settlement Fund” means the Settlement Fund less any attorneys’ fees and  
26 expenses provided for herein or approved by the Court and less Notice and Administration Expenses,  
27 Taxes and Tax Expenses, and other Court-approved deductions.

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1           1.18   “Notice” means the Notice of Pendency and Proposed Settlement of Class Action,  
2 which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit  
3 A-1.

4           1.19   “Notice and Administration Expenses” means reasonable costs and expenses incurred  
5 in connection with providing notice to Class Members, locating Class Members, soliciting claims,  
6 assisting with the submission of claims, processing Proof of Claim and Release forms, administering  
7 and distributing the Net Settlement Fund to Authorized Claimants, and paying escrow fees and costs,  
8 if any.

9           1.20   “Person” means an individual, corporation, limited liability corporation, professional  
10 corporation, partnership, limited partnership, limited liability partnership, association, joint stock  
11 company, joint venture, estate, legal representative, trust, unincorporated association, government or  
12 any political subdivision or agency thereof, and any business or legal entity, and including any of  
13 their heirs, successors, representatives, or assigns.

14           1.21   “Plan of Allocation” means a plan or formula of allocation of the Net Settlement  
15 Fund whereby the Net Settlement Fund shall be distributed to Authorized Claimants. Any Plan of  
16 Allocation is not part of the Stipulation, and neither Defendants nor their Related Parties shall have  
17 any responsibility or liability with respect thereto and any order or proceeding relating to the Plan of  
18 Allocation shall not operate to terminate or cancel this Stipulation or affect the finality of the  
19 Judgment.

20           1.22   “Preliminary Approval Order” means the Order Preliminarily Approving Settlement  
21 and Providing for Notice as approved by the Court, substantially in the form attached hereto as  
22 Exhibit A.

23           1.23   “Proof of Claim and Release” means a Proof of Claim and Release, which, subject to  
24 approval of the Court, shall be substantially in the form attached hereto as Exhibit A-2.

25           1.24   “Related Parties” means, as applicable, each of a person or entity’s respective present  
26 and former parents, subsidiaries, divisions, joint ventures, affiliates, and each of their and a person or  
27 entity’s respective present and former employees, members, partners, principals, agents, officers,  
28 directors, controlling shareholders, attorneys, advisors, accountants, auditors, financial or investment

1 advisors or consultants, banks or investment bankers, personal or legal representatives, insurers, co-  
2 insurers, reinsurers, related or affiliated entities, predecessors, successors, spouses, estates, heirs,  
3 executors, trusts, trustees, administrators, agents, representatives, and assigns, in their capacity as  
4 such, and any entity in which a person or entity has a controlling interest.

5           1.25 “Released Claims” means any and all claims, rights, causes of action, liabilities,  
6 actions, suits, damages, or demands (including Unknown Claims as defined in ¶1.42 herein) of any  
7 kind whatsoever, that Federal Lead Plaintiff, State Class Representatives, or any other Class Member  
8 has that relate in any way to the purchase, acquisition, holding, sale, or disposition of LendingClub  
9 common stock by Class Members during the period between December 10, 2014 through May 6,  
10 2016, inclusive, *and* either: (a) arise out of or are based upon or related to the facts alleged or the  
11 claims or allegations set forth in the Litigations; or (b) relate in any way to any alleged violation of  
12 the 1933 Act or the Exchange Act or any other state, federal or foreign jurisdiction’s securities or  
13 other laws, any alleged misstatement, omission or disclosure (including in financial statements) or  
14 other alleged securities-related wrongdoing or misconduct by the Released Defendants.  
15 Notwithstanding the foregoing, “Released Claims” does not include claims relating to any  
16 LendingClub shares that were purchased or acquired before December 10, 2014 or claims relating to  
17 the enforcement of the settlement.

18           1.26 “Released Defendants” means each and all of the Defendants and each of their  
19 Related Parties.

20           1.27 “Released Plaintiffs and Class Members” means Federal Lead Plaintiff, State Class  
21 Representatives, each Class Member, and to the full extent permissible under law, each of their  
22 Related Parties.

23           1.28 “Releasing Defendants” means each and all of the Defendants and each of their  
24 Related Parties.

25           1.29 “Releasing Defendants’ Claims” means all claims and causes of action of every  
26 nature and description, whether known or unknown, whether arising under federal, state, common or  
27 foreign law, that arise out of or relate in any way to the institution, prosecution or settlement of the  
28 Litigations or the Released Claims against the Released Defendants. Notwithstanding the foregoing,

1 “Releasing Defendants’ Claims” does not include claims relating to any LendingClub shares that  
2 were purchased or acquired before December 10, 2014 or claims relating to the enforcement of the  
3 settlement.

4 1.30 “Releasing Plaintiffs and Class Members” means Federal Lead Plaintiff, State Class  
5 Representatives, each Class Member, and to the full extent permissible under law, each of their  
6 Related Parties.

7 1.31 “Settlement Amount” means One Hundred Twenty-Five Million Dollars  
8 (\$125,000,000.00) in cash to be paid to the Escrow Agent by wire transfer, check, or as otherwise  
9 agreed pursuant to ¶2.1 of this Stipulation. This Settlement Amount shall be paid in two equal  
10 installments. The “Initial Settlement Amount” means Sixty Two Million Five-Hundred Thousand  
11 Dollars (\$62,500,000.00) in cash to be paid within twenty (20) business days after the entry of an  
12 order granting preliminary settlement approval. The “Additional Settlement Amount” means Sixty-  
13 Two Million Five-Hundred Thousand Dollars (\$62,500,000.00) in cash, to be paid no later than the  
14 earlier of one (1) business day prior to the final approval hearing, or ninety (90) calendar days after  
15 payment of the Initial Settlement Amount.

16 1.32 “Settlement Fund” means the Settlement Amount plus all interest and accretions  
17 thereto and which may be reduced by payments or deductions as provided herein or by Court order.

18 1.33 “Settlement Hearing” means the hearing to be held by the Court to determine whether  
19 the proposed settlement is fair, reasonable, and adequate and should be approved.

20 1.34 “Settling Parties” means, collectively, Federal Lead Plaintiff, State Class  
21 Representatives, all other Class Members, and Defendants.

22 1.35 “State Class” means all Persons and entities who purchased or acquired LendingClub  
23 common stock during the period from December 10, 2014 through June 8, 2015 (for claims under  
24 the 1933 Act), and were damaged thereby. Excluded from the State Class are defendants and their  
25 immediate families, the officers, directors and affiliates of defendants, at all relevant times, members  
26 of their immediate families and their legal representatives, heirs, successors or assigns, and any  
27 entity in which defendants have or had a controlling interest. Notwithstanding the foregoing, the  
28 State Class shall include any investment company or pooled investment fund, including, but not

1 limited to, mutual fund families, exchange traded funds, fund of funds and hedge funds, in which the  
2 Underwriter Defendants, or any of them, have, has or may have a direct or indirect interest, or as to  
3 which any Underwriter Defendant’s affiliates may act as an investment advisor, but as to which any  
4 Underwriter Defendant alone or together with any of its respective affiliates is neither a majority  
5 owner nor the holder of a majority beneficial interest. Also excluded from the State Class are those  
6 Persons who timely and validly request exclusion.

7 1.36 “State Court” means the Superior Court of the State of California, County of San  
8 Mateo.

9 1.37 “State Lead Counsel” means Scott+Scott, Attorneys at Law, LLP, 230 Park Avenue,  
10 The Helmsley Building, 230 Park Avenue, New York, NY and Cotchett, Pitre & McCarthy, LLP,  
11 840 Malcolm Road, Suite 200, Burlingame, CA 94010.

12 1.38 “State Class Representatives” means Kathy Geller, Dylan Youngblood, and Alton  
13 Consulting LLC.

14 1.39 “State Litigation” means the consolidated action captioned *In re LendingClub*  
15 *Corporation Shareholder Litigation*, Case No. CIV 537300, pending in the State Court.

16 1.40 “Summary Notice” means the Summary Notice for publication, which, subject to  
17 approval of the Court, shall be substantially in the form attached hereto as Exhibit A-3.

18 1.41 “Tax” or “Taxes” mean any and all taxes, fees, levies, duties, tariffs, imposts, and  
19 other charges of any kind (together with any and all interest, penalties, additions to tax and  
20 additional amounts imposed with respect thereto) imposed by any governmental authority.

21 1.42 “Unknown Claims” means (i) any Released Claims that Releasing Plaintiffs and  
22 Class Members do not know or suspect to exist in his, her or its favor at the time of the release,  
23 which, if known by him, her or it, might have affected his, her or its settlement with and release of  
24 the Released Defendants, or might have affected his, her or its decision not to object to this  
25 settlement or seek exclusion from this settlement, and (ii) any Releasing Defendants’ Claims that  
26 Releasing Defendants do not know or suspect to exist in his, her or its favor at the time of the  
27 release, which, if known by him, her or it, might have affected his, her or its settlement with and  
28 release of the Released Plaintiffs and Class Members. With respect to any and all Released Claims

1 and Releasing Defendants' Claims, the Settling Parties stipulate and agree that, upon the Effective  
2 Date, Federal Lead Plaintiff and State Class Representatives shall expressly waive and each of the  
3 Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly  
4 waived the provisions, rights, and benefits of California Civil Code §1542 and any law of any state  
5 or territory of the United States, or principle of common law, which is similar, comparable, or  
6 equivalent to California Civil Code §1542, which provides:

7 **A general release does not extend to claims which the creditor does not know or**  
8 **suspect to exist in his or her favor at the time of executing the release, which if**  
9 **known by him or her must have materially affected his or her settlement with**  
10 **the debtor.**

11 Releasing Plaintiffs and Class Members may hereafter discover facts in addition to or different from  
12 those which he, she or it now knows or believes to be true with respect to the subject matter of the  
13 Released Claims, but Federal Lead Plaintiff and State Class Representatives shall expressly settle  
14 and release and each Class Member, upon the Effective Date, shall be deemed to have, and by  
15 operation of the Judgment shall have, fully, finally, and forever settled and released any and all  
16 Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent,  
17 disclosed or undisclosed, matured or unmatured, whether or not concealed or hidden, which now  
18 exist, or heretofore have existed, upon any theory of law or equity now existing or coming into  
19 existence in the future, including, but not limited to, conduct which is negligent, intentional, with or  
20 without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or  
21 existence of such different or additional facts. Federal Lead Plaintiff and State Class Representatives  
22 acknowledge, and the Class Members shall be deemed by operation of the Judgment to have  
23 acknowledged, that the foregoing waiver was separately bargained for and a key element of the  
24 settlement of which this release is a part.

25 **2. The Settlement**

26 **a. The Settlement Amount**

27 2.1 Within twenty (20) business days after the entry of an order granting preliminary  
28 settlement approval, LendingClub will pay or cause to be paid the Initial Settlement Amount on  
behalf of Defendants in accordance with the instructions to be provided by the Escrow Agent. No

1 Defendant other than LendingClub shall be responsible for paying or causing to be paid the  
2 Settlement Amount. LendingClub will pay or cause to be paid the Additional Settlement Amount no  
3 later than the earlier of one (1) business day prior to the final approval hearing, or ninety (90)  
4 calendar days after payment of the Initial Settlement Amount, in accordance with the instructions to  
5 be provided by the Escrow Agent. The Settlement Amount may be paid by wire transfer, by  
6 delivering to the Escrow Agent a check or checks payable to the Settlement Fund, by any  
7 combination of those methods, or in any other manner agreed upon by Federal Lead Plaintiff and  
8 State Class Representatives and LendingClub. Within one (1) business day of execution of this  
9 Stipulation, the Escrow Agent will furnish to LendingClub adequate payment instructions consisting  
10 of wire transfer instructions, instructions for payment by check, and a completed IRS Form W-9 for  
11 the Settlement Fund, including an address and tax ID number.

12           2.2     If the entire Settlement Amount is not timely paid to the Escrow Agent, Federal Lead  
13 Plaintiff and State Class Representatives may terminate the settlement but only if (a) Federal and  
14 State Lead Counsel have notified Defendants' counsel in writing of Federal and State Lead  
15 Counsel's intention to terminate the settlement, and (b) the entire Settlement Amount is not  
16 transferred to the Escrow Agent within ten (10) calendar days after Federal and State Lead Counsel  
17 have provided such written notice. Failure by Federal and State Lead Counsel to timely furnish  
18 adequate payment instructions to LendingClub pursuant to ¶2.1 shall not be a basis for termination  
19 under this section and any delay in providing such instructions shall extend the period in which the  
20 Settlement Amount will be paid under ¶2.1 by an equivalent number of days.

21           2.3     The Escrow Agent shall deposit the Settlement Amount plus any accrued interest in a  
22 segregated Escrow Account maintained by the Escrow Agent.

23           2.4     Other than the obligation of LendingClub to cause the payment of the Settlement  
24 Amount pursuant to ¶2.1, the Released Defendants shall have no obligation to make any other  
25 payments into the Escrow Account or to any Class Member or Federal or State Lead Counsel  
26 pursuant to this Stipulation.

27  
28



1                   **b.       The Escrow Agent**

2           2.5       The Escrow Agent shall invest the Settlement Amount deposited pursuant to ¶2.1  
3 hereof in United States Agency or Treasury Securities or other instruments backed by the Full Faith  
4 & Credit of the United States Government or an Agency thereof, or fully insured by the United  
5 States Government or an Agency thereof and shall reinvest the proceeds of these instruments as they  
6 mature in similar instruments at their then-current market rates. All risks related to the investment of  
7 the Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be  
8 borne by the Settlement Fund and the Released Defendants shall have no responsibility for, interest  
9 in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or  
10 any transactions executed by the Escrow Agent.

11           2.6       The Escrow Agent shall not disburse the Settlement Fund except as provided in the  
12 Stipulation, by an order of the Court, or with the written agreement of counsel for all Defendants,  
13 and the Escrow Agent shall copy one of the two State Lead Counsel firms on all such instructions to  
14 disburse any portion of the Settlement Fund.

15           2.7       Subject to further order(s) and/or directions as may be made by the Court, or as  
16 provided in the Stipulation, the Escrow Agent is authorized to execute such transactions as are  
17 consistent with the terms of the Stipulation and shall copy one of the two State Lead Counsel firms  
18 on all such transactions. The Released Defendants shall have no responsibility for, interest in, or  
19 liability whatsoever with respect to the actions of the Escrow Agent, or any transaction executed by  
20 the Escrow Agent in its capacity as such.

21           2.8       All funds held by the Escrow Agent shall be deemed and considered to be in *custodia*  
22 *legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such  
23 funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

24           2.9       Upon the occurrence of the Effective Date, no Defendant, or any other person or  
25 entity who or which paid any portion of the Settlement Amount, shall have any right to the return of  
26 the Settlement Fund or any portion thereof for any reason whatsoever (including, without limitation,  
27 the number of Proof of Claim and Release forms submitted, the collective amount of recognized  
28

1 claims of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to  
2 Authorized Claimants from the Net Settlement Fund), except as set forth in ¶8.8 below.

3 2.10 Prior to the Effective Date and without further order of the Court, up to \$350,000 of  
4 the Settlement Fund may be used by Federal and State Lead Counsel to pay reasonable Notice and  
5 Administration Expenses actually incurred. After the Effective Date, Federal and State Lead  
6 Counsel may pay all further reasonable Notice and Administration Expenses from the Settlement  
7 Fund, regardless of amount, without further order of the Court.

8 2.11 Dissemination of the Notice and Summary Notice to Class Members in accordance  
9 with this Stipulation and as ordered by the Court shall be solely Federal and State Lead Counsel's  
10 responsibility. Class Members shall have no recourse as to the Released Defendants with respect to  
11 any claims they may have that arise from any failure of the notice process.

12 **c. Taxes**

13 2.12 (a) The Settling Parties and the Escrow Agent agree to treat the Settlement Fund  
14 as being at all times a "qualified settlement fund" within the meaning of Treas. Reg. §1.468B-1. In  
15 addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out  
16 the provisions of this ¶2.12, including the "relation-back election" (as defined in Treas. Reg.  
17 §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the  
18 procedures and requirements contained in such regulations. It shall be the responsibility of the  
19 Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature  
20 by all necessary parties, and thereafter to cause the appropriate filing to occur.

21 (b) For the purpose of §1.468B of the Internal Revenue Code of 1986, as  
22 amended, and the regulations promulgated thereunder, the "administrator" shall be the Escrow  
23 Agent. The Escrow Agent shall timely and properly file all informational and other tax returns  
24 necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns  
25 described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described in ¶2.12(a)  
26 hereof) shall be consistent with this ¶2.12 and in all events shall reflect that all Taxes (including any  
27 estimated Taxes, interest or penalties) on the income earned by the Settlement Fund shall be paid out  
28 of the Settlement Fund as provided in ¶2.12(c) hereof.

1           (c) All (i) Taxes (including any estimated Taxes, interest or penalties) arising  
2 with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that  
3 may be imposed upon the Released Defendants or their counsel with respect to any income earned  
4 by the Settlement Fund for any period during which the Settlement Fund does not qualify as a  
5 “qualified settlement fund” for federal or state income tax purposes, and (ii) expenses and costs  
6 incurred in connection with the operation and implementation of this ¶2.12 (including, without  
7 limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and  
8 expenses relating to filing (or failing to file) the returns described in this ¶2.12) (“Tax Expenses”),  
9 shall be paid out of the Settlement Fund; in all events the Released Defendants and their counsel  
10 shall have no liability or responsibility for the Taxes or the Tax Expenses. The Escrow Agent,  
11 through the Settlement Fund, shall indemnify and hold each of the Released Defendants and their  
12 counsel harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by  
13 reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and  
14 considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the  
15 Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent  
16 shall be authorized (notwithstanding anything herein to the contrary) to withhold from distribution to  
17 Authorized Claimants any funds necessary to pay such amounts, including the establishment of  
18 adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to  
19 be withheld under Treas. Reg. §1.468B-2(l)(2)); neither the Released Defendants nor their counsel  
20 are responsible nor shall they have any liability for any Taxes or Tax Expenses. The parties hereto  
21 agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the  
22 extent reasonably necessary to carry out the provisions of this ¶2.12.

23           **d. Termination of Settlement**

24           2.13 In the event that the Stipulation is not approved or the Stipulation is terminated,  
25 canceled, or fails to become effective for any reason, the Settlement Fund (including accrued  
26 interest), less Notice and Administration Expenses or Taxes or Tax Expenses paid, incurred, or due  
27 and owing in connection with the settlement provided for herein, shall be refunded pursuant to  
28 written instructions from counsel for LendingClub in accordance with ¶8.5 herein.

1           **3. Preliminary Approval Order and Settlement Hearing**

2           3.1 Promptly after execution of the Stipulation, Federal Lead Plaintiff shall submit the  
3 Stipulation together with its Exhibits to the Court and shall apply for entry of the Preliminary  
4 Approval Order, substantially in the form of Exhibit A attached hereto, requesting, *inter alia*, the  
5 preliminary approval of the settlement set forth in the Stipulation; amendment of the class definition  
6 for purposes of settlement as specified in ¶¶1.3 and 1.4; setting of dates for the mailing of the Notice,  
7 Claims Deadline, Opt Out Date, Objection Date, and Settlement Hearing; approval of the Claims  
8 Administrator; approval of the Notice; approval of the form and content of the Proof of Claim and  
9 Release; and approval of the publication of the Summary Notice, substantially in the forms of  
10 Exhibits A-1, A-2, and A-3 attached hereto. The Notice shall include the general terms of the  
11 settlement set forth in the Stipulation, the proposed Plan of Allocation and the general terms of the  
12 Fee and Expense Application, as defined in ¶7.1 hereof, and the date of the Settlement Hearing.

13           3.2 Any Class Member who wishes to opt out of the Class must submit a timely written  
14 request for exclusion on or before the opt out date, in the manner specified in the Court’s  
15 Preliminary Approval Order and Notice. Group opt-outs, including “mass” or “class” opt outs, are  
16 prohibited. Any Class Member who does not submit a timely written request for exclusion will be  
17 bound by all proceedings, orders and judgments in the Litigations, whether or not he, she, or it  
18 timely submits a Proof of Claim and Release.

19           3.3 Any Class Member who wishes to object to the fairness, reasonableness or adequacy  
20 of this settlement or the award of attorneys’ fees, costs, and expenses, must do so timely and in the  
21 manner specified in the Court’s Preliminary Approval Order and Notice.

22           3.4 If the Court grants preliminary approval, the Settling Parties will jointly move the  
23 Court to vacate the current pretrial and trial schedule. If the Court denies preliminary approval of  
24 the settlement as set forth herein, the Settling Parties will jointly move the Court to extend the  
25 current deadlines by the number of days that such denial is issued after February 5, 2018, the date on  
26 which Judge Spero advised Federal and State Lead Counsel, and counsel for LendingClub, that the  
27 mediator’s proposal had been accepted in principle.

28

1           3.5     Federal Lead Plaintiff shall request that after notice to Class Members is given, the  
2 Court hold the Settlement Hearing and approve the settlement of the Litigations as set forth herein.  
3 At or after the Settlement Hearing, Federal and State Lead Counsel also will request that the Court  
4 approve the proposed Plan of Allocation and the Fee and Expense Application. Federal Lead  
5 Plaintiff and Federal Lead Counsel and State Class Representatives and State Lead Counsel have  
6 agreed that 82% of the total of any fees awarded by the Court shall be paid to Federal Lead Counsel,  
7 and that 18% of the total of any fees awarded by the Court shall be paid to State Lead Counsel,  
8 subject to Court approval. In addition, as set forth in the proposed Notice, each State Class  
9 Representative may seek a service award from the State Court to be paid out of any Fee and Expense  
10 Award to State Lead Counsel.

11           **4.     Dismissal of State Litigation**

12           4.1     Within one (1) business day of the Federal Lead Plaintiff's filing of a motion seeking  
13 a Preliminary Approval Order, as set forth in ¶3.1, State Class Representatives and State Lead  
14 Counsel will file a notice of settlement with the State Court, attaching the Federal Lead Plaintiff's  
15 filing, and notifying the State Court that they will file a motion seeking dismissal of the State  
16 Litigation with prejudice after the Court enters the Preliminary Approval Order as contemplated by  
17 this Stipulation.

18           4.2     Within three (3) business days of entry of the Preliminary Approval Order, the State  
19 Class Representatives and State Lead Counsel will file a motion in the State Court to enter an order  
20 dismissing the State Litigation with prejudice, and to stay further proceedings in the State Court  
21 except as may be necessary or appropriate to facilitate consummation of this settlement pending  
22 dismissal. The Motion will request that dismissal occur upon entry of Judgment, and that the  
23 dismissal order become Final upon the Judgment becoming Final. All parties agree to cooperate  
24 regarding any additional steps as may be necessary or appropriate to modify the proposed forms of  
25 Notice to include any additional notice information that may be requested or required by the State  
26 Court under California Rule of Court 3.770(c). Federal Lead Plaintiff and Federal Lead Counsel do  
27 not, however, submit to the jurisdiction of the State Court. Any additional incremental costs of  
28

1 notice that may be required by the State Court shall be deemed costs of notice in this action, and  
2 shall be payable from the Settlement Fund.

3 4.3 State Class Representatives and State Lead Counsel will notify the State Court within  
4 two (2) business days of entry of Judgment.

5 4.4 State Class Representatives and State Lead Counsel will notify the State Court within  
6 two (2) business days of Judgment becoming Final.

7 **5. Mutual Releases**

8 5.1 The Proof of Claim and Release to be executed by Releasing Plaintiffs and Class  
9 Members shall release all Released Claims against the Released Defendants and shall be  
10 substantially in the form contained in Exhibit A-2 attached hereto.

11 5.2 Upon the Effective Date, all Releasing Plaintiffs and Class Members and anyone  
12 claiming through or on behalf of any of them, shall be deemed to have, and by operation of the  
13 Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released  
14 Claims against the Released Defendants. Upon the Effective Date, the Releasing Plaintiffs and Class  
15 Members will be forever barred and enjoined from commencing, instituting, prosecuting or  
16 continuing to prosecute any action or other proceeding in any court of law or equity, arbitration  
17 tribunal, or administrative forum, asserting the Released Claims against any of the Released  
18 Defendants.

19 5.3 Upon the Effective Date, each of the Releasing Defendants shall be deemed to have,  
20 and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and  
21 discharged all Releasing Defendants' Claims (including Unknown Claims) against Released  
22 Plaintiffs and Class Members, and Federal and State Lead Counsel, whether arising under federal,  
23 state, common or foreign law. Upon the Effective Date, the Releasing Defendants will be forever  
24 barred and enjoined from commencing, instituting, prosecuting or continuing to prosecute any action  
25 or other proceeding in any court of law or equity, arbitration tribunal, or administrative forum,  
26 asserting the Releasing Defendants' Claims against any of the Released Plaintiffs and Class  
27 Members, and Federal and State Lead Counsel. Releasing Defendants are aware of the California  
28

1 Civil Code §1542 and expressly waive and relinquish any rights or benefits available to them under  
2 this statute.

3 5.4 In exchange for the mutual releases and other consideration set forth herein, including  
4 full payment of the Settlement Amount, Federal Lead Plaintiff and State Class Representatives will  
5 dismiss with prejudice all Defendants from the Litigations as set forth herein.

6 5.5 The Settling Parties agree that the Court shall retain exclusive and continuing  
7 jurisdiction over the Settling Parties and the Class Members to interpret and enforce the terms,  
8 conditions, and obligations under this Stipulation.

9 5.6 Nothing herein shall release or alter the rights, if any, under the terms of any bylaws  
10 or other written agreements: (i) between Dolan, Laplanche and/or the Director Defendants, on the  
11 one hand, and LendingClub, on the other hand, (ii) between the Underwriter Defendants, on the one  
12 hand, and LendingClub, on the other hand, or (iii) between or among the Underwriter Defendants.

13 **6. Administration and Calculation of Claims, Final Awards and**  
14 **Supervision and Distribution of the Settlement Fund**

15 6.1 The Claims Administrator, subject to such supervision and direction of the Court as  
16 may be necessary or as circumstances may require, shall administer and calculate the claims  
17 submitted by Class Members and shall oversee distribution of the Net Settlement Fund to Authorized  
18 Claimants.

19 6.2 The Court shall have and retain exclusive jurisdiction over the Settlement Fund,  
20 which shall be applied as follows:

- 21 (a) to pay all Notice and Administration Expenses;
- 22 (b) to pay the Taxes and Tax Expenses described in ¶2.12 hereof;
- 23 (c) to pay attorneys' fees and expenses of Federal and State Lead Counsel (the  
24 "Fee and Expense Award"), if and to the extent allowed by the Court, and any service award and/or  
25 reimbursement to State Class Representatives approved by the State Court (which award shall be  
26 paid from the Fee and Expense Award to State Lead Counsel); and

27 (d) after the Effective Date, to distribute the Net Settlement Fund to Authorized  
28 Claimants as allowed by the Stipulation, the Plan of Allocation, or the Court.

1           6.3     After the Effective Date, and in accordance with the terms of the Stipulation, the Plan  
2 of Allocation, or such further approval and further order(s) of the Court as may be necessary or as  
3 circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants,  
4 subject to and in accordance with the following.

5           6.4     Within ninety (90) days after the mailing of the Notice or such other time as may be  
6 set by the Court, each Person claiming to be an Authorized Claimant shall be required to submit to  
7 the Claims Administrator a completed Proof of Claim and Release, substantially in the form of  
8 Exhibit A-2 attached hereto, signed under penalty of perjury and supported by such documents as are  
9 specified in the Proof of Claim and Release.

10          6.5     Except as otherwise ordered by the Court, all Class Members who fail to timely  
11 submit a valid Proof of Claim and Release within such period, or such other period as may be  
12 ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments  
13 pursuant to the Stipulation and the settlement set forth herein, but will in all other respects be subject  
14 to and bound by the provisions of the Stipulation, the releases contained herein, and the Judgment.  
15 Notwithstanding the foregoing, Federal and State Lead Counsel shall have the discretion (but not an  
16 obligation) to accept late-submitted claims for processing by the Claims Administrator so long as the  
17 distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby.  
18 Federal and State Lead Counsel shall also have the right, but not the obligation, to advise the Claims  
19 Administrator to waive what Federal and State Lead Counsel deem to be *de minimis* or formal or  
20 technical defects in any Proof of Claim and Release submitted.

21          6.6     Proofs of Claim and Release that do not meet the submission requirements may be  
22 rejected. Prior to rejecting a Proof of Claim and Release in whole or in part, the Claims  
23 Administrator shall communicate with the claimant in writing to give the claimant the chance to  
24 remedy any curable deficiencies in the Proof of Claim and Release submitted. The Claims  
25 Administrator, under such supervision of Federal and State Lead Counsel, as necessary, shall notify,  
26 in a timely fashion and in writing, all claimants whose claims the Claims Administrator proposes to  
27 reject in whole or in part for curable deficiencies, setting forth the reasons therefor, and shall indicate

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1 in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if  
2 the claimant so desires and complies with the requirements of ¶6.7 below.

3           6.7     If any claimant whose timely claim has been rejected in whole or in part for curable  
4 deficiency desires to contest such rejection, the claimant must, within twenty (20) calendar days after  
5 the date of mailing of the notice required in ¶6.6 above, or a lesser period of time if the claim was  
6 untimely, serve upon the Claims Administrator a notice and statement of reasons indicating the  
7 claimant's grounds for contesting the rejection along with any supporting documentation, and  
8 requesting a review thereof by the Court.

9           6.8     The Net Settlement Fund shall be distributed to the Authorized Claimants  
10 substantially in accordance with the Plan of Allocation set forth in the Notice and approved by the  
11 Court. If there is any balance remaining in the Net Settlement Fund after a reasonable period of time  
12 after the date of the initial distribution of the Net Settlement Fund, Federal and State Lead Counsel  
13 shall, if feasible, reallocate (which reallocation may occur on multiple occasions) such balance  
14 among Authorized Claimants in an equitable and economic fashion. Thereafter, any balance below  
15 \$5,000 which still remains in the Net Settlement Fund shall be donated to Second Harvest Food  
16 Bank or to another 501(c)(3) non-profit organization unaffiliated with Federal and State Lead  
17 Counsel and approved by the Court.

18           6.9     Defendants and their Related Parties shall have no responsibility for, interest in, or  
19 liability whatsoever with respect to: (i) any act, omission, or determination by Federal or State Lead  
20 Counsel, the Escrow Agent, or the Claims Administrator, or any of their respective designees or  
21 agents, in connection with the administration of the settlement or otherwise; (ii) the management,  
22 investment, or distribution of the Settlement Fund; (iii) the Plan of Allocation; (iv) the  
23 determination, administration, or calculation of claims to be paid from the Settlement Fund; or  
24 (v) the payment or withholding of Taxes or Tax Expenses, or any expenses or losses incurred in  
25 connection therewith. No Person shall have any claim of any kind against Defendants or their  
26 Related Parties with respect to the matters set forth in ¶¶6.1-6.9 hereof; and the Class Members,  
27 Federal Lead Plaintiff, State Class Representatives, and Federal and State Lead Counsel release  
28

1 Defendants and their Related Parties from any and all liability and claims arising from or with  
2 respect to the administration, investment or distribution of the Settlement Fund.

3           6.10 No Person shall have any claim against Federal Lead Plaintiff, State Class  
4 Representatives, Federal or State Lead Counsel or the Claims Administrator, or any other Person  
5 designated by Federal and State Lead Counsel, based on determinations or distributions made  
6 substantially in accordance with this Stipulation and the settlement contained herein, the Plan of  
7 Allocation, or further order(s) of the Court.

8           6.11 It is understood and agreed by the Settling Parties that any proposed Plan of  
9 Allocation of the Net Settlement Fund including, but not limited to, any adjustments to an  
10 Authorized Claimant's claim set forth therein, is not a part of the Stipulation and is to be considered  
11 by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy  
12 of the settlement set forth in the Stipulation, and any order or proceeding relating to the Plan of  
13 Allocation shall not operate to terminate or cancel the Stipulation or affect the finality of the Court's  
14 Judgment approving the Stipulation and the settlement set forth therein.

15           **7. Federal and State Lead Counsel's Attorneys' Fees and Expenses**

16           7.1 Federal and State Lead Counsel may submit an application or applications (the "Fee  
17 and Expense Application") to the Court for distributions from the Settlement Fund for: (a) an award  
18 of attorneys' fees; plus (b) expenses or charges incurred in connection with prosecuting the  
19 Litigations; plus (c) any interest on such attorneys' fees and expenses at the same rate and for the  
20 same periods as earned by the Settlement Fund (until paid) as may be awarded by the Court.

21           7.2 Any fees and expenses awarded by the Court shall be paid to Federal and State Lead  
22 Counsel from the Settlement Fund, as ordered, immediately after the Court executes the Judgment  
23 and an order awarding such fees and expenses.

24           7.3 In the event that the Effective Date does not occur, or the Judgment or the order  
25 making the Fee and Expense Award is reversed or modified, or this Stipulation is canceled or  
26 terminated for any other reason, and such reversal, modification, cancellation, or termination  
27 becomes Final and not subject to review, and in the event that the Fee and Expense Award has been  
28 paid to any extent, then Federal and State Lead Counsel, including its partners and/or shareholders

1 who have received any portion of the Fee and Expense Award shall, within ten (10) business days  
2 from receiving notice from LendingClub's counsel or from a court of appropriate jurisdiction, refund  
3 to the Settlement Fund such fees and expenses previously paid to them from the Settlement Fund  
4 plus interest thereon at the same rate as earned on the Settlement Fund in an amount consistent with  
5 such reversal or modification. Any refunds required pursuant to ¶7.3 shall be the several obligation  
6 of Federal and State Lead Counsel, including their partners and/or shareholders.

7           7.4     The procedure for and the allowance or disallowance by the Court of any applications  
8 by any plaintiff's counsel for attorneys' fees and expenses, or by any State Class Representatives for  
9 a service award in the State Court, to be paid out of the Settlement Fund, are not part of the  
10 settlement set forth in the Stipulation, and are to be considered by the Court (and/or the State Court,  
11 in the case of any application for a service award to the State Class Representatives) separately from  
12 the Court's consideration of the fairness, reasonableness and adequacy of the settlement set forth in  
13 the Stipulation, and any order or proceeding relating to the Fee and Expense Application, or  
14 application for service award, or any appeal from any order relating thereto or reversal or  
15 modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the  
16 finality of the Judgment approving the Stipulation and the settlement of the Litigations set forth  
17 therein.

18           7.5     Any fees and/or expenses awarded by the Court shall be paid solely from the  
19 Settlement Fund, and any service award by the State Court shall be paid solely from the Fee and  
20 Expense Award to State Lead Counsel. Defendants and their Related Parties shall have no  
21 responsibility for any payment of attorneys' fees and/or expenses to Federal or State Lead Counsel,  
22 or any other plaintiff's counsel, or service award to any State Class Representative(s).

23           7.6     Defendants are not entitled to any award of fees or expenses from the Settlement  
24 Fund. This exclusion includes, but is not limited to, a complete waiver of any entitlement to  
25 expenses related to the junior underwriters' document productions.

26           7.7     Defendants and their Related Parties shall have no responsibility for the allocation  
27 among Federal or State Lead Counsel, or any other plaintiff's counsel, and or any other Person who  
28 may assert some claim thereto, of any Fee and Expense Award that the Court may make in the

1 Litigations. Nor shall Defendants or their Related Parties have any responsibility for the allocation  
2 of any Fee and Expense Award that the Court may award to State Lead Counsel, and any allocation  
3 of any such award among the various State Lead Counsel shall be at the sole discretion of State Lead  
4 Counsel.

5 **8. Conditions of Settlement, Effect of Disapproval, Cancellation or**  
6 **Termination**

7 8.1 The Effective Date of the Stipulation shall be conditioned on the occurrence of all of  
8 the following events:

- 9 (a) the Settlement Amount has been deposited into the Escrow Account;  
10 (b) the Court has entered the Preliminary Approval Order, as required by ¶3.1  
11 hereof;  
12 (c) the Court has entered the Judgment, or a judgment substantially in the form of  
13 Exhibit B attached hereto;  
14 (d) Defendants have not exercised their option to terminate the Stipulation  
15 pursuant to ¶8.4 hereof;  
16 (e) the Judgment has become Final, as defined in ¶1.13 hereof; and  
17 (f) the State Court’s order dismissing the State Litigation with prejudice has  
18 become Final, as defined in ¶1.13 hereof.

19 8.2 Upon the Effective Date, any and all remaining interest or right of Defendants in or to  
20 the Settlement Fund, if any, shall be absolutely and forever extinguished.

21 8.3 If the conditions specified in ¶8.1 hereof are not met, then the Stipulation shall be  
22 canceled and terminated subject to ¶¶8.5-8.7 hereof unless Federal and State Lead Counsel and  
23 counsel for all Defendants mutually agree in writing to proceed with the Stipulation.

24 8.4 If Persons who would otherwise be Class Members have timely requested exclusion  
25 from this settlement in accordance with the Notice, Defendants shall have the option (which option  
26 must be exercised collectively) to terminate the settlement in the event that Class Members  
27 representing more than a certain percentage of LendingClub common stock subject to this settlement  
28 exclude themselves from the Class, as set forth in a separate agreement (the “Supplemental

1 Agreement”) executed between Federal Lead Plaintiff, State Class Representatives, and Defendants,  
2 by and through their counsel. The Supplemental Agreement will not be filed with the Court unless a  
3 dispute arises as to its terms, or as otherwise ordered by the Court, nor shall the Supplemental  
4 Agreement otherwise be disclosed unless ordered by the Court. If the Court requires that the  
5 Supplemental Agreement be filed, the parties shall request that it be filed under seal or redacted.

6 8.5 Unless otherwise ordered by the Court, in the event the Stipulation shall terminate, or  
7 be canceled, or shall not become effective for any reason, within five (5) business days after written  
8 notification of such event is sent by counsel for any Defendant or Federal and State Lead Counsel to  
9 the Escrow Agent, the Settlement Fund (including accrued interest), less expenses which have either  
10 been disbursed pursuant to ¶¶2.10 or 2.12 hereof, or are chargeable to the Settlement Fund pursuant  
11 to ¶¶2.10 or 2.12 hereof, shall be refunded by the Escrow Agent pursuant to written instructions  
12 from LendingClub’s counsel. The Escrow Agent or its designee shall apply for any tax refund owed  
13 on the Settlement Amount and pay the proceeds, after deduction of any fees or expenses incurred in  
14 connection with such application(s) for refund, pursuant to written instructions from LendingClub’s  
15 counsel.

16 8.6 In the event that the Stipulation is not approved by the Court or the settlement set  
17 forth in the Stipulation is terminated or fails to become effective in accordance with its terms, the  
18 Settling Parties shall be restored to their respective positions in the Litigations as of February 5,  
19 2018. In such event, the terms and provisions of the Stipulation, with the exception of ¶¶1.1-1.42,  
20 2.10-2.13, 7.3, 8.5-8.7, 9.7, and 9.9 hereof, shall be null and void, have no further force and effect,  
21 and shall not be used in these Litigations or in any other proceeding for any purpose, and any  
22 judgment or order entered by the Court in accordance with the terms of the Stipulation shall be  
23 treated as vacated, *nunc pro tunc*, and shall not be used in the Litigations or in any other proceeding  
24 for any purpose. No order of the Court or modification or reversal on appeal of any order of the  
25 Court concerning the Plan of Allocation, or any attorneys’ fees, costs, expenses, and interest  
26 awarded by the Court to Federal or State Lead Counsel, or any other plaintiff’s counsel, or any order  
27 of the Court or State Court concerning the amount of any service award, shall operate to terminate or  
28 cancel this Stipulation or constitute grounds for cancellation or termination of the Stipulation.

1           8.7     If the Effective Date does not occur, or if the Stipulation is terminated pursuant to its  
2 terms, neither Federal Lead Plaintiff nor State Class Representatives nor any of their counsel shall  
3 have any obligation to repay any amounts disbursed pursuant to ¶¶2.10 or 2.12. In addition, any  
4 expenses already incurred pursuant to ¶¶2.10 or 2.12 hereof at the time of such termination or  
5 cancellation but which have not been paid, shall be paid by the Escrow Agent in accordance with the  
6 terms of the Stipulation prior to the balance being refunded in accordance with ¶¶2.13 and 8.5  
7 hereof.

8           8.8     LendingClub warrants and represents that it is not “insolvent” within the meaning of  
9 11 U.S.C. §101(32) as of the time the Stipulation is executed and will not be as of the time the  
10 payments of the Settlement Amount are actually transferred or made as reflected in the Stipulation.  
11 This representation is made by LendingClub and not by LendingClub’s counsel. In the event of a  
12 final order of a court of competent jurisdiction, not subject to any further proceedings, determining  
13 the transfer of the Settlement Amount to the Settlement Fund, or any portion thereof, by  
14 LendingClub to be a voidable preference, voidable transfer, fraudulent transfer, or similar transaction  
15 under Title 11 of the United States Code (Bankruptcy), or applicable state law, and any portion  
16 thereof is required to be refunded, then the Settling Parties shall jointly move the Court to vacate and  
17 set aside the release given and the Judgment entered in favor of Defendants, the Settling Parties shall  
18 be restored to their litigation positions as of February 5, 2018, and the Settlement Fund shall be  
19 promptly returned.

## 20           **9.     Miscellaneous Provisions**

21           9.1     The Settling Parties: (a) acknowledge that it is their intent to consummate this  
22 Stipulation; and (b) agree to cooperate to the extent reasonably necessary to effectuate and  
23 implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish  
24 the foregoing terms and conditions of the Stipulation.

25           9.2     The Settling Parties and their respective counsel agree that they will act in good faith  
26 and will not engage in any conduct that could frustrate the purpose of this Stipulation.

27           9.3     Defendants and the State Class Representatives agree that they will cooperate in  
28 obtaining dismissal of the State Litigation with prejudice pursuant to ¶¶4.1- 4.4.

1           9.4     The Settling Parties and their respective counsel will not make any public statement  
2 that disparages the settlement.

3           9.5     The determination of the terms and conditions contained herein and the drafting of the  
4 provisions of this Stipulation have been by mutual understanding after negotiation, with  
5 consideration by, and participation of, the Settling Parties and their counsel. This Stipulation shall  
6 not be construed against any Settling Party on the basis that it was the drafter or participated in the  
7 drafting. Any statute or rule of construction that ambiguities are to be resolved against the drafting  
8 party shall not be employed in the implementation of this Stipulation and the Settling Parties agree  
9 that the drafting of this Stipulation has been a mutual undertaking.

10          9.6     The Settling Parties intend this settlement to be a final and complete resolution of all  
11 disputes and claims between Releasing Plaintiffs and Class Members, on the one hand, and Released  
12 Defendants, on the other hand, with respect to the Litigations. The settlement resolves claims which  
13 are contested and shall not be deemed an admission by any Settling Party as to the merits of any  
14 claim or defense. The Settling Parties agree that, and the Final Judgment will contain a finding that,  
15 during the course of the Litigations, the parties and their respective counsel at all times complied  
16 with the requirements of Federal Rule of Civil Procedure 11 and California Code of Civil Procedure  
17 §128.7. The Settling Parties agree that the Settlement Amount and the other terms of the settlement  
18 were negotiated in good faith by the Settling Parties, and reflect a settlement that was reached  
19 voluntarily after consultation with competent legal counsel. Defendants and Federal Lead Plaintiff  
20 agree that they will not assert that each other and their counsel did not act in good faith with respect  
21 to the Federal Litigation. Defendants and State Class Representatives agree that they will not assert  
22 that each other and their counsel did not act in good faith with respect to the State Litigation.

23          9.7     Neither this Stipulation nor the settlement contained herein, nor any act performed or  
24 document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be  
25 deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim,  
26 the truth of any of the allegations in the Litigations of any wrongdoing, fault, or liability of  
27 Defendants or their respective Related Parties, or that Federal Lead Plaintiff or State Class  
28 Representatives or any Class Members have suffered any damages, harm, or loss; or (b) is or may be

1 deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of  
2 Defendants or their respective Related Parties in any civil, criminal, or administrative proceeding in  
3 any court, administrative agency, or other tribunal.

4 9.8 Defendants and/or their respective Related Parties may file this Stipulation and/or the  
5 Judgment in any other action that may be brought against them in order to support a defense or  
6 counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement,  
7 judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or  
8 counterclaim.

9 9.9 All agreements made and orders entered during the course of the Litigations relating  
10 to the confidentiality of information shall survive this Stipulation.

11 9.10 All of the Exhibits to the Stipulation are material and integral parts hereof and are  
12 fully incorporated herein by this reference.

13 9.11 The Stipulation may be amended or modified only by a written instrument signed by  
14 or on behalf of all Settling Parties or their respective successors-in-interest.

15 9.12 The Stipulation and the Exhibits attached hereto and the Supplemental Agreement  
16 constitute the entire agreement among the parties hereto and no representations, warranties or  
17 inducements have been made to any party concerning the Stipulation or its Exhibits other than the  
18 representations, warranties, and covenants contained and memorialized in such documents. Except  
19 as otherwise provided herein or under the terms of any bylaws or other written agreements between  
20 or among some or all Defendants, each party shall bear its own costs and expenses.

21 9.13 Federal Lead Counsel, on behalf of the Class, is expressly authorized by the Federal  
22 Lead Plaintiff, and State Lead Counsel, on behalf of the State Class, is expressly authorized by the  
23 State Class Representatives, to take all appropriate action required or permitted to be taken by the  
24 class members they represent pursuant to the Stipulation to effectuate its terms and also are expressly  
25 authorized to enter into any modifications or amendments to the Stipulation on behalf of the class  
26 members they represent, which they deem appropriate.

27 9.14 Each counsel or other Person executing the Stipulation or any of its Exhibits on  
28 behalf of any party hereto hereby warrants that such Person has the full authority to do so.





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# **EXHIBIT A**

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re LENDINGCLUB SECURITIES  
LITIGATION

) Case No. 3:16-cv-02627-WHA

) CLASS ACTION

\_\_\_\_\_  
This Document Relates To:

) [PROPOSED] ORDER PRELIMINARILY  
) APPROVING SETTLEMENT AND  
) PROVIDING FOR NOTICE

ALL ACTIONS.

)  
EXHIBIT A

1           WHEREAS, an action is pending before this Court entitled *In re LendingClub Securities*  
2 *Litigation*, Case No. 3:16-cv-02627-WHA (the “Federal Litigation”);

3           WHEREAS, an action is pending in the Superior Court of the State of California, County of  
4 San Mateo, entitled *In re LendingClub Corporation Shareholder Litigation*, Case No. CIV 537300  
5 (the “State Litigation”);

6           WHEREAS, the class representatives in the State Litigation have appeared before this Court  
7 and participated in settlement negotiations before Chief Magistrate Judge Joseph C. Spero;

8           WHEREAS, on \_\_\_\_\_, 2018, the Court so ordered the parties’ stipulation as to the  
9 definition of the class in this litigation for settlement purposes;

10           WHEREAS, the parties having made application, pursuant to Federal Rule of Civil  
11 Procedure 23(e), for an order preliminarily approving the settlement of the Federal Litigation, in  
12 accordance with a Stipulation of Settlement dated February 21, 2018 (the “Stipulation”), which,  
13 together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed  
14 settlement of the Federal Litigation and the State Litigation and for dismissal of the Federal  
15 Litigation and the State Litigation with prejudice upon the terms and conditions set forth therein; and  
16 the Court having read and considered the Stipulation and the Exhibits annexed thereto; and

17           WHEREAS, unless otherwise defined, all terms used herein have the same meanings as set  
18 forth in the Stipulation.

19           NOW, THEREFORE, IT IS HEREBY ORDERED:

20           1.       The Court has reviewed the Stipulation and does hereby preliminarily approve the  
21 settlement set forth therein, subject to further consideration at the Settlement Hearing described  
22 below.

23           2.       A hearing (the “Settlement Hearing”) shall be held before this Court on \_\_\_\_\_,  
24 2018, at \_\_\_\_\_ [a date that is at least 110 calendar days from the date of this Order], at the United  
25 States District Court for the Northern District of California, 450 Golden Gate Avenue, San  
26 Francisco, CA 94102, to determine whether the proposed settlement of the Litigations on the terms  
27 and conditions provided for in the Stipulation is fair, reasonable, and adequate to Class Members and  
28 should be approved by the Court; to determine whether a Judgment as provided in ¶1.14 of the

1 Stipulation should be entered; to determine whether the proposed Plan of Allocation is fair,  
2 reasonable, and adequate and should be approved; and to determine the amount of fees and expenses  
3 that should be awarded to Federal and State Lead Counsel.

4 3. The Court approves, as to form and content, the Notice of Pendency and Proposed  
5 Settlement of Class Action (the “Notice”), the Proof of Claim and Release form (the “Proof of Claim  
6 and Release”), and the Summary Notice annexed hereto as Exhibits A-1, A-2, and A-3, respectively,  
7 and finds that the mailing and distribution of the Notice and publishing of the Summary Notice,  
8 substantially in the manner and form set forth in ¶¶5-8 of this Order, meet the requirements of  
9 Federal Rule of Civil Procedure 23 and due process, and is the best notice practicable under the  
10 circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

11 4. The firm of Gilardi & Co. LLC (“Claims Administrator”) is hereby appointed to  
12 supervise and administer the notice procedure as well as the processing of claims as more fully set  
13 forth below.

14 5. Not later than \_\_\_\_\_, 2018 [ten (10) business days after the Court signs and enters  
15 this Order] (the “Notice Date”), the Claims Administrator shall commence mailing the Notice and  
16 Proof of Claim and Release, substantially in the forms annexed hereto, by First-Class Mail to all  
17 Class Members who can be identified with reasonable effort, and shall post the Notice and Proof of  
18 Claim and Release on its website at [www.LendingClubSecuritiesClassAction.com](http://www.LendingClubSecuritiesClassAction.com).

19 6. Not later than fourteen (14) calendar days after the Notice Date, the Claims  
20 Administrator shall cause the Summary Notice to be published once in the national edition of *The*  
21 *Wall Street Journal* and once over a national newswire service.

22 7. At least fourteen (14) calendar days prior to the Settlement Hearing, Federal Lead  
23 Counsel shall serve on Defendants’ counsel and file with the Court proof, by affidavit or declaration,  
24 of such mailing and publishing.

25 8. Nominees who purchased or otherwise acquired LendingClub common stock for the  
26 beneficial ownership of Class Members during the period from December 10, 2014 through May 6,  
27 2016, shall either: (i) send the Notice and the Proof of Claim and Release to all such beneficial  
28 owners of LendingClub common stock within ten (10) business days after receipt thereof, or



1 (ii) send a list of the names and addresses of such beneficial owners to the Claims Administrator  
2 within ten (10) business days of receipt thereof, in which event the Claims Administrator shall  
3 promptly mail the Notice and Proof of Claim and Release to such beneficial owners. Federal Lead  
4 Counsel shall, if requested, reimburse banks, brokerage houses or other nominees solely for their  
5 reasonable out-of-pocket expenses incurred in providing notice to beneficial owners who are Class  
6 Members out of the Settlement Fund, which expenses would not have been incurred except for the  
7 sending of such notice, subject to further order of this Court with respect to any dispute concerning  
8 such compensation.

9           9. All Class Members shall be bound by all determinations and judgments in the Federal  
10 Litigation concerning the settlement, whether favorable or unfavorable to Class Members.

11           10. Class Members who wish to participate in the settlement shall complete and submit a  
12 Proof of Claim and Release in accordance with the instructions contained therein. Unless the Court  
13 orders otherwise, all Proof of Claim and Release forms must be postmarked or submitted  
14 electronically no later than ninety (90) calendar days from the Notice Date. Any Class Member who  
15 does not timely submit a Proof of Claim and Release within the time provided for shall be barred  
16 from sharing in the distribution of the proceeds of the Settlement Fund, unless otherwise ordered by  
17 the Court. Notwithstanding the foregoing, Federal and State Lead Counsel may, in their discretion,  
18 accept late-submitted claims for processing by the Claims Administrator so long as distribution of  
19 the Net Settlement Fund to Authorized Claimants is not materially delayed thereby.

20           11. Class Members shall be bound by all determinations and judgments in the Federal  
21 Litigation, whether favorable or unfavorable, unless they request exclusion from the Class in a  
22 timely and proper manner, as hereinafter provided. Group opt-outs, including “mass” or “class” opt  
23 outs, are prohibited. A Class Member wishing to request exclusion shall mail a request for exclusion  
24 in written form by First-Class Mail such that it is received, not simply postmarked, on or before  
25 \_\_\_\_\_, 2018 [twenty-one (21) calendar days prior to the Settlement Hearing], by the Claims  
26 Administrator at the address designated in the Notice. Such request for exclusion must state the  
27 name, address, and telephone number of the Person seeking exclusion, must state that the sender  
28 requests to be “excluded from the Class and does not wish to participate in the settlement in *In re*

1 *LendingClub Securities Litigation*, Case No. 3:16-cv-02627-WHA (N.D. Cal.),” and must be signed  
2 by such Person. Such Persons requesting exclusion must also state the information requested in the  
3 Notice, including, but not limited to: the date(s), price(s), and number(s) of shares of all purchases  
4 and acquisitions and/or sales of LendingClub common stock during the period from December 10,  
5 2014 through May 6, 2016, inclusive. The request for exclusion shall not be effective unless it  
6 provides the required information and is made within the time stated above, or the exclusion is  
7 otherwise accepted by the Court. Class Members who make an effective request for exclusion from  
8 the Class shall not be bound by the settlement and shall not be entitled to receive any payment out of  
9 the Net Settlement Fund as described in the Stipulation and Notice. Any Class Member who does  
10 not submit a timely written request for exclusion will be bound by all proceedings, orders and  
11 judgments in the Federal Litigation, whether or not he, she, or it timely submits a Proof of Claim and  
12 Release.

13       12. Any Class Member may enter an appearance in the Federal Litigation, at their own  
14 expense, individually or through counsel of their own choice. If they do not enter an appearance,  
15 they will be represented by Federal Lead Counsel. In addition, members of the State Class (unless  
16 they choose to opt out of the Class) will be represented by State Lead Counsel for matters relating to  
17 approval of the settlement.

18       13. Any Class Member may appear and show cause why the proposed settlement of the  
19 Federal Litigation and the State Litigation should or should not be approved as fair, reasonable, and  
20 adequate, why a judgment should or should not be entered thereon, why the Plan of Allocation  
21 should or should not be approved, and why attorneys’ fees and expenses should or should not be  
22 awarded to Federal or State Lead Counsel; provided, however, that no Class Member or any other  
23 Person shall be heard or entitled to contest such matters, unless that Person has submitted said  
24 objections, papers, and briefs to the Court either by mailing them to the Class Action Clerk, United  
25 States District Court for the Northern District of California, San Francisco Division, 450 Golden  
26 Gate Avenue, San Francisco, CA 94102, or by filing them in person at any location of the United  
27 States District Court for the Northern District of California, or electronically by ECF on the docket  
28 for this case. Such objections, papers, and briefs must be received or filed, not simply postmarked,

1 on or before \_\_\_\_\_, 2018 [twenty-one (21) calendar days prior to the Settlement Hearing]. Any  
2 Class Member who does not make his, her or its objection in the manner and time provided for in the  
3 Notice shall be deemed to have waived such objection and shall forever be foreclosed from making  
4 any objection to the fairness or adequacy of the proposed settlement as set forth in the Stipulation, to  
5 the Plan of Allocation, or to the award of attorneys' fees and expenses to Federal or State Lead  
6 Counsel, unless otherwise ordered by the Court. Attendance at the Settlement Hearing is not  
7 necessary. However, persons wishing to be heard orally in opposition to approval of the settlement,  
8 the Plan of Allocation, and/or the application for an award of attorneys' fees and expenses are  
9 required to indicate in their written objection their intention to appear at the hearing. Persons who  
10 intend to object to the settlement, the Plan of Allocation, and/or the application for an award of  
11 attorneys' fees and expenses and desire to present evidence at the Settlement Hearing must include  
12 in their written objections the identity of any witnesses they may call to testify and copies of any  
13 exhibits they intend to introduce into evidence at the Settlement Hearing. If an objector hires an  
14 attorney to represent him, her, or it for the purposes of making an objection, the attorney must file a  
15 notice of appearance with the Court and effect service on the parties to the Litigations on or before  
16 \_\_\_\_\_, 2018 [twenty-one (21) calendar days prior to the Settlement Hearing].

17 14. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia*  
18 *legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such  
19 funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

20 15. All opening briefs and supporting documents in support of the settlement, the Plan of  
21 Allocation, and any application by Federal or State Lead Counsel for attorneys' fees and expenses  
22 shall be filed and served by \_\_\_\_\_, 2018 [thirty-five (35) calendar days prior to the Settlement  
23 Hearing]. Replies to any objections shall be filed and served by \_\_\_\_\_, 2018 [fourteen (14)  
24 calendar days prior to the Settlement Hearing].

25 16. Neither the Defendants and their Related Parties nor the Defendants' counsel shall  
26 have any responsibility for the Plan of Allocation or any application for attorneys' fees or expenses  
27 submitted by Federal or State Lead Counsel, and such matters will be considered separately from the  
28 fairness, reasonableness, and adequacy of the settlement.

1           17.     At or after the Settlement Hearing, the Court shall determine whether the Plan of  
2 Allocation proposed by Federal Lead Counsel and any applications for attorneys' fees or payment of  
3 expenses shall be approved.

4           18.     All reasonable expenses incurred in identifying and notifying Class Members, as well  
5 as administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event the  
6 settlement is not approved by the Court, or otherwise fails to become effective, Federal Lead  
7 Plaintiff, State Class Representatives, Federal Lead Counsel and State Lead Counsel shall not have  
8 any obligation to repay any amounts incurred and properly disbursed pursuant to ¶¶2.10 or 2.12 of  
9 the Stipulation.

10           19.     Neither the Stipulation, nor the settlement contained therein, nor any act performed or  
11 document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be  
12 deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim,  
13 the truth of any of the allegations in the Litigations, of any wrongdoing, fault, or liability of the  
14 Defendants or their respective Related Parties, or that Federal Lead Plaintiff, State Class  
15 Representatives, or any Class Members have suffered any damages, harm, or loss; or (b) is or may  
16 be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any  
17 Defendants or their respective Related Parties in any civil, criminal, or administrative proceeding in  
18 any court, administrative agency, or other tribunal.

19           20.     The Court reserves the right to adjourn the date of the Settlement Hearing without  
20 further notice to the Class Members, and retains jurisdiction to consider all further applications  
21 arising out of or connected with the proposed settlement. The Court may approve the settlement,  
22 with such modifications as may be agreed to by the Settling Parties, if appropriate, without further  
23 notice to the Class.

24           21.     In the event that the Stipulation is not approved by the Court or the settlement set  
25 forth in the Stipulation is terminated or fails to become effective in accordance with its terms, the  
26 Settling Parties shall be restored to their respective positions in the Litigations as of February 5,  
27 2018. In such event, the terms and provisions of the Stipulation, except as set forth in the  
28 Stipulation, shall be null and void, have no further force and effect, and shall not be used in the

1 Litigations or in any other proceeding for any purpose, and this Order, in accordance with the terms  
2 of the Stipulation, shall be treated as vacated, *nunc pro tunc*, and shall not be used in the Litigations  
3 or in any other proceeding for any purpose.

4 22. Pending final determination of whether the proposed settlement should be approved,  
5 neither Federal Lead Plaintiff, nor State Class Representatives, nor any Class Member, directly or  
6 indirectly, representatively, or in any other capacity, may commence or prosecute against any of the  
7 Defendants, any action or proceeding in any court or tribunal asserting any of the Released Claims.

8 23. Pending final determination of whether the proposed settlement should be approved,  
9 none of the Defendants, directly or indirectly, representatively, or in any other capacity, may  
10 commence or prosecute against Federal Lead Plaintiff, State Class  
11 Representatives, any Class Member, or Federal or State Lead Counsel any action or proceeding in  
12 any court or tribunal asserting any Releasing Defendants' Claims.

13 24. Pending further order of the Court, all litigation activity, except that contemplated  
14 herein, in the Stipulation, in the Notice, in the Summary Notice, or in the Judgment, is hereby stayed  
15 and all hearings, deadlines and other proceedings in the Federal Litigation, except the Settlement  
16 Hearing and any deadlines set forth in this Order, are hereby taken off calendar.

17 IT IS SO ORDERED.

18 DATED: \_\_\_\_\_ THE HONORABLE WILLIAM ALSUP  
19 UNITED STATES DISTRICT JUDGE

20 Submitted by:  
21 ROBBINS GELLER RUDMAN  
22 & DOWD LLP  
23 DARREN J. ROBBINS  
24 JASON A. FORGE  
25 SCOTT H. SAHAM  
26 RACHEL L. JENSEN  
27 MICHAEL ALBERT  
28 CARISSA J. DOLAN

\_\_\_\_\_  
s/ Jason A. Forge  
JASON A. FORGE

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655 West Broadway, Suite 1900  
San Diego, CA 92101  
Telephone: 619/231-1058  
619/231-7423 (fax)

Lead Counsel for Lead Plaintiff

# **EXHIBIT A-1**

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 & DOWD LLP  
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 JASON A. FORGE (181542)  
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11 Lead Counsel for Lead Plaintiff

12 UNITED STATES DISTRICT COURT  
 13  
 14 NORTHERN DISTRICT OF CALIFORNIA

In re LENDINGCLUB SECURITIES	)	Case No. 3:16-cv-02627-WHA
LITIGATION	)	
<hr/>	)	<u>CLASS ACTION</u>
This Document Relates To:	)	NOTICE OF PENDENCY AND PROPOSED
	)	SETTLEMENT OF CLASS ACTION
ALL ACTIONS.	)	
<hr/>	)	EXHIBIT A-1

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1 **TO: All persons and entities who purchased or otherwise acquired LendingClub**  
 2 **Corporation (“LendingClub” or the “Company”) common stock from December 10,**  
 3 **2014 through May 6, 2016, inclusive**

4 PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY  
 5 BE AFFECTED BY A PROPOSED CLASS ACTION SETTLEMENT IN LAWSUITS PENDING  
 6 IN FEDERAL AND STATE COURTS.

7 IF YOU ARE A CLASS MEMBER, YOU MUST SUBMIT A CLAIM FORM TO OBTAIN YOUR  
 8 SHARE OF THE SETTLEMENT. IF YOU DO NOT SUBMIT A CLAIM, YOU WILL NOT  
 9 HAVE ANY RIGHT TO COMPENSATION UNLESS YOU OPT OUT OF THE CLASS.

10 This Notice concerns lawsuits that federal and state courts have certified as class actions on behalf of  
 11 investors (individuals and entities) who purchased or acquired LendingClub common stock from  
 12 December 10, 2014 through May 6, 2016.<sup>1</sup> The Federal lawsuit is referred to as *In re LendingClub*  
 13 *Securities Litigation*, Case No. 3:16-cv-02627-WHA (the “Federal Litigation”) and is pending before  
 14 the Honorable William Alsup in the United States District Court for the Northern District of  
 15 California (the “Court”). The State lawsuit is referred to as *In re LendingClub Corporation*  
 16 *Shareholder Litigation*, Case No. CIV 537300 (the “State Litigation”) and is pending before the  
 17 Honorable Marie S. Weiner of the Superior Court for the State of California, County of San Mateo  
 18 (the “State Court”).

19 This Notice is to inform you that the Federal Lead Plaintiff, Water and Power Employees’  
 20 Retirement, Disability and Death Plan of the City of Los Angeles (“Federal Lead Plaintiff” or  
 21 “WPERP”), and Kathy Geller, Dylan Youngblood, and Alton Consulting LLC (the “State Class  
 22 Representatives”) on behalf of themselves and the Class, have reached a proposed settlement  
 23 agreement with Defendants LendingClub; its former Chief Executive Officer (“CEO”), Renaud  
 24 Laplanche (“Laplanche”); its former Chief Financial Officer (“CFO”), Carrie Dolan (“Dolan”); its  
 25 directors, Daniel T. Ciporin, Jeffrey Crowe, Rebecca Lynn, John J. Mack, Mary Meeker, John C.  
 26 (Hans) Morris, Lawrence H. Summers, and Simon Williams (collectively, the “Director  
 27 Defendants”); and the underwriters of its Initial Public Offering (“IPO”), Morgan Stanley & Co.  
 28 LLC, Goldman Sachs & Co. LLC (formerly known as Goldman, Sachs & Co.), Credit Suisse  
 Securities (USA) LLC, Citigroup Global Markets Inc., Allen & Company LLC, Stifel, Nicolaus &  
 Company, Incorporated, BMO Capital Markets Corp., William Blair & Company, L.L.C., and Wells  
 Fargo Securities, LLC (collectively, the “Underwriter Defendants”) (collectively, “Defendants”). If  
 the settlement is approved by the Court, all of the claims in the Litigations against Released  
 Defendants (defined in Question 25 below) will be resolved on behalf of all Class Members.

20 **Overview of the Litigations and Settlement:** The Federal Litigation alleges violations of §11 of  
 21 the 1933 Act against all Defendants, §15 of the 1933 Act against Laplanche, Dolan and the Director  
 22 Defendants, and §§10(b) and 20(a) of the Exchange Act against LendingClub, Laplanche, and  
 23 Dolan. Federal Lead Plaintiff alleged that LendingClub, Laplanche and Dolan made certain  
 24 misstatements and omissions concerning LendingClub’s internal controls, data integrity and security,  
 25 and related-party transactions in communications with investors who purchased LendingClub  
 26 common stock from December 11, 2014 through May 6, 2016, and that these Defendants violated  
 §10(b) of the Exchange Act, as well as SEC Rule 10b-5 promulgated thereunder, by making such  
 statements or omissions knowingly or with extreme recklessness, and caused the price of  
 LendingClub common stock to be artificially inflated during the period from December 11, 2014  
 through May 6, 2016. Federal Lead Plaintiff also asserted claims under §§11 and 15 of the 1933 Act  
 on behalf of investors who purchased LendingClub common stock traceable to LendingClub’s IPO,  
 because LendingClub’s offering materials allegedly contained material misstatements and/or

27 <sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the  
 28 meanings provided in the Stipulation of Settlement dated February 21, 2018 (the “Stipulation”),  
 which is available on the settlement website, [www.LendingClubSecuritiesClassAction.com](http://www.LendingClubSecuritiesClassAction.com).

1 omissions concerning LendingClub’s internal controls, data integrity and security, and related-party  
2 transactions.

3 The State Litigation alleges violations in connection with LendingClub’s IPO. The State Litigation  
4 alleged that Defendants had violated §§ 11, 12(a)(2) and 15 of the 1933 Act by selling, or offering to  
5 sell, LendingClub shares pursuant to offering materials that contained materially false or misleading  
6 statements and/or omitted to disclose material information required to be disclosed therein. The  
7 State Court consolidated the case and several others in the spring of 2016. The State Class  
8 Representatives filed their initial Consolidated Complaint on June 15, 2016, and thereafter filed an  
9 Amended Consolidated Complaint on August 26, 2016.

10 On November 28, 2017, the parties engaged in an in-person settlement conference before Chief  
11 Magistrate Judge Joseph C. Spero, pursuant to an order of the Court. ECF No. 280. The settlement  
12 conference was preceded by submission of settlement conference statements and exhibits by each  
13 party. Settlement discussions were unsuccessful at that settlement conference. On January 29, 2018,  
14 the parties engaged in another in-person settlement conference before Judge Spero, pursuant to an  
15 order of the Court. ECF No. 328. The parties submitted amended settlement conference statements.  
16 The parties engaged in arm’s-length negotiations during the mediation session. At the end of the  
17 conference, Judge Spero made a mediator’s proposal to Federal and State Lead Counsel and counsel  
18 for LendingClub, which was accepted as Judge Spero advised on February 5, 2018. Thereafter, all  
19 parties reached an agreement-in-principle to resolve the Litigations on the terms set forth herein,  
20 subject to approval by the Court.

21 **Overview of the Recovery:** Federal Lead Plaintiff and the State Class Representatives have agreed  
22 to settle all claims and grant Defendants and the Released Defendants a full and complete release of  
23 all Released Claims in exchange for a cash payment of \$125,000,000 (the “Settlement Amount”).  
24 The Settlement Amount plus any interest earned thereon is called the “Settlement Fund.” The “Net  
25 Settlement Fund” (the Settlement Fund less any attorneys’ fees and expenses provided for herein or  
26 approved by the Court and less Notice and Administration Expenses, Taxes and Tax Expenses, and  
27 other Court-approved deductions) will be distributed pursuant to the plan of allocation that is  
28 approved by the Court (the “Plan of Allocation”), which determines how the Net Settlement Fund  
will be allocated among Class Members who become eligible to participate in the distribution of the  
Net Settlement Fund by submitting a timely and valid Proof of Claim and Release form (“Proof of  
Claim” or “Claim Form”). The proposed Plan of Allocation is described at pages \_\_ below.

Based on the analysis performed by Federal Lead Plaintiff and its damages experts, the estimated  
average recovery per share for a Class Member from the Settlement Fund (before the deduction of  
any Court-approved fees, expenses and costs as described herein) would be approximately \$0.45 per  
share. This amount assumes all eligible Class Members submit valid and timely Proofs of Claim. If  
fewer than all Class Members submit timely and valid Proofs of Claim (which is likely), the  
distributions per share will be higher. A Class Member’s actual recovery will be a proportion of the  
Net Settlement Fund determined by a Class Member’s number of eligible shares as compared to the  
total eligible shares of all Class Members who submit timely and valid Proofs of Claim. (See the  
Plan of Allocation beginning on page \_\_ below for details and more information.)

Federal and State Lead Counsel intend to seek attorneys’ fees, in the aggregate, of 14% of the  
Settlement Amount, net of all expenses, and expenses in connection with the prosecution and  
settlement of the Litigations in an amount not to exceed \$650,000, plus interest earned on both  
amounts, to be paid from the Settlement Fund. Such requested attorneys’ fees and expenses would  
amount to an average of approximately \$0.08 per share of LendingClub common stock. In addition,  
the distribution will be reduced by Notice and Administration Expenses. In addition, the three State  
Class Representatives may each seek a service award of no more than \$5,000 from the Court or State  
Court, which awards (if granted) will not reduce the amount of proceeds to be distributed to the  
Class. Please note that these amounts are only estimates and are subject to approval by the Court.

1 The parties disagree on both liability and damages and do not agree on the average amount of  
 2 damages per share of LendingClub common stock that would be recoverable if Federal Lead  
 3 Plaintiff and the State Class Representatives were to prevail in the Litigations, and Defendants deny  
 4 liability, fault or wrongdoing. Federal Lead Plaintiff’s expert performed a damages analysis and  
 5 estimates the aggregate damages recoverable after trial to be around \$711 million, although that  
 amount could be substantially lower or zero if certain arguments by the Defendants were accepted by  
 the Court or a jury. Federal Lead Plaintiff and the State Class Representatives believe that the  
 proposed settlement represents a fair and reasonable recovery in light of the risks of continued  
 litigation and is in the best interests of the Class Members.

6 **Identification of Attorneys:** Federal Lead Plaintiff, State Class Representatives and all other Class  
 7 Members are represented by counsel identified in the answer to Question 16 below.

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

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
10 <b>SUBMIT A PROOF OF</b> 11 <b>CLAIM POSTMARKED</b> 12 <b>OR SUBMITTED ONLINE</b> 13 <b>BY _____, 2018</b>	This is the only way to be eligible to get a payment from the settlement. If you wish to participate in the settlement, you will need to complete and submit the enclosed Proof of Claim. Class Members who do not complete and submit the Proof of Claim in accordance with the instructions on the Proof of Claim and do not submit it within the time required will be bound by the settlement but will not participate in any distribution of the Net Settlement Fund.
14 <b>EXCLUDE YOURSELF</b> 15 <b>FROM THE CLASS BY</b> 16 <b>SUBMITTING A</b> 17 <b>WRITTEN REQUEST FOR</b> 18 <b>EXCLUSION SO THAT IT</b> 19 <b>IS RECEIVED NO LATER</b> 20 <b>THAN _____, 2018</b>	You will not be bound by the results of the Litigations, and you will not receive any payment. This is the <b>only</b> option that allows you to ever bring or be part of any other lawsuit against the Released Defendants about the legal claims related to the issues raised in the Litigations.
21 <b>OBJECT TO THE</b> 22 <b>SETTLEMENT BY</b> 23 <b>SUBMITTING A</b> 24 <b>WRITTEN OBJECTION</b> 25 <b>SO THAT IT IS</b> 26 <b>RECEIVED NO LATER</b> 27 <b>THAN _____, 2018</b>	If you believe the settlement is objectionable in any respect, you may write to the Court about why you oppose the settlement, the Plan of Allocation, and/or the request for attorneys’ fees, costs and expenses. You will still be a Class Member.
28 <b>ATTEND THE</b> <b>SETTLEMENT HEARING</b> <b>ON _____, 2018, AT</b> <b>_____, AND PROVIDE A</b> <b>NOTICE OF INTENTION</b> <b>TO APPEAR TO</b> <b>FEDERAL AND STATE</b> <b>LEAD COUNSEL SO</b> <b>THAT IT IS RECEIVED</b> <b>NO LATER THAN</b> <b>_____, 2018</b>	The hearing on whether to approve the settlement is scheduled for _____, 2018, at _____.m. (the “Settlement Hearing”), and is open to the public. You do not need to attend the hearing unless you wish to speak either in support of the settlement or in support of any objection you may have submitted, and have submitted to Federal and State Lead Counsel a Notice of Intention to Appear so that it is received no later than _____, 2018. The Court may postpone the Settlement Hearing without prior notice on the date scheduled for the hearing.

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<b>DO NOTHING</b>	If you are a Class Member and do not submit a Proof of Claim postmarked or submitted online by _____, 2018, you will not be eligible to receive any payment from the Settlement Fund. You will, however, be bound by the settlement, unless you have requested exclusion from the Class.
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These rights and options are explained in further detail later in this Notice.

**Further Information**

For further information regarding this settlement, you may contact a representative of Federal Lead Counsel: Theodore J. Pintar, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, Telephone: 800-449-4900.

You may also contact a representative of State Lead Counsel: William C. Fredericks, Scott+Scott Attorneys at Law, LLP, 230 Park Avenue, 17<sup>th</sup> Floor, New York, NY 10169, Telephone: 800-332-2259; and Mark C. Molumphy, Cotchett Pitre & McCarthy LLP, San Francisco Airport Office Center, 840 Malcolm Road, Suite 200, Burlingame, CA 94010, Telephone: 650-697-6000.

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2 **THE COURT’S SETTLEMENT HEARING** \_\_\_\_\_

3 **21. When and where will the Court decide whether to approve the**  
4 **proposed settlement?** \_\_\_\_\_

5 **22. Do I have to attend the hearing?** \_\_\_\_\_

6 **23. May I speak at the hearing?** \_\_\_\_\_

7 **24. What happens if I do nothing at all?** \_\_\_\_\_

8 **DISMISSALS AND RELEASES** \_\_\_\_\_

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10 **GETTING MORE INFORMATION** \_\_\_\_\_

11 **26. How do I get more information about the proposed settlement?** \_\_\_\_\_

12 **SPECIAL NOTICE TO NOMINEES** \_\_\_\_\_

13 **PLAN OF ALLOCATION OF NET SETTLEMENT FUND** \_\_\_\_\_

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1 **BASIC INFORMATION**

2 **1. Why did I get this Notice?**

3 You have received this Notice because the parties are seeking approval of a proposed  
4 settlement on behalf of Class Members, and you have been identified as a potential Class Member  
5 either from the transfer agent's record of ownership of LendingClub common stock or by your  
6 broker or custodian if you purchased or acquired LendingClub stock in "street name."

7 The Court directed that this Notice be sent to Class Members because they have a right to  
8 know about the proposed settlement of the Litigations, and about all of their options, before the  
9 Court decides whether to approve the settlement.

10 This Notice explains the Litigations, the settlement, Class Members' legal rights, what  
11 benefits are available, who is eligible for them, and how to get them.

12 **2. What are the Litigations about?**

13 **The Federal Litigation**

14 The Federal Lead Plaintiff brought the Federal Litigation as a securities class action on  
15 behalf of purchasers and acquirers of LendingClub common stock from December 11, 2014 through  
16 May 6, 2016.

17 On August 15, 2016, the Federal Court appointed WPERP as Federal Lead Plaintiff. ECF  
18 No. 90. On October 28, 2016, the Court appointed Robbins Geller Rudman & Dowd LLP ("Robbins  
19 Geller") as Federal Lead Counsel. ECF No. 113.

20 The Federal Litigation alleges violations of §11 of the 1933 Act against all Defendants, §15  
21 of the 1933 Act against Laplanche, Dolan and the Director Defendants, and §§10(b) and 20(a) of the  
22 Exchange Act against LendingClub, Laplanche, and Dolan. Federal Lead Plaintiff alleged that  
23 LendingClub, Laplanche and Dolan made certain misstatements and omissions concerning  
24 LendingClub's internal controls, data integrity and security, and related-party transactions in  
25 communications with investors who purchased LendingClub common stock from December 11,  
26 2014 through May 6, 2016, and that these Defendants violated §10(b) of the Exchange Act, as well  
27 as SEC Rule 10b-5 promulgated thereunder, by making such statements or omissions knowingly or  
28 with extreme recklessness, and caused the price of LendingClub common stock to be artificially  
inflated during the period from December 11, 2014 through May 6, 2016. Federal Lead Plaintiff  
also asserted claims under §§11 and 15 of the 1933 Act on behalf of investors who purchased  
LendingClub common stock traceable to LendingClub's IPO, because LendingClub's offering  
materials allegedly contained material misstatements and/or omissions concerning LendingClub's  
internal controls, data integrity and security, and related-party transactions.

Following briefing on Defendants' motions to dismiss and oral argument, on May 25, 2017,  
the Court granted in part and denied in part the motions to dismiss. ECF No. 181. The Court upheld  
Federal Lead Plaintiff's claims against all Defendants, but granted the motions in part and dismissed  
certain allegations related to LendingClub's loan approval process and Exchange Act claims  
concerning data integrity and, as to Dolan, related-party transactions. The Court granted Federal  
Lead Plaintiff leave to amend. ECF No. 181. Federal Lead Plaintiff filed the Amended  
Consolidated Complaint for Violation of the Federal Securities Laws (the "Complaint") on June 15,  
2017. ECF No. 182. Federal Lead Plaintiff did not re-plead the dismissed allegations.

On September 7, 2017, Federal Lead Plaintiff moved to certify a class, to appoint WPERP as  
the class representative, and to appoint Robbins Geller as class counsel. ECF No. 215. The Court  
certified the following class:

1 All persons and entities who purchased or otherwise acquired the common stock of  
2 LendingClub Corporation (“LendingClub” or the “Company”) during the period  
3 from December 11, 2014 through May 6, 2016 (for claims under the Exchange Act  
4 of 1934) and all those who purchased or acquired LendingClub common stock during  
5 the period from December 11, 2014 through June 8, 2015 (for claims under the 1933  
6 Securities Act) and were damaged thereby (collectively, the “Class”). Excluded  
7 from the Class are short sellers who incurred losses during the class period as a result  
8 of their short sales, defendants and their families, the officers, directors, and affiliates  
9 of defendants, at all relevant times, members of their immediate families and their  
10 legal representatives, heirs, successors or assigns, and any entity in which defendants  
11 have or had a controlling interest. Notwithstanding the foregoing, the Class shall  
12 include any investment company or pooled investment fund, including, but not  
13 limited to, mutual fund families, exchange traded funds, fund of funds and hedge  
14 funds, in which the Underwriter Defendants, or any of them, have, has or may have a  
15 direct or indirect interest, or as to which any Underwriter Defendant’s affiliates may  
16 act as an investment advisor, but as to which any Underwriter Defendant alone or  
17 together with any of its respective affiliates is neither a majority owner nor the holder  
18 of a majority beneficial interest.

19 ECF No. 255.

### 20 **The State Litigation**

21 On February 26, 2016, State Class Representative Kathy Geller filed, in the State Court, the  
22 first class action complaint asserting securities laws violations in connection with LendingClub’s  
23 IPO. The State Litigation alleged that Defendants had violated §§ 11, 12(a)(2) and 15 of the 1933  
24 Act by selling, or offering to sell, LendingClub shares pursuant to offering materials that contained  
25 materially false or misleading statements and/or omitted to disclose material information required to  
26 be disclosed therein. The State Court consolidated the case and several others in the spring of 2016.  
27 The State Class Representatives filed their initial Consolidated Complaint on June 15, 2016, and  
28 thereafter filed an Amended Consolidated Complaint on August 26, 2016.

On September 30, 2016, the State Court held that State Class Representatives had adequately  
pled claims under §11 of the 1933 Act against all Defendants (plus related §15 “control person”  
liability claims against certain defendants), but sustained the demurrer as to their §12(a)(2) claims  
with leave to re-plead. Discovery commenced shortly thereafter. On January 17, 2017, State Class  
Representatives filed their operative Second Amended Consolidated Complaint (“State Complaint”),  
which repleaded the §12(a)(2) claims on behalf of State Class Representative Youngblood. On  
March 17, 2017, Judge Weiner sustained the Underwriter Defendants’ and Dolan’s demurrers as to  
the amended §12(a)(2) claims against them. The claims that survived demurrer were thus §11  
claims against all Defendants, §12(a)(2) claims against LendingClub and Laplanche, and related §15  
control person claims against the other Defendants.

On April 3, 2017, the State Class Representatives moved for class certification. Following  
extensive class-certification related discovery (including the depositions of each of the proposed  
representative State Class Representatives), full briefing, and oral argument, on June 23, 2017, the  
State Court certified the following class:

All Persons and entities who purchased or acquired LendingClub common stock  
during the period from December 10, 2014 through June 8, 2015 (for claims under  
the 1933 Act), and were damaged thereby. Excluded from the State Class are  
defendants and their immediate families, the officers, directors and affiliates of  
defendants, at all relevant times, members of their immediate families and their legal  
representatives, heirs, successors or assigns, and any entity in which defendants have  
or had a controlling interest. Notwithstanding the foregoing, the State Class shall



1 include any investment company or pooled investment fund, including, but not  
 2 limited to, mutual fund families, exchange traded funds, fund of funds and hedge  
 3 funds, in which the Underwriter Defendants, or any of them, have, has or may have a  
 4 direct or indirect interest, or as to which any Underwriter Defendant's affiliates may  
 act as an investment advisor, but as to which any Underwriter Defendant alone or  
 together with any of its respective affiliates is neither a majority owner nor the holder  
 of a majority beneficial interest.

### 5 **Settlement Proceedings**

6 On November 28, 2017, the parties engaged in an in-person settlement conference before  
 Chief Magistrate Judge Joseph C. Spero, pursuant to an order of the Court. ECF No. 280. The  
 7 settlement conference was preceded by submission of settlement conference statements and exhibits  
 by each party. Settlement discussions were unsuccessful at that settlement conference. On  
 8 January 29, 2018, the parties engaged in another in-person settlement conference before Judge  
 Spero, pursuant to an order of the Court. ECF No. 328. The parties submitted amended settlement  
 9 conference statements. The parties engaged in arm's-length negotiations during the mediation  
 session. At the end of the conference, Judge Spero made a mediator's proposal to Federal and State  
 10 Lead Counsel and counsel for LendingClub, which was accepted as Judge Spero advised on  
 February 5, 2018. Thereafter, all parties reached an agreement-in-principle to resolve the Litigations  
 11 on the terms set forth herein, subject to approval by the Court.

12 On \_\_\_\_\_, 2018, the Court entered an order preliminarily approving the proposed  
 settlement, approving this Notice, setting deadlines, and scheduling the Settlement Hearing to  
 13 consider whether to grant final approval of the settlement.

14 **This Notice is NOT an expression of the Court's opinion on the merits of any of the  
 claims in the Litigations or whether Defendants engaged in any wrongdoing.**

15 To learn more about what has happened in the Litigations to date, including a detailed  
 16 history, please see the Stipulation and other relevant pleadings which are available at  
 www.LendingClubSecuritiesClassAction.com (the "Settlement Website"). Instructions on how to  
 17 get more information are also included in Question 26 below.

### 18 **3. Why is this a class action?**

19 In a class action, one or more persons or entities sue on behalf of people and entities who  
 20 have similar claims. Together, these people and entities are referred to as a Class, and each is a  
 Class Member. One court resolves the issues for all Class Members at the same time, except for  
 21 those Class Members who exclude themselves from the Class.

### 22 **4. Why is there a settlement?**

23 Federal Lead Plaintiff and State Class Representatives made claims against Defendants on  
 behalf of Class Members. Defendants deny that they have done anything wrong or violated any  
 24 statute and admit no liability. No court has decided in favor of the Defendants or the Class. Instead,  
 all parties agreed to the settlement to avoid the costs and risks of further litigation, including trial and  
 25 post-trial appeals, and Federal Lead Plaintiff and State Class Representatives agreed to the  
 settlement to ensure that Class Members will receive compensation. Federal Lead Plaintiff, State  
 26 Class Representatives, and Federal and State Lead Counsel all believe the settlement is in the best  
 interest of all Class Members in light of the real possibility that continued litigation could result in  
 27 no recovery at all.

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**WHO IS IN THE SETTLEMENT**

To see if you will get money 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?**

The Court directed that everyone who fits this description is a Class Member: *all persons and entities who purchased or otherwise acquired LendingClub common stock from December 11, 2014 through May 6, 2016 and were damaged thereby (for claims under the Exchange Act) and all those who purchased or acquired LendingClub common stock during the period from December 10, 2014 through June 8, 2015 (for claims under the 1933 Act) and were damaged thereby*, except those Persons and entities that are excluded, as described below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN YOU ARE A CLASS MEMBER OR ENTITLED TO RECEIVE A PAYMENT FROM THE SETTLEMENT. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO GET A PAYMENT FROM THE SETTLEMENT, YOU MUST SUBMIT THE CLAIM FORM INCLUDED WITH THIS NOTICE SO THAT IT IS POSTMARKED OR SUBMITTED ONLINE BY \_\_\_\_\_, 2018.**

**6. Are there exceptions to being included?**

Excluded from the Class are persons who timely and validly request exclusion from the Class; Defendants and their immediate families, the officers, directors, and affiliates of Defendants, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest. Notwithstanding the foregoing, the Class shall include any investment company or pooled investment fund, including, but not limited to, mutual fund families, exchange traded funds, fund of funds and hedge funds, in which the Underwriter Defendants, or any of them, have, has or may have a direct or indirect interest, or as to which any Underwriter Defendant’s affiliates may act as an investment advisor, but as to which any Underwriter Defendant alone or together with any of its respective affiliates is neither a majority owner nor the holder of a majority beneficial interest.

**7. What if I am still not sure if I am included?**

If you are still not sure whether you are included in the settlement, you can ask for free help. You can contact the Claims Administrator toll-free at 1-866-629-1056, or you can fill out and return the Proof of Claim enclosed with this Notice, to see if you qualify.

**THE SETTLEMENT BENEFITS – WHAT YOU GET**

**8. What does the settlement provide?**

A settlement has been reached in the Litigations between Federal Lead Plaintiff, State Class Representatives and Defendants, the terms and conditions of which are set forth in the Stipulation and the Exhibits thereto. The following description of the proposed settlement is only a summary, and reference is made to the text of the Stipulation, on file with the Court or accessible at [www.LendingClubSecuritiesClassAction.com](http://www.LendingClubSecuritiesClassAction.com), for a full statement of its provisions.

The Settlement Fund consists of One Hundred Twenty-Five Million (\$125,000,000.00) in cash, plus any interest earned thereon.

1 A portion of the settlement proceeds will be used to pay expenses for the Litigations, to pay  
 2 for this Notice and the processing of claims submitted by Class Members, to pay Taxes and Tax  
 3 Expenses, and a portion of the net settlement proceeds will be used to pay attorneys' fees. Each of  
 4 the three State Class Representatives may seek a service award of up to \$5,000 each from the State  
 5 Court, although any such award shall not reduce the net settlement proceeds otherwise available to  
 6 Class Members.

7 The balance of the Settlement Fund (the "Net Settlement Fund") will be distributed, in  
 8 accordance with the Plan of Allocation described below, to Class Members who submit valid and  
 9 timely Proofs of Claim.

10 The effectiveness of the settlement is subject to a number of conditions and reference to the  
 11 Stipulation is made for further particulars regarding these conditions.

### 12 **9. How much will my payment be?**

13 Your share of the fund will depend on several things, including how many Class Members  
 14 submit a timely and valid Proof of Claim, the total dollar amount of the claims represented by the  
 15 valid Proofs of Claim that Class Members send in, the number of shares of LendingClub common  
 16 stock you purchased or acquired, how much you paid for the shares, when you purchased or acquired  
 17 them, and if you sold your shares and for how much.

18 By following the instructions in the Plan of Allocation, you can calculate your claim. It is  
 19 unlikely that you will get a payment for the full amount of your claim. After all Class Members  
 20 have sent in their Proofs of Claim, the payment you get will be a part of the Net Settlement Fund  
 21 equal to your claim divided by the total of all valid claimants' claims. (See the Plan of Allocation  
 22 below on pages \_\_\_\_ for more information on your claim.)

### 23 **10. How can I receive a payment?**

24 You may submit a Proof of Claim as described below. If you choose this option, you will  
 25 share in the proceeds of the proposed settlement if your claim is timely, valid, and entitled to a  
 26 distribution under the Plan of Allocation described below and if the proposed settlement is finally  
 27 approved by the Court; and you will be bound by the Judgment and release to be entered by the  
 28 Court as described below.

**TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND,  
 YOU MUST TIMELY SUBMIT A PROOF OF CLAIM.** A Proof of Claim is enclosed with this  
 Notice or it may be downloaded at [www.LendingClubSecuritiesClassAction.com](http://www.LendingClubSecuritiesClassAction.com). Read the  
 instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it,  
 and mail or submit it to the Claims Administrator so that it is *postmarked or electronically  
 submitted no later than \_\_\_\_\_, 2018*. The Claim Form may be submitted online at  
[www.LendingClubSecuritiesClassAction.com](http://www.LendingClubSecuritiesClassAction.com). Unless the Court orders otherwise, if you do not  
 timely submit a valid Proof of Claim, you will be barred from receiving any payments from the Net  
 Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and the  
 Judgment.

### 29 **11. When would I receive my payment?**

30 The Court will hold a Settlement Hearing on \_\_\_\_\_, **2018, at \_\_\_\_ .m.**, to decide  
 31 whether to approve the settlement. If the Court approves the settlement after that hearing, there  
 32 might be appeals. It is always uncertain whether these appeals can be resolved, and resolving them  
 33 can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be  
 34 processed. Please be patient.

1 **12. What am I giving up to receive a payment or to stay in the Class?**

2 If you do not make a valid and timely request in writing to be excluded from the Class, you  
 3 will be bound by any and all determinations or judgments in the Litigations in connection with the  
 4 settlement entered into or approved by the Court, whether favorable or unfavorable to the Class, and  
 you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the  
 Released Claims against the Released Defendants, whether or not you submit a valid Proof of Claim.

5 **EXCLUDING YOURSELF FROM THE CLASS**

6 **13. How do I get out of the proposed settlement?**

7 If you do not wish to be included in the Class and you do not wish to participate in the  
 8 proposed settlement described in this Notice you must request to be excluded. ***If you are requesting  
 9 exclusion because you want to bring your own lawsuit based on the matters alleged in the  
 Litigations, you may want to consult an attorney and discuss whether any individual claim that  
 you may wish to pursue would be time-barred by the applicable statutes of limitations or repose.***

10 If you wish to be excluded, you must mail a written request stating that you wish to be  
 11 excluded from the Class to:

12 *LendingClub Securities Litigation*  
 13 Claims Administrator  
 14 EXCLUSIONS  
 c/o Gilardi & Co. LLC  
 3301 Kerner Blvd.  
 San Rafael, CA 94901

15 The request for exclusion must: (1) include your name, address, and telephone number;  
 16 (2) state that you wish to be “excluded from the Class and do not wish to participate in the settlement  
 in *In re LendingClub Securities Litigation*, Case No. 3:16-cv-02627-WHA (N.D. Cal.)”; (3) state the  
 17 date(s), price(s), and number(s) of shares of all your purchases, acquisitions, and/or sales of  
 LendingClub common stock from December 10, 2014 through May 6, 2016, inclusive; and (4) be  
 18 signed by you. ***YOUR EXCLUSION REQUEST MUST BE RECEIVED NO LATER THAN***  
 \_\_\_\_\_, **2018**. No request for exclusion will be considered valid unless all of the  
 19 information described above is included in any such request. No further opportunity to request  
 20 exclusion will be given in the Litigations. If you choose to be excluded from the Class, (a) you are  
 21 not entitled to share in the proceeds of the settlement described herein; (b) you are not bound by any  
 judgment entered in the Litigations; and (c) you are not precluded by the settlement from otherwise  
 prosecuting an individual claim against Defendants, if timely, based on the matters complained of in  
 the Litigations.

22 **14. If I do not exclude myself, can I sue the Released Defendants for the same thing later?**

23 No. Unless you exclude yourself, you give up any rights to sue the Released Defendants for  
 24 any and all Released Claims. If you have a pending lawsuit against the Released Defendants, speak  
 25 to your lawyer in that case immediately. You must exclude yourself from the Class if you want to  
 continue your own lawsuit. Remember, the exclusion deadline is \_\_\_\_\_, **2018**.

26 **15. If I exclude myself, can I get money from the proposed settlement?**

27 No. If you exclude yourself, you may not send in a Proof of Claim to ask for any money.

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**THE LAWYERS REPRESENTING YOU**

**16. Do I have a lawyer in this case?**

The Court appointed the law firm of Robbins Geller Rudman & Dowd LLP to represent the class in the Federal Litigation, including you (assuming you are a Class Member). These lawyers are called Federal Lead Counsel.

The State Court appointed the law firms of Scott+Scott, Attorneys at Law, LLP and Cotchett, Pitre & McCarthy, LLP to represent the class in the State Litigation, including you (assuming you are a State Class member). These lawyers are called State Lead Counsel.

You will not be charged for these lawyers. They will be paid from the Settlement Fund to the extent the Court approves their application for fees and expenses. 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?**

At the Settlement Hearing, Federal Lead Counsel and State Lead Counsel will request that the Court award aggregate attorneys' fees for all counsel in both Litigations of 14% of the Net Settlement Fund, and expenses not to exceed \$650,000, plus interest thereon. Such sums as may be approved by the Court will be paid to Federal and State Lead Counsel from the Net Settlement Fund. Class Members are not personally liable for any such fees or expenses.

To date, Federal and State Lead Counsel have not received any payment for their services representing Class Members, nor have they been paid any of their expenses. The fees requested by Federal and State Lead Counsel will compensate counsel in both Litigations for their efforts in achieving the settlement for the benefit of the Class, and for their risks they undertook in their representations on a wholly contingent basis. Federal and State Lead Counsel believe that their total attorneys' fee request is well within the range of fees awarded to plaintiff's counsel under similar circumstances in other litigation of this type. The percentage fee award that Federal and State Lead Counsel will request is consistent with the fee caps that were approved by the Federal Lead Plaintiff and shared with the Court at the outset of the Federal Litigation.

**18. Can I hire my own lawyer?**

If you are a Class Member, you may, but are not required to, enter an appearance through counsel of your own choosing and at your own expense, provided that such counsel must file an appearance on your behalf on or before \_\_\_\_\_, 2018, and must serve copies of such appearance on the attorneys listed below. If you do not enter an appearance through counsel of your own choosing, you will be represented by Federal Lead Counsel: Robbins Geller Rudman & Dowd LLP, c/o Theodore J. Pintar, 655 West Broadway, Suite 1900, San Diego, CA 92101; and by State Lead Counsel: Scott+Scott, Attorneys at Law, LLP, c/o William C. Fredericks, 230 Park Avenue, 17<sup>th</sup> Floor, New York, NY 10169, Telephone: 800-332-2259; and Cotchett, Pitre & McCarthy, LLP, c/o Mark Molumphy, San Francisco Airport Office Center, 840 Malcolm Road, Suite 200, Burlingame, CA 94010, Telephone: 650-697-6000.

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**FEDERAL LEAD COUNSEL**

Robbins Geller Rudman  
& Dowd LLP  
Theodore J. Pinter  
655 West Broadway  
Suite 1900  
San Diego, CA 92101

**STATE LEAD COUNSEL**

Scott+Scott, Attorneys at Law, LLP  
William C. Fredericks  
230 Park Avenue, 17th Floor  
New York, NY 10169  
-and-  
Cotchett, Pitre & McCarthy, LLP  
Mark C. Molumphy  
San Francisco Airport Office Center  
840 Malcolm Road, Suite 200  
Burlingame, CA 94010

**COUNSEL FOR LENDINGCLUB  
DEFENDANTS**

Quinn, Emanuel, Urquhart  
& Sullivan, LLP  
Diane M. Doolittle  
555 Twin Dolphin Drive  
5th Floor  
Redwood Shores, CA 94065  
-and-  
Dave M. Grable  
Joseph C. Sarles  
865 S. Figueroa Street  
10th Floor  
Los Angeles, CA 90017

**OBJECTING TO THE SETTLEMENT**

**19. How do I tell the Court that I object to the proposed settlement?**

Any Class Member who objects to any aspect of the settlement, including the Plan of Allocation, or the application for attorneys’ fees and expenses, may appear and ask to be heard at the Settlement Hearing. The Court can only approve or deny the settlement; the Court cannot change its terms. You can ask the Court to deny approval of the settlement by filing an objection.

You may object to the proposed settlement in writing. You may also appear at the Settlement Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney. Any objection must (1) include your name, address, and telephone number; (2) clearly identify the case name and number (*In re LendingClub Securities Litigation*, No. 3:16-cv-02627-WHA (N.D. Cal.)); (3) demonstrate your membership in the Class, including the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and/or sales of LendingClub common stock from December 10, 2014 through May 6, 2016, inclusive; (4) contain a statement of the reasons for objection; and (5) be submitted to the Court either by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, or by filing them in person at any location of the United States District Court for the Northern District of California, or electronically by ECF on the docket for this case. Such objections, papers, and briefs must be **received or filed, not simply postmarked, on or before \_\_\_\_\_, 2018.**

Only Class Members who have submitted written notices of objection in the manner and time provided above will be heard at the Settlement Hearing, unless the Court orders otherwise. Any Class Member who does not make his, her, or its objection in the manner and time provided above shall be deemed to have waived such objection and shall be foreclosed from making any objection to the fairness or adequacy of the proposed settlement, to the Plan of Allocation, or to the award of attorneys’ fees and expenses, unless otherwise ordered by the Court.

1 You may also object to the proposed service awards for each State Class Representative by  
 2 following such procedures as the State Court may approve, which procedures will be posted on the  
 Settlement Website.

3 **20. What is the difference between objecting and excluding myself?**

4 Objecting is telling the Court that you do not like something about the proposed settlement,  
 5 the Plan of Allocation, or the attorneys' fee and expense application. You can object only if you stay  
 6 in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. Do  
 not submit both an objection and a request for exclusion. If you submit both, your objection will be  
 disregarded.

7 **THE COURT'S SETTLEMENT HEARING**

8 **21. When and where will the Court decide whether to approve the proposed settlement?**

9 The Settlement Hearing will be held on \_\_\_\_\_, **2018, at \_\_\_\_\_**, before the Honorable  
 10 William Alsup, United States District Judge, at the United States District Court for the Northern  
 District of California, 450 Golden Gate Avenue, San Francisco, California 94102. The purpose of  
 11 the Settlement Hearing will be to determine: (1) whether the proposed settlement, as set forth in the  
 Stipulation, consisting of One Hundred Twenty-Five Million Dollars (\$125,000,000.00) in cash,  
 12 should be approved as fair, reasonable, and adequate to the Class Members; (2) whether the  
 proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, reasonable, and  
 13 adequate; (3) whether the applications by Federal and State Lead Counsel for attorneys' fees and  
 expenses should be approved; and (4) whether the proposed Judgment should be entered. **The  
 14 Court may adjourn the Settlement Hearing to another time without further notice to the Class.  
 Before the Settlement Hearing, Class Members who plan to attend should check the Settlement  
 15 Website or the Court's PACER site (see Question 26 below) to confirm that the date of the  
 Settlement Hearing has not been changed.**

16 **22. Do I have to attend the hearing?**

17 No. Federal Lead Counsel will answer questions the Court may have. But, you are welcome  
 18 to attend at your own expense. If you send an objection or statement in support of the settlement,  
 you are not required to go to Court to discuss it. As long as you mailed your objection on time, the  
 19 Court will consider it. You may also pay your own lawyer to attend, but you are not required to do  
 so. Class Members do not need to appear at the hearing or take any other action to indicate their  
 20 approval.

21 **23. May I speak at the hearing?**

22 If you object to any aspect of the settlement, you may ask the Court for permission to speak  
 at the Settlement Hearing. To do so, you must include in your objection (see Question 19 above) a  
 23 statement saying that it is your "Notice of Intention to Appear in *In re LendingClub Securities  
 Litigation*, No. 3:16-cv-02627-WHA (N.D. Cal.)." Persons who intend to object to any aspect of the  
 24 settlement, and desire to present evidence at the Settlement Hearing must include in their written  
 objections the identity of any witnesses they may call to testify and exhibits they intend to introduce  
 25 into evidence at the Settlement Hearing. You cannot speak at the hearing if you exclude yourself.

26 **24. What happens if I do nothing at all?**

27 You may do nothing at all. If you choose this option, you will not share in the proceeds of  
 the settlement, but you will be bound by any judgment entered by the Court, and you shall be  
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1 deemed to have, and by operation of the Judgment shall have, fully released all of the Released  
2 Claims against the Released Defendants.

### 3 DISMISSALS AND RELEASES

#### 4 **25. What happens if the proposed settlement is approved?**

5 As a Class Member, in consideration for the benefits of the settlement, you will be bound by  
6 the terms of the settlement and you will release the Released Defendants from the Released Claims  
7 as defined below.

8 “Released Claims” means any and all claims, rights, causes of action, liabilities, actions,  
9 suits, damages, or demands (including Unknown Claims as defined in paragraph 1.42 of the  
10 Stipulation) of any kind whatsoever, that Federal Lead Plaintiff, State Class Representatives, or any  
11 other Class Member has that relate in any way to the purchase, acquisition, holding, sale, or  
12 disposition of LendingClub common stock by Class Members during the period between  
13 December 10, 2014 through May 6, 2016, inclusive, *and* either: (a) arise out of or are based upon or  
14 related to the facts alleged or the claims or allegations set forth in the Litigations; or (b) relate in any  
15 way to any alleged violation of the 1933 Act or the Exchange Act or any other state, federal or  
16 foreign jurisdiction’s securities or other laws, any alleged misstatement, omission or disclosure  
17 (including in financial statements) or other alleged securities-related wrongdoing or misconduct by  
18 the Released Defendants. Notwithstanding the foregoing, “Released Claims” does not include  
19 claims relating to any LendingClub shares that were purchased or acquired before December 10,  
20 2014 or to claims relating to the enforcement of the settlement. “Released Defendants” means each  
21 and all of the Defendants and their Related Parties as defined in the Stipulation, which you can find  
22 online at [www.LendingClubSecuritiesClassAction.com](http://www.LendingClubSecuritiesClassAction.com).

23 If the proposed settlement is approved, the Court will enter a Judgment (the “Judgment”). In  
24 addition, upon the Effective Date, Federal Lead Plaintiff, State Class Representatives and each Class  
25 Member, for themselves and for any other Person claiming (now or in the future) through or on  
26 behalf of any of them, and regardless of whether any such plaintiff or Class Member ever seeks or  
27 obtains by any means, including, without limitation, by submitting a Proof of Claim, any distribution  
28 from the Settlement Fund, shall be deemed to have, and by operation of the Judgment shall have,  
fully, finally, and forever released, relinquished, and discharged all Released Claims against the  
Released Defendants, and shall be permanently barred and enjoined from instituting, commencing,  
or prosecuting any such Released Claim against the Released Defendants, except to enforce the  
releases and other terms and conditions contained in the Stipulation or the Judgment entered  
pursuant thereto. In addition, it is a condition of the settlement that the State Class Representatives  
obtain an order from the State Court dismissing the State Litigation.

### 21 GETTING MORE INFORMATION

#### 22 **26. How do I get more information about the proposed settlement?**

23 This Notice contains only a summary of the terms of the proposed settlement and does not  
24 describe all of the details of the Stipulation. For the precise terms and conditions of the settlement,  
25 please see the Stipulation available at [www.LendingClubSecuritiesClassAction.com](http://www.LendingClubSecuritiesClassAction.com), by contacting  
26 Federal Lead Counsel at 800/449-4900, by accessing the Court docket in the Federal Litigation  
27 through the Federal Court’s Public Access to Court Electronic Records (PACER) system at  
28 <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk on the 16th floor of the Court for  
the United States District Court for the Northern District of California, 450 Golden Gate Avenue,  
San Francisco, California 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday,  
excluding Court holidays. You may also contact State Lead Counsel at 800/332-2259 (Scott+Scott,  
Attorneys at Law, LLP) and 650/697-6000 (Cotchett, Pitre & McCarthy), access the Court docket in  
the State Litigation through the State Court’s Odyssey Case Portal at



1 [http://www.sanmateocourt.org/online\\_services/odyssey\\_portals.php](http://www.sanmateocourt.org/online_services/odyssey_portals.php), or by visiting the Office of the  
2 Clerk of the Court for the Superior Court of the State of California, County of San Mateo at 400  
County Center, Redwood City, CA 94063.

3 **DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.**

4 If you have any questions about the settlement, you may contact Federal Lead Counsel by  
writing to:

5 ROBBINS GELLER RUDMAN  
6 & DOWD LLP  
7 THEODORE J. PINTAR  
8 655 West Broadway, Suite 1900  
San Diego, CA 92101  
TedP@rgrdlaw.com

9 If you have questions regarding the settlement, you may also contact State Lead Counsel by  
writing to:

10 SCOTT+SCOTT, ATTORNEYS AT LAW, LLP  
11 WILLIAM C. FREDERICKS  
12 230 Park Avenue, 17<sup>th</sup> Floor  
New York, NY 10169  
Telephone: 212-233-6444

-or-

13 COTCHETT, PITRE & McCARTHY, LLP  
14 MARK C. MOLUMPY  
15 San Francisco Airport Office Center  
840 Malcolm Road, Suite 200  
Burlingame, CA 94010  
16 Telephone: 650-697-6000

17 **SPECIAL NOTICE TO NOMINEES**

18 Nominees who purchased or otherwise acquired LendingClub common stock for the  
beneficial interest of other Persons between December 10, 2014 and May 6, 2016, inclusive, shall,  
19 within ten (10) business days after receipt of this Notice: (1) provide the Claims Administrator with  
the names and addresses of such beneficial owners, or (2) forward a copy of this Notice and the  
20 Proof of Claim by First-Class Mail to each such beneficial owner, and provide Federal Lead Counsel  
with written confirmation that the Notice and Proof of Claim have been so forwarded. Upon  
21 submission of appropriate documentation, Federal Lead Counsel will reimburse your reasonable  
costs and expenses of complying with this provision. Additional copies of this Notice may be  
obtained from the Claims Administrator by writing to:

22 *LendingClub Securities Litigation*  
23 Claims Administrator  
24 c/o Gilardi & Co. LLC  
P.O. Box 404001  
25 Louisville, KY 40233-4001

26 **PLAN OF ALLOCATION OF NET SETTLEMENT FUND**

- 27 1. Thirty-six percent (36%) of the Net Settlement Fund shall be allocated to LendingClub  
shares purchased from December 10, 2014 (including in the initial public offering) through  
28 June 8, 2015, and claims for such shares shall be calculated as follows:

- 1 (a) for shares sold from December 11, 2014 through May 8, 2016, the claim per share is  
2 25% of *the difference between*:
- 3 (i) the purchase price per share (not exceeding \$15.00 per share), minus  
4 (ii) the sales price per share;
- 5 (b) for shares retained at the end of May 8, 2016,
- 6 (i) for shares sold on May 9, 2016, the claim per share is *the sum of*:
- 7 1) \$1.98 per share (25% of the decline from the \$15.00 IPO price to the  
8 \$7.10 May 6, 2016 closing price), **PLUS**
- 9 2) *the lesser of*:
- 10 a) \$2.46 per share (the May 9, 2016 market adjusted price  
11 decline), and
- 12 b) the difference between \$7.10 per share (May 6, 2016 closing  
13 price) and the sales price per share;
- 14 (ii) for shares sold after May 9, 2016 but prior to the Judgment date in this  
15 litigation, the claim per share shall be *the lesser of*:
- 16 1) \$5.01 per share (\$1.98 per share (25% of the decline from the \$15.00  
17 IPO price to the \$7.10 May 6, 2016 closing price), **plus** \$3.03 per  
18 share (the May 9, 2016 and May 10, 2016 market adjusted price  
19 declines)), and
- 20 2) the difference between the purchase price per share (not exceeding  
21 \$15.00 per share) and the sales price per share; and
- 22 (iii) for shares retained through the mailing date of the Settlement Notice in this  
23 litigation, the claim per share shall be \$5.01 per share (\$1.98 per share (25%  
24 of the decline from the \$15.00 IPO price to the \$7.10 May 6, 2016 closing  
25 price), **plus** \$3.03 per share (the May 9, 2016 and May 10, 2016 market  
26 adjusted price declines)).
- 27 2. Sixty-four percent (64%) of the Net Settlement Fund shall be allocated to LendingClub  
28 shares purchased from June 9, 2015 through May 8, 2016, and claims for such shares shall  
be calculated as follows:
- (a) for shares sold prior to May 9, 2016, the claim per share is \$0;
- (b) for shares sold on May 9, 2016, the claim per share is 93% of *the lesser of*:
- (i) \$2.46 per share (the May 9, 2016 market adjusted price decline), and
- (ii) the difference between the purchase price per share and the sales price per  
share;
- (c) for shares sold from May 10, 2016 through August 5, 2016, the claim per share is  
93% of *the lesser of*:

- 1 (i) \$3.03 per share (the May 9, 2016 and May 10, 2016 market adjusted price  
declines),
- 2 (ii) the difference between the purchase price per share and the sales price per  
3 share, and
- 4 (iii) the difference between the purchase price per share and the average closing  
5 price per share from May 9, 2016 up to the date of sale, as set forth in Table  
A below.
- 6 (d) for shares retained at the end of August 5, 2016, the claim per share is 93% of *the*  
*lesser of*:
- 7 (i) \$3.03 per share (the May 9, 2016 and May 10, 2016 market adjusted price  
8 declines), and
- 9 (ii) the difference between the purchase price per share and \$4.45 per share (90-  
10 day average closing price after the end of the Class Period).

11 **The Last-In-First-Out (LIFO) methodology shall be used for purposes of determining  
12 which shares are sold when.**

13 **TABLE A:**

Date	Closing Price	Average Closing Price from May 9, 2016 through Sales Date	Date	Closing Price	Average Closing Price from May 9, 2016 through Sales Date
5/9/2016	\$4.62	\$4.62	6/23/2016	\$4.98	\$4.44
5/10/2016	\$4.10	\$4.36	6/24/2016	\$4.69	\$4.45
5/11/2016	\$4.08	\$4.27	6/27/2016	\$4.30	\$4.44
5/12/2016	\$3.76	\$4.14	6/28/2016	\$4.61	\$4.45
5/13/2016	\$3.51	\$4.01	6/29/2016	\$4.54	\$4.45
5/16/2016	\$3.94	\$4.00	6/30/2016	\$4.30	\$4.44
5/17/2016	\$3.60	\$3.94	7/1/2016	\$4.38	\$4.44
5/18/2016	\$3.99	\$3.95	7/5/2016	\$4.17	\$4.44
5/19/2016	\$3.70	\$3.92	7/6/2016	\$4.20	\$4.43
5/20/2016	\$3.99	\$3.93	7/7/2016	\$4.25	\$4.43
5/23/2016	\$4.32	\$3.96	7/8/2016	\$4.32	\$4.42
5/24/2016	\$4.43	\$4.00	7/11/2016	\$4.37	\$4.42
5/25/2016	\$4.45	\$4.04	7/12/2016	\$4.10	\$4.42
5/26/2016	\$4.37	\$4.06	7/13/2016	\$4.25	\$4.41
5/27/2016	\$4.81	\$4.11	7/14/2016	\$4.51	\$4.41
5/31/2016	\$4.76	\$4.15	7/15/2016	\$4.49	\$4.42
6/1/2016	\$4.98	\$4.20	7/18/2016	\$4.60	\$4.42
6/2/2016	\$5.06	\$4.25	7/19/2016	\$4.60	\$4.42
6/3/2016	\$4.62	\$4.27	7/20/2016	\$4.61	\$4.43
6/6/2016	\$4.74	\$4.29	7/21/2016	\$4.59	\$4.43
6/7/2016	\$4.39	\$4.30	7/22/2016	\$4.41	\$4.43
6/8/2016	\$4.42	\$4.30	7/25/2016	\$4.34	\$4.43
6/9/2016	\$4.47	\$4.31	7/26/2016	\$4.64	\$4.43
6/10/2016	\$4.26	\$4.31	7/27/2016	\$4.65	\$4.44
6/13/2016	\$4.44	\$4.31	7/28/2016	\$4.60	\$4.44
6/14/2016	\$4.42	\$4.32	7/29/2016	\$4.62	\$4.44
6/15/2016	\$4.65	\$4.33	8/1/2016	\$4.59	\$4.44
6/16/2016	\$4.96	\$4.35	8/2/2016	\$4.47	\$4.44
6/17/2016	\$4.87	\$4.37	8/3/2016	\$4.64	\$4.45
6/20/2016	\$5.00	\$4.39	8/4/2016	\$4.60	\$4.45
6/21/2016	\$4.92	\$4.41	8/5/2016	\$4.75	\$4.45
6/22/2016	\$4.84	\$4.42			

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

# **EXHIBIT A-2**

1 ROBBINS GELLER RUDMAN  
 & DOWD LLP  
 2 DARREN J. ROBBINS (168593)  
 JASON A. FORGE (181542)  
 3 SCOTT H. SAHAM (188355)  
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 4 AUSTIN P. BRANE (286227)  
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 10 malbert@rgrdlaw.com  
 cdolan@rgrdlaw.com

11 Lead Counsel for Lead Plaintiff

12 UNITED STATES DISTRICT COURT  
 13  
 14 NORTHERN DISTRICT OF CALIFORNIA

In re LENDINGCLUB SECURITIES	)	Case No. 3:16-cv-02627-WHA
LITIGATION	)	
_____	)	<u>CLASS ACTION</u>
This Document Relates To:	)	PROOF OF CLAIM AND RELEASE
ALL ACTIONS.	)	EXHIBIT A-2
_____	)	

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1 **I. GENERAL INSTRUCTIONS**

2 1. Capitalized terms not defined in this Proof of Claim and Release form (“Proof of  
3 Claim and Release”) have the same meaning as set forth in the Notice of Pendency and Proposed  
4 Settlement of Class Action (“Notice”) that accompanies this Proof of Claim and Release and the  
5 Stipulation of Settlement, dated February 21, 2018 (the “Stipulation”).

6 2. To recover as a Class Member based on your claims in the actions entitled *In re*  
7 *LendingClub Securities Litigation*, Case No. 3:16-cv-02627-WHA (the “Federal Litigation”) and/or  
8 *In re LendingClub Corporation Shareholder Litigation*, Case No. CIV 537300 (the “State  
9 Litigation” and, collectively with the Federal Litigation, the “Litigations”), you must complete and,  
10 on page \_\_\_ hereof, sign this Proof of Claim and Release. If you fail to submit a timely and properly  
11 addressed (as set forth in paragraph 4 below) Proof of Claim and Release, your claim may be  
12 rejected and you may not receive any recovery from the Net Settlement Fund created in connection  
13 with the proposed settlement.

14 3. Submission of this Proof of Claim and Release does not assure that you will share in  
15 the proceeds of the settlement of the Litigations. To share in the proceeds, the Claims Administrator  
16 must determine, based on the information in your Proof of Claim and Release, that you have a  
17 recognized loss as a result of your purchases or acquisitions of LendingClub common stock during  
18 the period from December 10, 2014 through May 6, 2016.

19 4. **YOU MUST MAIL OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED**  
20 **PROOF OF CLAIM AND RELEASE, ACCOMPANIED BY COPIES OF THE DOCUMENTS**  
21 **REQUESTED HEREIN, NO LATER THAN \_\_\_\_\_, 2018, ADDRESSED AS FOLLOWS:**

22 *LendingClub Securities Litigation*  
23 Claims Administrator  
24 c/o Gilardi & Co. LLC  
25 P.O. Box 404001  
Louisville, KY 40233-4001  
Online submissions: [www.LendingClubSecuritiesClassAction.com](http://www.LendingClubSecuritiesClassAction.com)

26 If you are NOT a Class Member (as defined in the Notice), DO NOT submit a Proof of Claim and  
27 Release.  
28

1           5.       If you are a Class Member and you do not timely request exclusion, you will be  
2 bound by the terms of any judgment entered in the Litigations, including the releases provided  
3 therein, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE.

4 **II.       CLAIMANT IDENTIFICATION**

5           If you purchased or otherwise acquired LendingClub Corporation (“LendingClub”) common  
6 stock and held the certificate(s) in your name, you are the beneficial purchaser or acquirer as well as  
7 the record purchaser or acquirer. If, however, you purchased or acquired LendingClub common  
8 stock and the certificate(s) were registered in the name of a third party, such as a nominee or  
9 brokerage firm, you are the beneficial purchaser or acquirer, and the third party is the record  
10 purchaser or acquirer.

11           Use Part I of this form entitled “Claimant Identification” to identify each purchaser or  
12 acquirer of record (“nominee”), if different from the beneficial purchaser or acquirer of the  
13 LendingClub common stock that forms the basis of this claim. THIS CLAIM MUST BE FILED BY  
14 THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIRER(S) OR THE LEGAL  
15 REPRESENTATIVE OF SUCH PURCHASER(S) OR ACQUIRER(S) OF THE LENDINGCLUB  
16 COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

17           All joint purchasers or acquirers must sign this claim. Executors, administrators, guardians,  
18 conservators, and trustees must complete and sign this claim on behalf of persons represented by  
19 them, and their authority must accompany this claim and their titles or capacities must be stated.  
20 The Social Security (or taxpayer identification) number and telephone number of the beneficial  
21 owner may be used in verifying the claim. Failure to provide the foregoing information could delay  
22 verification of your claim or result in rejection of the claim.

23 **III.       CLAIM FORM**

24           Use Part II of this form entitled “Schedule of Transactions in LendingClub Common Stock”  
25 to supply all required details of your transaction(s) in LendingClub common stock. If you need more  
26 space or additional schedules, attach separate sheets giving all of the required information in  
27 substantially the same form. Sign and print or type your name on each additional sheet.  
28



1 On the schedules, provide all of the requested information with respect to *all* of your  
2 purchases or acquisitions and *all* of your sales of LendingClub common stock which took place  
3 during the period from December 10, 2014 through and including August 5, 2016, whether such  
4 transactions resulted in a profit or a loss. You must also provide all of the requested information  
5 with respect to all of the LendingClub common stock you held at the close of trading on August 5,  
6 2016 and May 6, 2016. Failure to report all such transactions may result in the rejection of your  
7 claim.

8 List each transaction separately and in chronological order, by trade date, beginning with the  
9 earliest. You must accurately provide the month, day, and year of each transaction you list.

10 The date of covering a “short sale” is deemed to be the date of purchase of LendingClub  
11 common stock. The date of a “short sale” is deemed to be the date of sale of LendingClub common  
12 stock.

13 Broker confirmations or brokerage statements reflecting your purchases or other  
14 documentation of your transactions in LendingClub stock during the period from December 10, 2014  
15 through May 6, 2016 (such as a Schedule D from your federal income tax return) should be attached  
16 to your Proof of Claim and Release form. If you purchased LendingClub stock through a broker,  
17 you should be able to obtain duplicate copies of confirmation or brokerage statements from that  
18 broker. Failure to provide this documentation could delay verification of your claim or result in  
19 rejection of your claim.

20 The above requests are designed to provide the minimum amount of information necessary to  
21 process the simplest claims. The Claims Administrator may request additional information as  
22 required to efficiently and reliably calculate the amount of your claim. In some cases where the  
23 Claims Administrator cannot perform the calculation accurately or at a reasonable cost with the  
24 information provided, the Claims Administrator may condition acceptance of the Proof of Claim and  
25 Release form upon the production of additional information that it may, in its discretion, require to  
26 process the claim.

27 NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of  
28 transactions may request, or may be requested, to submit information regarding their transactions in

1 electronic files. All claimants MUST submit a manually signed paper Proof of Claim and Release  
2 whether or not they also submit electronic copies. If you wish to file your claim electronically, you  
3 must contact the Claims Administrator at edata@gilardi.com to obtain the required file layout. No  
4 electronic files will be considered to have been properly submitted unless the Claims Administrator  
5 issues to the claimant a written acknowledgment of receipt and acceptance of electronically  
6 submitted data.

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1 UNITED STATES DISTRICT COURT  
2 NORTHERN DISTRICT OF CALIFORNIA

3 *In re Lendingclub Securities Litigation*  
4 Case No. 3:16-CV-02627-WHA

5 PROOF OF CLAIM AND RELEASE

6 **Must Be Postmarked (if Mailed) or Received (if Filed Electronically) No Later than:**

7 \_\_\_\_\_, 2018

8 Please Type or Print

9 PART I: CLAIMANT IDENTIFICATION

10 Beneficial Owner's Name (First, Middle, Last)

11 Street Address

12 City

13 State or Province

14 Zip Code or Postal Code

15 Country

16 Social Security Number or  
17 Taxpayer Identification Number

18 \_\_\_\_\_  
19 \_\_\_\_\_ Individual  
Corporation/Other

20 Area Code

21 Telephone Number (work)

22 Area Code

23 Telephone Number (home)

24 Record Owner's Name (if different from beneficial owner listed above)

1 PART II: SCHEDULE OF TRANSACTIONS IN LENDINGCLUB COMMON STOCK

2 A. Purchases or acquisitions of LendingClub common stock (December 10, 2014-  
3 August 5, 2016, inclusive):

Trade Date Month Day Year	Number of Shares Purchased or Acquired	Total Purchase or Acquisition Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

9 **IMPORTANT:** (i) If any purchase listed covered a “short sale,” please mark Yes.  Yes

10 (ii) If you received shares through an acquisition or merger, please identify the  
11 date, the share amount and the company acquired:

12 MM/ DD/ YYYY Merger Shares: Company:  
13 \_\_\_\_\_  
14 \_\_\_\_/ \_\_\_\_/ \_\_\_\_\_

15 B. Sales of LendingClub common stock (December 10, 2014 – August 5, 2016,  
16 inclusive):

Trade Date Month Day Year	Number of Shares Sold	Total Sales Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

17 C. Number of shares of LendingClub common stock held at the close of trading on  
18 May 6, 2016: \_\_\_\_\_.

19 D. Number of shares of LendingClub common stock held at the close of trading on  
20 August 5, 2016: \_\_\_\_\_.

21 If you require additional space, attach extra schedules in the same format as above. Sign and  
22 print your name on each additional page.

23 **YOU MUST READ AND SIGN THE RELEASE ON PAGE \_\_. FAILURE TO SIGN**  
24 **THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF**  
25 **YOUR CLAIM.**  
26  
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1 **IV. SUBMISSION TO JURISDICTION OF COURT AND**  
2 **ACKNOWLEDGMENTS**

3 I (We) submit this Proof of Claim and Release under the terms of the Stipulation of  
4 Settlement described in the Notice. I (We) also submit to the jurisdiction of the United States  
5 District Court for the Northern District of California with respect to my (our) claim as a Class  
6 Member and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I  
7 am (we are) bound by and subject to the terms of any judgment that may be entered in the  
8 Litigations. I (We) agree to furnish additional information to the Claims Administrator to support  
9 this claim (including transactions in other LendingClub securities) if requested to do so. I (We) have  
10 not submitted any other claim covering the same purchases, acquisitions or sales of LendingClub  
11 common stock during the period from December 10, 2014 through May 6, 2016, inclusive, and know  
12 of no other person having done so on my (our) behalf.

13 **V. RELEASE**

14 1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully,  
15 finally, and forever settle, release, and discharge from the Released Claims each and all of the  
16 “Released Defendants,” defined as each and all of the Defendants and each of their Related Parties.  
17 “Related Parties” means, as applicable, each of a person or entity’s respective present and former  
18 parents, subsidiaries, divisions, joint ventures, affiliates, and each of their and a person or entity’s  
19 respective present and former employees, members, partners, principals, agents, officers, directors,  
20 controlling shareholders, attorneys, advisors, accountants, auditors, financial or investment advisors  
21 or consultants, banks or investment bankers, personal or legal representatives, insurers, co-insurers,  
22 reinsurers, related or affiliated entities, predecessors, successors, spouses, estates, heirs, executors,  
23 trusts, trustees, administrators, agents, representatives, and assigns, in their capacity as such, and any  
24 entity in which a person or entity has a controlling interest.

25 2. “Released Claims” means any and all claims, rights, causes of action, liabilities,  
26 actions, suits, damages, or demands (including Unknown Claims as defined below) of any kind  
27 whatsoever, that Federal Lead Plaintiff, State Class Representatives, or any other Class Member has  
28 that relate in any way to the purchase, acquisition, holding, sale, or disposition of LendingClub

1 common stock by Class Members during the period between December 10, 2014 through May 6,  
2 2016, inclusive, *and* either: (a) arise out of or are based upon or related to the facts alleged or the  
3 claims or allegations set forth in the Litigations; or (b) relate in any way to any alleged violation of  
4 the 1933 Act or the Exchange Act or any other state, federal or foreign jurisdiction’s securities or  
5 other laws, any alleged misstatement, omission or disclosure (including in financial statements) or  
6 other alleged securities-related wrongdoing or misconduct by the Released Defendants.  
7 Notwithstanding the foregoing, “Released Claims” does not include claims relating to any  
8 LendingClub shares that were purchased or acquired before December 10, 2014 or claims relating to  
9 the enforcement of the settlement.

10 3. “Released Defendants” means each and all of the Defendants and each of their  
11 Related Parties.

12 4. “Released Plaintiffs and Class Members” means Federal Lead Plaintiff, State Class  
13 Representatives, each Class Member, and to the full extent permissible under law, each of their  
14 Related Parties.

15 5. “Releasing Defendants” means each and all of the Defendants and each of their  
16 Related Parties.

17 6. “Releasing Defendants’ Claims” means all claims and causes of action of every  
18 nature and description, whether known or unknown, whether arising under federal, state, common or  
19 foreign law, that arise out of or relate in any way to the institution, prosecution or settlement of the  
20 Litigations or the Released Claims against the Released Defendants. Notwithstanding the foregoing,  
21 “Releasing Defendants’ Claims” does not include claims relating to the enforcement of the  
22 settlement.

23 7. “Releasing Plaintiffs and Class Members” means Federal Lead Plaintiff, State Class  
24 Representatives, each Class Member, and to the full extent permissible under law, each of their  
25 Related Parties

26 8. “Unknown Claims” means (i) any Released Claims that Releasing Plaintiffs and  
27 Class Members do not know or suspect to exist in his, her or its favor at the time of the release,  
28 which, if known by him, her or it, might have affected his, her or its settlement with and release of

1 the Released Defendants, or might have affected his, her or its decision not to object to this  
2 settlement or seek exclusion from this settlement, and (ii) any Releasing Defendants' Claims that  
3 Releasing Defendants do not know or suspect to exist in his, her or its favor at the time of the  
4 release, which, if known by him, her or it, might have affected his, her or its settlement with and  
5 release of the Released Plaintiffs and Class Members. With respect to any and all Released Claims  
6 and Releasing Defendants' Claims, the Settling Parties stipulate and agree that, upon the Effective  
7 Date, Federal Lead Plaintiff and State Class Representatives shall expressly waive and each of the  
8 Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly  
9 waived the provisions, rights, and benefits of California Civil Code §1542 and any law of any state  
10 or territory of the United States, or principle of common law, which is similar, comparable, or  
11 equivalent to California Civil Code §1542, which provides:

12 **A general release does not extend to claims which the creditor does not know or**  
13 **suspect to exist in his or her favor at the time of executing the release, which if**  
14 **known by him or her must have materially affected his or her settlement with**  
15 **the debtor.**

16 Releasing Plaintiffs and Class Members may hereafter discover facts in addition to or different from  
17 those which he, she or it now knows or believes to be true with respect to the subject matter of the  
18 Released Claims, but Federal Lead Plaintiff and State Class Representatives shall expressly settle  
19 and release and each Class Member, upon the Effective Date, shall be deemed to have, and by  
20 operation of the Judgment shall have, fully, finally, and forever settled and released any and all  
21 Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent,  
22 disclosed or undisclosed, matured or unmatured, whether or not concealed or hidden, which now  
23 exist, or heretofore have existed, upon any theory of law or equity now existing or coming into  
24 existence in the future, including, but not limited to, conduct which is negligent, intentional, with or  
25 without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or  
26 existence of such different or additional facts. Federal Lead Plaintiff and State Class Representatives  
27 acknowledge, and the Class Members shall be deemed by operation of the Judgment to have  
28 acknowledged, that the foregoing waiver was separately bargained for and a key element of the  
settlement of which this release is a part.





1 Reminder Checklist:

- 2 1. Please sign the above release and  
3 2. If this claim is being made on behalf of  
4 3. Remember to attach copies of supporting  
5 4. **Do not send** originals of certificates.  
6 5. Keep a copy of your Proof of Claim and  
7 6. If you desire an acknowledgment of  
8 7. If you move, please send your new  
9 8. **Do not use red pen or highlighter** on the  
10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

**THIS PROOF OF CLAIM AND RELEASE MUST BE SUBMITTED ONLINE OR, IF MAILED, POSTMARKED NO LATER THAN \_\_\_\_\_, 2018, ADDRESSED AS FOLLOWS:**

*LendingClub Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 404001  
Louisville, KY 40233-4001  
[www.LendingClubSecuritiesClassAction.com](http://www.LendingClubSecuritiesClassAction.com)

# **EXHIBIT A-3**

1 ROBBINS GELLER RUDMAN  
 & DOWD LLP  
 2 DARREN J. ROBBINS (168593)  
 JASON A. FORGE (181542)  
 3 SCOTT H. SAHAM (188355)  
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 4 AUSTIN P. BRANE (286227)  
 MICHAEL ALBERT (301120)  
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 9 rachelj@rgrdlaw.com  
 abrane@rgrdlaw.com  
 10 malbert@rgrdlaw.com  
 cdolan@rgrdlaw.com

11 Lead Counsel for Lead Plaintiff

12 UNITED STATES DISTRICT COURT  
 13  
 14 NORTHERN DISTRICT OF CALIFORNIA

In re LENDINGCLUB SECURITIES	)	Case No. 3:16-cv-02627-WHA
LITIGATION	)	
_____	)	<u>CLASS ACTION</u>
This Document Relates To:	)	SUMMARY NOTICE
ALL ACTIONS.	)	EXHIBIT A-3
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1 IF YOU PURCHASED OR ACQUIRED LENDINGCLUB CORPORATION (“LENDINGCLUB”)  
2 COMMON STOCK FROM DECEMBER 10, 2014, THROUGH MAY 6, 2016, INCLUSIVE,  
3 YOUR RIGHTS MAY BE AFFECTED BY A PROPOSED SETTLEMENT IN LAWSUITS  
4 PENDING IN FEDERAL AND STATE COURTS (THE “LITIGATIONS”). PLEASE READ  
5 CAREFULLY.

6 YOU ARE HEREBY NOTIFIED that a hearing will be held on \_\_\_\_\_, 2018, at \_\_\_\_\_,  
7 before the Honorable William Alsup, United States District Judge, at the United States District Court  
8 for the Northern District of California (the “Court”), 450 Golden Gate Avenue, San Francisco,  
9 California, for the purpose of determining: (1) whether the proposed settlement in the Stipulation of  
10 Settlement, dated February 21, 2018 (“Stipulation”), of the Litigations for \$125,000,000.00 in cash  
11 should be approved by the Court as fair, reasonable, and adequate; (2) whether a Judgment should be  
12 entered by the Court; (3) whether the Plan of Allocation is fair, reasonable, and adequate and should  
13 be approved; and (4) whether the applications by Federal and State Lead Counsel for attorneys’ fees  
14 and expenses should be approved.

15 The Litigations have been certified as class actions on behalf of all investors (individuals and  
16 entities) who purchased or acquired LendingClub common stock from December 11, 2014 through  
17 May 6, 2016, for claims under the Securities Exchange Act of 1934 (“Exchange Act”), and those  
18 who purchased or acquired LendingClub common stock during the period from December 10, 2014  
19 through June 8, 2015, for claims under the Securities Act of 1933 (the “1933 Act”), and were  
20 damaged thereby (“Class Members”).<sup>1</sup> A detailed description of the Litigations, including the  
21 parties, the claims and defenses, and other important information about your rights and options are in  
22 the detailed Notice of Pendency and Proposed Settlement of Class Action (“Notice”).

23 To obtain the Notice or a copy of the Proof of Claim and Release form (“Proof of Claim and  
24 Release”), visit the settlement website at [www.LendingClubSecuritiesClassAction.com](http://www.LendingClubSecuritiesClassAction.com) or write to  
25 *LendingClub Securities Litigation*, Claims Administrator, c/o Gilardi & Co. LLC, P.O. Box 404001,  
26 Louisville, KY 40233-4001.

27 <sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the  
28 meanings provided in the Stipulation, which is available on the settlement website,  
[www.LendingClubSecuritiesClassAction.com](http://www.LendingClubSecuritiesClassAction.com).

1 To get a payment from the Net Settlement Fund, you must submit a Proof of Claim and  
2 Release by mail *postmarked no later than* \_\_\_\_\_, **2018**, or electronically *no later than*  
3 \_\_\_\_\_, **2018**, establishing that you are entitled to recovery. Failure to submit your Proof of  
4 Claim and Release by \_\_\_\_\_, 2018, will subject your claim to possible rejection and may  
5 preclude you from receiving any payment from the settlement. If you are a Class Member and do  
6 not exclude yourself by the deadline, you will be bound by the settlement and any judgment entered  
7 in the Litigations, whether or not you submit a Proof of Claim and Release.

8 To be excluded from the settlement, you must submit a written request for exclusion in  
9 accordance with all the instructions in the Notice such that it is *received no later than* \_\_\_\_\_,  
10 **2018**. All Class Members who do not timely exclude themselves will be bound by the settlement  
11 (assuming it is approved by the Court) even if they do not submit a timely Proof of Claim and  
12 Release.

13 To object to any aspect of the settlement, including the Plan of Allocation, or the application  
14 for attorneys' fees and expenses, you must submit a written objection in accordance with all the  
15 instructions set forth in the Notice *no later than* \_\_\_\_\_, **2018**. If you object, but also want to be  
16 eligible for a payment from the settlement, you must still submit a timely Proof of Claim and  
17 Release.

18 **PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE**  
19 **REGARDING THIS NOTICE.** If you have any questions about the settlement, you may contact  
20 Federal and State Lead Counsel at the following addresses:

21 *Lead Counsel in the Federal Litigation:*

22 ROBBINS GELLER RUDMAN  
23 & DOWD LLP  
24 Theodore J. Pintar  
25 655 West Broadway, Suite 1900  
26 San Diego, CA  
27 TedP@rgrdlaw.com  
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*Lead Counsel in the State Litigation:*

SCOTT+SCOTT, ATTORNEYS AT LAW, LLP  
William C. Fredericks  
230 Park Avenue, 17th Floor  
New York, NY 10169

or-

COTCHETT, PITRE & MCCARTHY, LLP  
Mark C. Molumphy  
San Francisco Airport Office Center  
840 Malcolm Road, Suite 200  
Burlingame, CA 94010

DATED: \_\_\_\_\_

\_\_\_\_\_  
BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

# **EXHIBIT B**

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re LENDINGCLUB SECURITIES LITIGATION	)	Case No. 3:16-cv-02627-WHA
_____	)	<u>CLASS ACTION</u>
This Document Relates To:	)	[PROPOSED] JUDGMENT
ALL ACTIONS.	)	EXHIBIT B
_____	)	



1 This matter came before the Court on the application of the parties for final approval of the  
2 settlement set forth in the Stipulation of Settlement dated February 21, 2018 (the “Stipulation”). Full  
3 and adequate notice having been given to the Class as required in the Court’s Order Preliminarily  
4 Approving Settlement and Providing for Notice (“Order”) dated \_\_\_\_\_, 2018, and the Court  
5 having considered all papers filed and proceedings had herein and otherwise being fully informed in  
6 the premises and good cause appearing therefore, IT IS HEREBY ORDERED THAT:

7 1. This Judgment incorporates by reference the definitions in the Stipulation, and all  
8 terms used herein shall have the same meanings as set forth in the Stipulation, unless otherwise set  
9 forth herein.

10 2. This Court has jurisdiction over the subject matter of the Litigations and over all  
11 parties to the Litigations, including all Class Members.

12 3. The Court finds that the distribution of the Notice, Proof of Claim and Release, and  
13 Summary Notice complied with the terms of the Stipulation and the Order, and provided the best  
14 notice practicable under the circumstances of those proceedings and of the matters set forth therein,  
15 including the proposed settlement set forth in the Stipulation, to all Persons entitled to such notice,  
16 and said notice fully satisfied the requirements of Federal Rule of Civil Procedure 23; Section 27 of  
17 the Securities Act of 1933, 15 U.S.C. §77z-1(a)(7) and §21D(a)(7) of the Securities Exchange Act of  
18 1934, 15 U.S.C. §78u-4(a)(7), both as amended by the Private Securities Litigation Reform Act; due  
19 process; and any other applicable law.

20 4. [There have been no objections to the settlement.]

21 5. In light of the benefits to the Class Members, the complexity, expense, and possible  
22 duration of further litigation against Defendants, the risks of establishing liability and damages, the  
23 risks and costs of continued litigation, and the other reasons set forth in the Stipulation, the Court  
24 hereby approves the settlement set forth in the Stipulation pursuant to Federal Rule of Civil  
25 Procedure 23 and finds that:

26 (a) the Stipulation and the settlement contained therein, are, in all respects, fair,  
27 reasonable, and adequate and in the best interest of the Class Members;

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1 (b) there was no collusion between or among the parties in reaching the  
2 agreement set forth in the Stipulation;

3 (c) the Stipulation was the product of informed, arm's-length negotiations among  
4 competent, able counsel and with the assistance of Chief Magistrate Judge Joseph C. Spero; and

5 (d) the record is sufficiently developed and complete to have enabled the Settling  
6 Parties to have adequately evaluated and considered their positions.

7 Accordingly, the Court authorizes and directs implementation and performance of all the  
8 terms and provisions of the Stipulation, as well as the terms and provisions hereof.

9 6. Except as to any individual claim of those Persons (identified in Exhibit 1 attached  
10 hereto) who have validly and timely requested exclusion from the Class, the Federal Litigation and  
11 all claims contained therein, including the Released Claims, are dismissed with prejudice as to all  
12 Settling Parties and their Related Parties (as defined in the Stipulation). The Settling Parties are to  
13 bear their own fees and costs except as otherwise provided in the Stipulation or in any separate order  
14 with respect to the application for attorneys' fees or expenses, and notice and administration  
15 expenses, pursuant to the Stipulation.

16 7. Upon the Effective Date, and as provided in the Stipulation, all Releasing Plaintiffs  
17 and Class Members and anyone claiming through or on behalf of any of them, shall be deemed to  
18 have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished,  
19 and discharged all Released Claims against the Released Defendants. Upon the Effective Date, the  
20 Releasing Plaintiffs and Class Members will be forever barred and enjoined from commencing,  
21 instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law  
22 or equity, arbitration tribunal, or administrative forum, asserting the Released Claims against any of  
23 the Released Defendants. Claims to enforce the terms of the Stipulation are not released.

24 8. Upon the Effective Date, and as provided in the Stipulation, each of the Releasing  
25 Defendants shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and  
26 forever released, relinquished, and discharged all Releasing Defendants' Claims (including  
27 Unknown Claims) against Released Plaintiffs and Class Members, and Federal and State Lead  
28 Counsel, whether arising under federal, state, common or foreign law. Upon the Effective Date, the

1 Releasing Defendants will be forever barred and enjoined from commencing, instituting, prosecuting  
2 or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration  
3 tribunal, or administrative forum, asserting the Releasing Defendants' Claims against any of the  
4 Released Plaintiffs and Class Members, and Federal and State Lead Counsel. Releasing Defendants  
5 are aware of the California Civil Code §1542 and expressly waive and relinquish any rights or  
6 benefits available to them under this statute. Claims to enforce the terms of the Stipulation are not  
7 released.

8           9.       As set forth in the Stipulation, State Class Representatives and State Lead Counsel  
9 will notify the State Court within two (2) business days of entry of Judgment.

10           10.       State Class Representatives and State Lead Counsel will notify the State Court within  
11 two (2) business days of Judgment becoming Final.

12           11.       Each Class Member, whether or not such Class Member executes and delivers a Proof  
13 of Claim and Release, is bound by this Judgment, including, without limitation, the release of claims  
14 as set forth in the Stipulation.

15           12.       All Persons and entities whose names appear on Exhibit 1 hereto are hereby excluded  
16 from the Class, are not bound by this Judgment, and may not make any claim with respect to or  
17 receive any benefit from the settlement.

18           13.       Neither the Stipulation nor the settlement contained therein, nor any act performed or  
19 document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be  
20 deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim,  
21 the truth of any of the allegations in the Litigations, or of any wrongdoing, fault, or liability of the  
22 Defendants or their respective Related Parties, or that Federal Lead Plaintiff or State Class  
23 Representatives or any Class Members have suffered any damages, harm, or loss; or (b) is or may be  
24 deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the  
25 Defendants or their respective Related Parties in any civil, criminal, or administrative proceeding in  
26 any court, administrative agency, or other tribunal. The Defendants and/or their respective Related  
27 Parties may file the Stipulation and/or this Judgment in any other action that may be brought against  
28 them in order to support a defense or counterclaim based on principles of *res judicata*, collateral

1 estoppel, release, good faith settlement, judgment bar or reduction, or any theory of claim preclusion  
2 or issue preclusion or similar defense or counterclaim.

3 14. Any Plan of Allocation submitted by Federal or State Lead Counsel or any order  
4 entered regarding any attorneys' fee and expense application shall in no way disturb or affect this  
5 Judgment and shall be considered separate from this Judgment. Defendants have no responsibility  
6 with respect to the Plan of Allocation.

7 15. Without affecting the finality of this Judgment in any way, this Court hereby retains  
8 continuing jurisdiction over: (a) implementation of this settlement and any award or distribution of  
9 the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund;  
10 (c) hearing and determining applications for attorneys' fees, expenses, and interest in the Litigations;  
11 and (d) all parties herein for the purpose of construing, enforcing, and administering the Stipulation.

12 16. The Court finds that during the course of the Litigations, the Settling Parties and their  
13 respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11  
14 and applicable California and federal rules of professional responsibility.

15 17. In the event that the Effective Date does not occur, this Judgment shall be rendered  
16 null and void to the extent provided by and in accordance with the Stipulation and shall be vacated  
17 and, in such event, all orders entered and releases delivered in connection herewith shall be null and  
18 void to the extent provided by and in accordance with the Stipulation.

19 18. Without further order of the Court, the Settling Parties may agree to reasonable  
20 extensions of time to carry out any of the provisions of the Stipulation.

21 19. Nothing herein shall release or alter the rights, if any, under the terms of any bylaws  
22 or other written agreements: (i) between Dolan, Laplanche and/or the Director Defendants, on the  
23 one hand, and LendingClub, on the other hand, (ii) between the Underwriter Defendants, on the one  
24 hand, and LendingClub, on the other hand, or (iii) between or among the Underwriter Defendants.

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1           20.     The provisions of this Judgment constitute a full and complete adjudication of the  
2 matters considered and adjudged herein, and the Court directs immediate entry of this Judgment by  
3 the Clerk of the Court.

4           IT IS SO ORDERED.

5 DATED: \_\_\_\_\_

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THE HONORABLE WILLIAM ALSUP  
UNITED STATES DISTRICT JUDGE

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