

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

PRAKASH MOHANTY, Individually and on)	Case No. 1:16-cv-12336-IT
Behalf of All Others Similarly Situated,)	
)	
Plaintiff,)	
)	CLASS ACTION
vs.)	
)	
AVID TECHNOLOGY, INC., LOUIS)	
HERNANDEZ, JR., and ILAN SIDI,)	
)	
Defendants.)	
)	

**DECLARATION OF MICHAEL I. FISTEL, JR. IN SUPPORT OF
(1) LEAD PLAINTIFF’S MOTION FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT, APPROVAL OF THE
PLAN OF ALLOCATION, AND FINAL CERTIFICATION OF THE CLASS FOR
SETTLEMENT PURPOSES, AND (2) LEAD COUNSEL’S MOTION FOR
AN AWARD OF ATTORNEYS’ FEES, PAYMENT OF EXPENSES, AND AN AWARD
TO LEAD PLAINTIFF PURSUANT TO 15 U.S.C. §78u-4(a)(4)**

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I, Michael I. Fistel, Jr., hereby declare as follows:

1. I am a partner at the law firm Johnson Fistel, LLP (“Johnson Fistel”), Court-appointed Lead Counsel for Court-appointed Lead Plaintiff David Wayne Hammond (“Lead Plaintiff”), and for the prospective Class. Unless otherwise stated herein, I have personal knowledge of the matters set forth herein based on my active participation in all aspects of the prosecution and resolution of the above-captioned action (the “Action”). If called upon, I could and would competently testify that the following facts are true and correct.

2. I respectfully submit this Declaration in support of (i) Lead Plaintiff’s Motion for Final Approval of Class Action Settlement, Approval of the Plan of Allocation, and Final Certification of the Class for Settlement Purposes, and (ii) Lead Counsel’s Motion for an Award of Attorneys’ Fees, Payment of Expenses, and an Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4).

I. INTRODUCTION

3. This action alleges claims for violations of the federal securities laws on behalf of all persons and entities who purchased or otherwise acquired the common stock of Avid Technology, Inc. (“Avid”) between August 4, 2016 and November 9, 2016, inclusive, and were allegedly damaged thereby (the “Class”¹) against Defendants Avid, Louis Hernandez, Jr.

¹ Excluded from the Class are Defendants, members of the immediate family of any such Defendant, any Person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has or had a controlling interest during the Class Period; the officers and directors of Avid during the Class Period; and legal representatives, agents, executors, heirs, successors, or assigns of any such excluded Person; the Defendants or any entity in which any of the Defendants has or had a controlling interest (for purposes of this paragraph, together a “Defendant-Controlled Entity”), to the extent that such Defendant-Controlled Entity itself purchased a proprietary (i.e., for its own account) interest in the Company’s common stock; to the extent that a Defendant-Controlled Entity purchased Avid stock in a fiduciary capacity or otherwise on behalf of any third-party client, account, fund, trust, or employee-benefit plan that otherwise falls within the Class, neither such Defendant-Controlled Entity nor the third-party client, account, fund, trust, or employee-benefit plan shall be excluded from the Class with respect

(“Hernandez”), and Ilan Sidi (“Sidi”).

4. After an inquiry into the merits of the claims, assessing defenses, estimating likely damages that could be recovered by the Class, and arm’s-length negotiations under the supervision of a respected mediator, Jed D. Melnick, Esq. (“Mr. Melnick”) of JAMS, Lead Plaintiff has agreed, subject to Court approval, to settle this action on behalf of the Class in exchange for \$1,325,000.00 (the “Settlement”). The precise terms of the Settlement are fully set forth in the previously-filed Stipulation and Agreement of Settlement dated November 30, 2017 (Dkt. No. 50-2) (“Stipulation”).

5. The Settlement is the product of hard-fought litigation and was reached only after an extensive investigation conducted by Lead Counsel at the pleading stage. In this regard, Lead Counsel retained a private investigator who interviewed numerous former Avid employees. Lead Counsel also thoroughly reviewed and analyzed publicly available information regarding Avid, including, but not limited to, its United States Securities and Exchange Commission (“SEC”) filings, Defendants’ public statements, financial reports, press releases, media reports about Avid, analysts’ reports rendered by securities firms, and Court filings from prior securities litigation involving Avid. Lead Counsel also evaluated issues concerning causation and damages, thoroughly researched the law pertinent to the claims and defenses asserted, and engaged in ongoing communications with the Court-appointed Lead Plaintiff.

6. Lead Counsel also researched and drafted the initial Complaint for Violations of the Federal Securities Laws (Dkt. No. 1), the Corrected Amended Complaint for Violations of the Federal Securities Laws (Dkt. No. 42) (“Complaint”), and engaged in motion practice opposing Defendants’ Motion to Dismiss (Dkt. Nos. 43, 44, 45, 46). Lead Counsel also engaged in arm’s-

to such Avid stock; and those Persons who timely and validly exclude themselves therefrom. Notice Order (Dkt. No. 55) at ¶ 3(a)-(b).

length settlement negotiations, including extensive mediation briefing, before an experienced, nationally-recognized mediator, Mr. Melnick, , and participated in an in-person, full-day mediation session with Mr. Melnick on August 22, 2017, in New York, New York, following which arm's-length negotiations between the parties, with the assistance of Mr. Melnick, continued for several weeks. *See* Declaration of Jed D. Melnick Esq. in Support of Final Approval of Class Action Settlement (Ex. 1 hereto) ("Melnick Decl.") at ¶4. During those negotiations, Lead Counsel made it very clear that based on its assessment of the strengths and weaknesses of this case, Lead Plaintiff would continue to litigate rather than settle for less than fair value.

7. As a result of these efforts, Lead Counsel and Lead Plaintiff had a detailed understanding of the strengths and weaknesses of their case prior to reaching the Settlement. After additional negotiations following an agreement-in-principle, the Settlement was eventually reached and is memorialized in the Stipulation. The Settlement is a notable achievement derived from the substantial efforts of Lead Plaintiff and Lead Counsel, and is a very good result for the Class based on potential impediments to recovery, the legal hurdles and risks involved in proving liability and damages, as well as the significant risks and the delay, expense, and uncertainty of proceeding with the litigation further, including pursuing the Action through trial and any subsequent appeals. The benefit that the Settlement will provide to the Class weighs in favor of final approval, particularly when considered against the risks that the Class might recover less (or nothing) if the action were litigated through summary judgment, trial, and any appeals that would likely follow, a process that could last many additional months, or even years. In the face of these risks, a recovery of \$1,325,000.00 represents a highly successful result. Lead Counsel respectfully submits that under these circumstances, the Settlement is in the best interests of the Class and should be approved as fair, reasonable, and adequate.

8. On January 12, 2018, the Court preliminarily approved the Settlement and directed Notice of the Settlement to the Class (*See* Notice Order, Dkt. No. 55).

9. The Class appears to overwhelmingly endorse the Settlement. Pursuant to the Court's Notice Order, the Claims Administrator has now delivered 7,388 notice packets to potential Class Members, which included the Notice of Pendency and Proposed Settlement of Class Action (the "Notice") and the Proof of Claim and Release ("Proof of Claim," and collectively with the Notice, the "Notice Packet"). *See* Declaration of Jennifer M. Bareither Regarding Notice Dissemination, Publication, and Requests for Exclusion Received to Date (Ex. 2 hereto) ("Bareither Decl.") at ¶11. The Summary Notice was also published in *IBD Weekly* and disseminated over PR Newswire, a national newswire service, and the Notice was posted on the Claims Administrator's website at www.AvidSecuritiesSettlement.com. The Notice advised potential Class Members of, among other things: (i) the terms of the Settlement; (ii) their right to exclude themselves from the Class; (iii) the manner for submitting a Proof of Claim and Release in order to be eligible for a payment from the Settlement Fund; (iv) the request for an award of attorneys' fees and expenses; and (v) their right to object to any aspect of the Settlement, including the Plan of Allocation, award of attorneys' fees and expenses, and Lead Plaintiff's request for a compensatory award pursuant to 15 U.S.C. §78u-4(a)(4). While the deadline for Class members to object to the Settlement and Plan of Allocation has not yet passed, to date there have been no objections to any aspect of the settlement and no requests for exclusion from the Class have been received.²

10. Rather than proceed with this litigation for years and risk obtaining little or nothing from any or all of the Defendants, the Settlement provides the Class with a substantial cash

² The objection deadline is April 9, 2018. If any timely objections are received, Lead Counsel will address them in a reply memorandum due no later than April 23, 2018.

recovery now. The other terms of the Settlement are the product of careful negotiations between the Settling Parties and are set forth in the Stipulation.

11. Accordingly, Lead Counsel, which has extensive experience in prosecuting securities class actions, strongly believes that the proposed Settlement is fair, reasonable, adequate, and in the best interests of the Class, that the Plan of Allocation is equitable and just, and that the requested fee and expense reimbursement should be awarded in full. The following, along with the exhibits attached hereto, sets forth the principal proceedings in this matter and the major legal services provided by Lead Counsel, the negotiation of the Settlement, the terms of the Settlement, why the Settlement and the Plan of Allocation are fair and in the best interests of the Class, and the reasonableness of Lead Counsel's fee and expense request and of the requested compensatory award for Lead Plaintiff.

II. OVERVIEW OF THE LITIGATION

A. Procedural Background

12. This Action was commenced in this Court on November 21, 2016, and alleged violations of the federal securities laws naming, collectively, Avid, Hernandez, and Sidi, and sought damages on behalf of the Class. Specifically, the complaint alleged that Defendants violated §§10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and asserted claims on behalf of all persons and entities who purchased or otherwise acquired Avid common stock during the Class Period.

13. On February 7, 2017, pursuant to the Private Securities Class Action Reform Act of 1995, 15 U.S.C. §§ 78u-4 *et seq.* (the "PSLRA"), the Court entered an order (Dkt. No. 36) appointing David Wayne Hammond as Lead Plaintiff and appointing the law firm of Johnson &

Weaver, LLP³ as lead counsel for the Class (“Lead Counsel”).

14. On April 19, 2017, Lead Plaintiff filed his Complaint (Dkt. No. 42), naming Avid, Hernandez, and Sidi as defendants, and seeking damages on behalf of all those who purchased or otherwise acquired the common stock of Avid between August 4, 2016 and November 9, 2016, inclusive.

B. Substantive Allegations

15. Avid develops, markets, sells, and supports various software systems and hardware products for creating and manipulating digital media content. As alleged in the Complaint, Defendants intentionally and/or recklessly misrepresented to Avid public shareholders during the Class Period material facts concerning Avid’s launch of its new product, NEXIS, as well as NEXIS’s reception in 3Q16 by its large media enterprise customers. Complaint at ¶¶10-14.

16. Shortly before the Class Period, Avid had issued warnings in April 2016 of delayed or deferred purchases pending the release of NEXIS. *Id.* at ¶6. At the start of the Class Period, those warnings were dropped and Avid increased its 3Q16 guidance, allegedly leading investors to reasonably believe large enterprise clients were rapidly adopting NEXIS in 3Q16 and that Avid was fully on track to realize its 3Q16 projections. *Id.* at ¶¶13, 49–50, 73. Lead Counsel’s investigation also uncovered a television interview of Hernandez following the close of 3Q16 during which Hernandez touted “surging” large enterprise deployments. *Id.* at ¶80.

17. Then, at the end of the Class Period, the Complaint alleges Avid’s 3Q16 revenue, and 3Q16 bookings in particular, were revealed to be substantially lower than investors were led to expect throughout the Class Period. The Complaint alleges Defendants admitted that the enterprise market had in fact been “frozen” for the prior two quarters pending the release of

³ Johnson & Weaver, LLP subsequently notified the Court that it had changed its name to Johnson Fistel, LLP.

enterprise-level NEXIS features critical to attracting large enterprises, and that large media enterprise deferrals were precisely “what [Defendants] had expected to happen.”⁴ Complaint at ¶85. Unbeknownst to the public and contrary to Defendants’ representations, the Complaint alleges that those critical enterprise features were not made available until the very end of 3Q16. *Id.* at ¶98. By the time these features were finally released, ongoing storage upgrade renewal had already been deferred. *Id.*

18. The Complaint further alleges that as the truth of these facts was revealed at the end of the Class Period, the price of Avid’s allegedly artificially inflated common stock sharply dropped over several trading days, on unusually high trading volume. *Id.* at ¶¶15-17.

C. Defendants’ Motion to Dismiss

19. Defendants filed a comprehensive motion to dismiss the Complaint on June 14, 2017 (Dkt. Nos. 43-44) (“Motion to Dismiss”), which Lead Plaintiff opposed on July 31, 2017 (Dkt. No. 45) (“Opposition”), and to which Defendants filed a Reply Memorandum in Support of Defendants’ Motion to Dismiss Plaintiff’s Corrected Amended Complaint (“Reply”) on August 21, 2017 (Dkt. No. 46).

20. Defendants’ Motion to Dismiss argued that the Complaint failed to allege a misstatement or omission with the particularity required by the PSLRA and Fed. R. Civ. P. 9(b). Motion to Dismiss at 9–15. Specifically, Defendants argued the Complaint (i) did not identify with particularity any false or misleading statement or omission about Avid’s products or pipeline, and mischaracterized Avid’s November 9, 2016 3Q16 conference call; (ii) failed to raise the

⁴ The context and accuracy of the November 9, 2016 conference call statement regarding what Defendants “had expected to happen” was hotly contested by the Parties in connection with Defendants’ Motion to Dismiss (Dkt Nos. 43-44) and at mediation, prompting Defendants to submit an audio recording of the conference call to the Court and necessitating significant research by Lead Counsel into ancillary legal issues presented thereby.

“strong inference” of scienter required under the PSLRA; and (iii) failed to allege control person liability. *Id.* at 10-20.

21. Defendants’ Motion to Dismiss emphasized that Defendants did not provide either historical results or forward-looking guidance for any individual product, and that Avid had warned investors that bookings for all products were expected to be in the lower range of previous guidance due to higher than expected volatility in the media enterprise market. *Id.* at 5. Defendants further argued that Avid had warned investors that its financial guidance and other forward-looking statements about Avid’s “anticipated plans, objectives, expectations and intentions” “involve risks and uncertainties” and are “inherently uncertain,” and that Avid’s actual performance “could differ materially” from its predictions. *Id.* at 6.

22. Defendants vigorously contested the Complaint’s characterization of Defendants’ alleged admissions at the end of the Class Period, arguing that Hernandez’s statements, when read in context, indicated expected upgrades and renewals of Avid’s existing storage products—not deferrals—to continue in 3Q16. *Id.* at 12-14. In connection with Defendants’ Motion to Dismiss, Defendants submitted an audio recording of Hernandez’s November 9, 2016 conference call statements to the Court, arguing that “[w]ith proper punctuation, and fidelity to the audio recording, it is clear beyond doubt that Avid said that ‘what it expected to happen’ in August [2016] was continued ISIS upgrades and renewals, and that expectation turned out to be wrong.” *Id.* at 2.

23. Regarding scienter, Defendants argued that the Complaint’s allegations also failed because there was no showing that Defendants knew, as of August 3rd, 2016, how 3Q16 would end. *Id.* at 18–20. While acknowledging the Complaint’s allegations that Defendants (i) knew but did not disclose that customers had been deferring purchases, and (ii) knew these deferrals would

materially impact Avid's 3Q16 results, Defendants argued the Complaint lacked specific information regarding what was known, how Defendants "knew" this information, or why Defendants deemed this information material to Avid's 3Q16 results. *Id.* at 19. Defendants also argued that the Complaint omitted any plausible explanation for why Defendants would intentionally or recklessly mislead investors regarding 3Q16. Defendants proffered a competing proposed non-fraudulent inference that "Avid increased its 3Q16 guidance because it had beat its 2Q16 guidance and because it was further along in the process of rolling out NEXIS." *Id.* at 20.

24. On July 31, 2017, Lead Plaintiff filed his Opposition, in which he argued, *inter alia*, that (i) the Complaint adequately alleged material misstatements and omissions, including Defendants' actionable statements that created the false impression that NEXIS was fully released and ramping up, (ii) the alleged misstatements were not "puffery," (iii) the alleged misstatements were not protected by the PSLRA Safe Harbor, (iv) Defendants' cautionary language was not meaningful, and finally, that (v) the Complaint adequately established a strong inference of scienter.

25. Regarding falsity, the Opposition highlighted the Complaint's detailed and particularized allegations regarding (i) the market's focus on whether Avid's large media enterprise customers had in fact only delayed or deferred purchases and bookings pending the release of NEXIS, and whether Avid would now fully realize those delayed or deferred sales in 3Q16 and beyond; (ii) that despite knowing large enterprise customers had delayed or deferred purchasing NEXIS in 3Q16 due to key features of the product not being available until September 2016, or the very end of 3Q16, Defendants conveyed the opposite message to investors throughout the Class Period; and (iii) that Defendants withheld material information from investors about Avid's release of its important new product and its adoption by Avid's most important customers.

Opposition at 3–10. Lead Plaintiff’s opposition also vigorously contested Defendants’ arguments that (i) the Complaint’s alleged misstatements were vague or lacked specificity, (ii) that these statements fell within the forward looking PSLRA safe harbor, and (iii) that Avid’s generalized disclosures of potential risks were sufficient to shield Defendants from their obligation to disclose known risks that had already materialized by the time of their false statements. Opposition at 10–16.

26. Regarding scienter, Lead Plaintiff’s Opposition asserted that (i) Defendants published statements with admitted contemporaneous knowledge suggesting that they were inaccurate or misleadingly incomplete; (ii) Defendants’ knowledge of the “frozen” large enterprise market could also be inferred given its critical importance to Avid; (iii) the close temporal proximity between Defendants’ misstatements and later disclosure of inconsistent information supported Defendants’ scienter; (iv) Avid’s departing CFO had sold more than \$5.5 million in Avid stock under suspicious circumstances, and that his scienter may be inferred to Avid; and (v) Defendants’ proffered competing inference was insufficient to counter the Complaint’s strong inference of scienter. Opposition at 16–20.

27. Finally, Lead Plaintiff argued that the Complaint stated a claim under §20(a) of the Exchange Act by alleging a primary violation as well as control and culpable participation. *Id.* at 20.

28. Defendants filed the Reply on August 21, 2017, and vigorously disputed the arguments raised Lead Plaintiff’s Opposition. In the Reply, Defendants re-asserted their argument that Hernandez’s November 9, 2016 3Q16 earnings call statements, when read in context and characterized appropriately, indicated that Avid “‘expected’ continued purchases and upgrades but customers ‘deferred’ instead.” Reply at 1. Defendants also argued that the Complaint failed to

properly distinguish between Avid's various products, and otherwise failed to identify "a single, actionable statement and does not particularize how or why it is either false or misleading." *Id.* Defendants again attacked the Complaint's allegations of scienter, and argued that the Complaint failed to allege that any Avid officer obtained a financial benefit or had a personal reason to mislead, and otherwise failed to rebut the inference that Avid expected enterprise customers to continue purchasing Avid storage products during 3Q16, and that Defendants were caught by surprise when those customers did not. *Id.* at 1–2.

III. RESOLVING THE LITIGATION

29. Following the completion of briefing on Defendants' Motion to Dismiss on August 21, 2017, the Settling Parties mediated the dispute in an effort to timely and efficiently resolve the matter. Prior to the scheduled mediation, the Settling Parties exchanged extensive mediation briefs detailing their respective claims and defenses. On August 22, 2017, the Settling Parties engaged in a full-day mediation session with Mr. Melnick at the offices of JAMS in New York, New York. Melnick Decl. at ¶4. Mr. Melnick has extensive experience mediating complex securities class actions such as this Action. *Id.* at ¶3. With Mr. Melnick's significant involvement, and following several weeks of additional negotiations, the Settling Parties were able to reach an agreement on the amount of funds to be recovered for the Class (\$1,325,000.00). *Id.* at ¶4. After additional negotiations regarding ancillary terms, the Settling Parties ultimately executed the Stipulation which embodies the terms of the Settlement on November 30, 2017 (Dkt. No. 50-2).

IV. PRELIMINARY APPROVAL OF THE SETTLEMENT

30. Lead Plaintiff moved for preliminary approval of the Settlement on November 30, 2017 (Dkt. No. 50) and, following a hearing on January 3, 2018, and reviewing and, along with counsel for Defendants, commenting on certain edits made by the Court to the Notice Order,

Notice, Summary Notice, and Proof of Claim on January 11, 2018 (Dkt. No. 56), the Court entered the Notice Order on January 12, 2018 (Dkt. No. 55). The Notice Order: (1) found that the Stipulation was sufficiently fair, reasonable, and adequate as to warrant providing Notice of the Settlement to Class Members; (2) directed Notice to the Class Members; (3) preliminarily certified, for the purposes of effectuating the Settlement, the Class pursuant to Rule 23 of the Federal Rules of Civil Procedure; and (4) set a schedule in connection with settlement-related proceedings, including the scheduling of a final settlement approval hearing for April 30, 2018, at 2:45 p.m. See Dkt. No. 55.

V. SUMMARY OF THE SETTLEMENT AND PLAN OF ALLOCATION

31. The Settlement Fund is valued at \$1,325,000.00. This Settlement Fund will be distributed to Class Members on a *pro rata* basis pursuant to a Plan of Allocation formulated by Lead Counsel with the assistance of a damages consultant, with the goal of reimbursing Class Members in a fair and reasonable manner.

32. The Settlement represents approximately 6.8% of the estimated damages for all Class Members—damages that would be recoverable only if: Lead Plaintiff survived a motion to dismiss for failure to meet the ultra-heightened pleading standards of the PSLRA; a class was certified and class certification survived through trial(s) and appeal(s); Lead Plaintiff persuaded a jury that investor losses from the drop alleged in the Complaint was a result of the revelation of the truth about Defendants' alleged misrepresentations; Lead Plaintiff persuaded a jury to accept Lead Plaintiff's methodology concerning the number of injured shares; and Lead Plaintiff otherwise prevailed on his claims through summary judgment, trial(s), and appeal(s).

33. The percentage of recovery in proportion to the maximum estimated recoverable damages is in line with the average approved securities class action settlement. According to a

recent Cornerstone Research study, it was found that the median recovery as a percentage of estimated damages in all securities class action settlements was just 2.5% during 2006-2015 and only 1.8% in 2015. *See* Laarni T. Bulan, Ellen M. Ryan, and Laura E. Simmons, *Securities Class Action Settlements: 2015 Review and Analysis* (Cornerstone Research 2016) (Ex. 3 hereto) at 9, Figure 8.

34. The Class consists of all Persons who purchased or otherwise acquired Avid securities between August 4, 2016 and November 9, 2016, inclusive, and who were damaged thereby. As noted above, the Net Settlement Fund is to be distributed on a *pro rata* basis pursuant to a Plan of Allocation to those Class Members that submitted valid claims (the “Authorized Claimants”). As set forth in the Notice, the Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s “Recognized Claim.”

35. Lead Counsel developed a proposed Plan of Allocation, with the assistance of Lead Plaintiff’s damages consultant, that provides a fair and reasonable method to allocate the Net Settlement Fund among Class Members who submit valid Claim Forms. Under the Plan of Allocation, a “Recognized Loss Amount” will be calculated for each purchase or acquisition of Avid publicly traded common stock during the Class Period that is listed in the Claim Form and for which adequate documentation is provided. The calculation of Recognized Loss Amounts is generally based on the difference between the amount of estimated alleged artificial inflation in Avid common stock on the date the stock was purchased and the amount of estimated alleged artificial inflation on the date of sale. The sum of the Recognized Loss Amounts for all of a Claimant’s purchases or acquisitions of Avid common stock during the Class Period is the Claimant’s “Recognized Claim,” and the Net Settlement Fund will be allocated to Authorized

Claimants on a *pro rata* basis based on the relative size of their Recognized Claims.

36. The proposed Plan of Allocation is based on the premise that the decrease in the price of Avid's securities occurring upon the revelation of the truth about Defendants' alleged misrepresentations to the investing public may be used to measure the alleged artificial inflation in the price of Avid's securities prior to such revelations. Lead Counsel submits that the Plan of Allocation fairly and rationally allocates the proceeds of the Net Settlement Fund among Class Members based on the losses they suffered on transactions in Avid common stock attributable to the conduct alleged. Moreover, the Plan of Allocation is set forth in the Notice, and to date, no objections to the Plan have been received from any Class Members.

VI. NOTICE OF SETTLEMENT

37. Lead Counsel, through the Claims Administrator, implemented a comprehensive notice program whereby notice was given to the members of the Class by mail and by publication. The Notice contained, *inter alia*, the following information necessary to evaluate the benefits of the Settlement to the Class Members: (1) the amount and makeup of the Settlement Fund; (2) the Plan of Allocation; (3) that Lead Counsel would apply for a fee award up to an amount not to exceed thirty-three and one-third percent (33.33%) of the Gross Settlement Fund, as well as expenses incurred prosecuting this Action up to \$75,000.00, with interest on both amounts, and that Lead Plaintiff would see a compensatory award of up to \$10,000.00 pursuant to 15 U.S.C. §78u-4(a)(4); (4) that any Class Member could object to the Settlement and/or fee and expense application or seek exclusion from the Class; (5) a detailed explanation of the reasons for the Settlement; (6) that the deadline for requesting exclusion from the Settlement is April 9, 2018; (7) that objections to the Settlement, the Plan of Allocation or the fee application must be filed no later than April 9, 2018; (8) the date, time, and location of the Final Approval Hearing and that Class

Members have the right to attend and be heard; and (9) that the deadline for filing Proofs of Claim is April 19, 2018.

38. To provide actual notice to the Class, the Claims Administrator mailed, by first class mail, postage prepaid, the Notice and Claim Form approved by the Court to all individuals and organizations identified on the records of Avid's transfer agent. These records reflect persons and entities that purchased the common stock of Avid for their own account or for the account(s) of their clients during the Class Period. A letter was also mailed to all brokerage companies, banks, and trust companies contained on the Claims Administrator's master mailing list notifying them of the settlement and asking them to within ten (10) calendar days from the date of the letter, to either send the Notice and Claim Form to beneficial owners or provide the Claims Administrator with a list of names and addresses of such beneficial owners so that the Claims Administrator could promptly mail the Notice and Claim Forms directly to them. Bareither Decl. at ¶7.

39. In addition, Lead Plaintiff caused the Summary Notice to be published in *IBD Weekly* and transmitted over PR Newswire, a national newswire service. *Id.* at ¶12. Copies of the Notice Packet and Stipulation of Settlement were made available on the website maintained by the Claims Administrator, at www.AvidSecuritiesSettlement.com. *Id.* at ¶14. In addition, the Claims Administrator maintained a toll-free telephone number to accommodate inquiries from potential Class Members. *Id.* at ¶13.

VII. THE FAIRNESS AND REASONABLENESS OF THE SETTLEMENT

A. The Risks of Continued Litigation Support the Settlement

40. Before representing to the Court that the Settlement is fair, reasonable, and adequate, Lead Counsel, experienced securities class action attorneys, evaluated the prospects of obtaining a better result at trial—one that would also have to withstand later attack on appeal.

Lead Counsel carefully evaluated the merits of this case, in light of all of the risks and potential weaknesses, before Lead Plaintiff entered into the Settlement. With the advisement of Lead Counsel, and cognizant of its role as fiduciary to the Class, Lead Plaintiff—while continuing to believe in the merits of this Action—has taken into account the substantial risk posed to the Class in continuing this Class Action. In particular, Lead Plaintiff recognizes that this Class Action might be dismissed on the pleadings, might not be certified for treatment as a class action, or might succumb at the summary judgment stage to attacks regarding loss causation, scienter, liability, or damages.

41. In addition to the general risks of any litigation, a heightened level of risk existed because this Action is subject to the provisions of the PSLRA, 15 U.S.C. §78u-4, which makes it more difficult for investors to successfully prosecute securities class actions. The claims in this Class Action under Sections 10(b) and 20(a) of the Exchange Act, were brought on the theory that Defendants intentionally or recklessly misrepresented to investors facts concerning, *inter alia*, Avid's products, pipeline, and financial results. Even if the Complaint had survived Defendants' Motion to Dismiss, each element of this claim would have been hotly contested.

42. For example, obtaining a favorable jury finding on the element of scienter is hardly a foregone conclusion. Lead Plaintiff would have to show that Defendants misrepresented Avid's financial status recklessly or with knowledge that investors could be deceived. Proof of such scienter likely would have to be based upon circumstantial evidence. While the circumstances surrounding Defendants' representations with respect to Avid's business were alleged to strongly suggest scienter, Lead Plaintiff and Lead Counsel are aware of the challenges of proving it.

43. Also difficult would be proving that the Class suffered damages as a result of Defendants' misconduct. Defendants likely would have argued that the drops in stock price were

not, as Lead Plaintiff alleges, realizations of the truth which had been withheld from investors, but rather were caused by independent forces.

44. Lead Plaintiff also faced challenges to maintain this case as a class action. In any securities fraud class action, the plaintiff faces significant challenges to certifying a class and maintaining class action status throughout trial. Pursuant to *Basic Inc. v. Levinson*, 485 U.S. 224 (1988), to obtain class certification, Lead Plaintiff would need to prove that Avid's shares traded in an efficient market during the Class Period, such that new, material information was rapidly incorporated into Avid's share price. If Avid's share price thus reflected Defendants' misstatements, purchasing shares at market price would be considered a proxy for actual reliance, and that element of the Section 10(b) claim could thus be proved class-wide. In order demonstrate market efficiency, however, Lead Plaintiff would have to rely on expert testimony.

45. Of course, Defendants likely would have contested that the market for Avid stock was efficient, presented expert testimony of their own in support of their opposition to class certification, and may have even moved to strike the testimony of Lead Plaintiff's expert(s). While Lead Plaintiff and Lead Counsel believe that certification of a non-settlement class would be appropriate in this case, and while conditional certification was granted by the Court in conjunction with preliminary approval of the Settlement, certification of this Class Action through trial was not guaranteed. Accordingly, the risks of certifying the Action as a class action and maintaining the Class throughout the litigation support approval of the Settlement.

46. Regardless of the ultimate outcome, there is no question that further litigation would be expensive and complex. The claims at the heart of this case involved technical issues with respect to Avid's products, financial forecasting, accounting practices, and issues of stock manipulation and efficiency, proof of which would require costly and complex financial and

accounting expertise. For class certification, Lead Plaintiff would have to procure an expert's declaration on the issue of market efficiency (as would have Defendants). In addition to full briefing, voluminous documents would have been produced, and expert depositions would have been taken.

47. With respect to discovery, Lead Counsel would anticipate, given the complexities of the issues involved in this Action, reviewing potentially millions of pages of documents and taking many depositions, including depositions of Avid's customers, employee personnel, and current and former senior executive officers. Following the close of merits discovery, the Parties would have engaged in expert discovery. Lead Counsel, on behalf of Lead Plaintiff and the Class, would have to procure expensive and complex expert testimony to prove loss causation and damages. Defendants would present their own expert testimony to demonstrate that any alleged stock drops were not proximately caused by the revelation of the fraud, and/or attempt to demonstrate that at least a portion of the alleged stock drops were attributable to other things unrelated to revelation of the fraud.

48. Thus, the likely duration and expense of further litigation also supports a finding that the Settlement is fair, reasonable, and adequate. Even if a class had been certified and the Complaint survived Defendants' likely motions to dismiss and motions for summary judgment, continued prosecution of this Action would be complex, expensive, and lengthy, with a more favorable outcome than the Settlement highly uncertain. After trial, any appeal would have to be resolved by the First Circuit. Thus, the present value of a certain recovery at this time, as opposed to the mere chance for a greater one down the road, supports approval of a settlement that eliminates the expense and delay of continued litigation, as well as the risk that the Class could receive no recovery.

49. At this point, over fifteen months into this Action, Lead Plaintiff is aware of the strengths and weaknesses of his case, all of which were brought into sharper focus while briefing Defendants' Motion to Dismiss, preparing for and attending the mediation, and negotiating the Settlement. In sum, despite Lead Counsel's confidence in the strength of Lead Plaintiff's case, the risk, expense, complexity, and likely duration of further litigation strongly support approval of the Settlement.

B. The Amount Offered Supports the Settlement

50. The Settlement value, totaling \$1,325,000.00 in cash, constitutes approximately 6.8% of Lead Plaintiff's estimated damages, which exceeds a recent Cornerstone Research study which found that the median recovery (as a percentage of estimate damages) in all securities class action settlements was 2.5% during 2006-2015, and only 1.8% in 2015. As such, this Settlement is an objectively good recovery and well within the range of fairness. Indeed, settlements valued at a much lower percentage of possible damages are routinely approved.

51. Moreover, the estimated recovery of 6.8% of estimated Class Period damages does not take into account the various defenses put forth by Defendants. If a jury chooses to credit Defendants' damages and loss causation experts over Lead Plaintiff's experts, in whole or in part, with respect to whether a significant portion of either or both of the alleged share price declines were causally related to Defendants' alleged misrepresentations and omissions, damages could substantially be reduced or eliminated.

52. Finally, when compared with the present value of the damages Lead Plaintiff would likely recover if successful, appropriately discounted for the risk of not prevailing, the Settlement reached in this case is even more valuable. Thus, where the trial of this Action would be a long,

arduous process requiring great expenditures of time and money on behalf of both the Parties and the Court, the recovery of a substantial sum certain today weighs in favor of the Settlement.

C. Lead Counsel's Investigation Supports the Settlement

53. Lead Counsel conducted an extensive investigation in this Action, providing them with unique insight to be able to evaluate the fairness of the Settlement. Indeed, Lead Plaintiff and Lead Counsel conducted an extensive factual and legal analysis of this Action by, *inter alia*, (1) reviewing and analyzing Avid's Class Period and pre-Class Period public filings, annual reports, press releases, quarterly earnings call and investment conference transcripts, and other public statements; (2) collecting and reviewing a comprehensive compilation of analyst reports and major financial news service reports on Avid; (3) reviewing and analyzing stock trading data relating to Avid; (4) retaining an investigator to locate and interview witnesses; (5) reviewing Lead Plaintiff's qualifications to serve as a class representative; (6) researching and analyzing publicly-available materials, both specifically related to Avid's products and services, and more generally related to the digital media content production, management, and distribution industry; (7) researching and analyzing publicly-available materials relating to previous allegations against Avid for violations of the federal securities laws; (8) drafting the initial complaint and the Complaint; (9) consulting with economic experts; (10) preparing for and participating in a full-day mediation process with a nationally regarded third-party neutral, Mr. Melnick, including drafting a detailed mediation statement and preparing rebuttals to Defendants' mediation statement, obtaining a very favorable settlement offer following arm's-length negotiations with defense counsel, and participating in continued negotiation efforts for several weeks following the mediation to achieve and finalize the Settlement; and (11) preparing the Settlement, motion papers, and related documents necessary to

provide notice of the Settlement to Class Members and to obtain preliminary approval and prepare the necessary documents in an effort to secure final approval of the Settlement.

54. As such, this extensive pre-filing, prosecution, and settlement period investigation has given Lead Counsel unique insight to evaluate the fairness, reasonableness, and adequacy of the Settlement in view of the risks of continued litigation.

D. The Settlement Was Negotiated at Arm's-Length by Experienced Counsel with a Nationally-Respected Mediator

55. Lead Counsel in the Action is experienced and well-respected, and specializes in the area of securities and shareholder litigation. In addition, the Settlement was achieved with the aid of a nationally-regarded mediator, Mr. Melnick. The Settling Parties engaged in negotiation during an all-day mediation with Mr. Melnick. The negotiations were in good faith, at arm's-length and were in no way collusive. After a day of spirited discussion and back-and-forth bargaining, and continued negotiation with the aid of Mr. Melnick over the ensuing weeks, the Settling Parties agreed to resolve the Action.

56. Without breaching mediation confidentiality, Mr. Melnick has confirmed that negotiations were "hard-fought" and arm's-length, and that the Settlement "is a reasonable resolution of the Action for the Parties based on [Mr. Melnick's] involvement in the negotiations, review and analysis of the Parties' mediation submissions, extensive communications with the Parties, and assessment of the risks inherent in continuing the litigation of the Action, and the limited potential damages." *See* Melnick Decl. at ¶¶2-7. After the Settlement in principle was reached several weeks after the mediation, the Settling Parties engaged in further negotiations over the details of the Stipulation and the other facets of the Settlement and its documentation. Only after several weeks of additional negotiations, and substantial effort in drafting all of the Settlement-related documentation and necessary filings, did the Settling Parties finally agree to all

the terms of the Settlement reflected in the Stipulation. That this Action was hard-fought at every stage by experienced counsel, and the Settlement was overseen by a reputable, experienced mediator in Mr. Melnick, strongly weighs in favor of a finding that the Settlement is fair, reasonable, and should be approved.

E. The Reaction of Class Members Supports the Settlement

57. Pursuant to the Court's Notice Order, the Claims Administrator has now delivered over 7,388 Notice Packets to potential Class Members. *See* Bareither Decl. at ¶11. The Summary Notice was also published in *IBD Weekly* and disseminated over PR Newswire, a national newswire service, and the Notice was posted on the Claims Administrator's website at www.AvidSecuritiesSettlement.com. *Id.* at ¶¶12, 14. The Notice advised potential Class Members of, among other things: (i) the terms of the Settlement; (ii) their right to exclude themselves from the Class; (iii) the manner for submitting a Proof of Claim in order to be eligible for a payment from the Settlement Fund; (iv) the request for an award of attorneys' fees and expenses; (v) Lead Plaintiff's request for a compensatory award pursuant to 15 U.S.C. §78u-4(a)(4); and (vi) their right to object to any aspect of the Settlement, including the Plan of Allocation, award of attorneys' fees and expenses, and Lead Plaintiff's request for a compensatory award pursuant to 15 U.S.C. §78u-4(a)(4). While the deadline for Class members to object to the Settlement and Plan of Allocation has not yet passed, to date there have been no objections to any aspect of the settlement and no requests for exclusion from the Class have been received. *Id.* at ¶15.⁵

⁵ The objection deadline is April 9, 2018. If any timely objections are received, Lead Counsel will address them in a reply memorandum due no later than April 23, 2018.

VIII. LEAD COUNSEL'S REQUEST FOR ATTORNEYS' FEES AND EXPENSES

58. As compensation for its efforts, Lead Counsel is applying for an award of attorneys' fees in the amount of 33 1/3% of the Settlement Fund and reimbursement of \$55,542.50 in total expenses reasonably incurred in the prosecution and settlement of the Action. Lead Counsel has prosecuted this Action for more than fifteen months without any compensation, and Lead Counsel has incurred tens of thousands of dollars in expenses without any guarantee of success.

59. The fee request is within the range of fees awarded by courts in the First Circuit, as further detailed and discussed in Lead Counsel's concurrently filed Memorandum of Law in Support of Lead Counsel's Motion for an Award of Attorneys' Fees, Payment of Expenses, and an Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4) ("Fee and Expense Brief").

60. As discussed in the Fee and Expense Brief, the request of 33 1/3% of the Settlement Fund in this case is within the range of fees awarded by numerous courts in this District as well as in other courts both within the First Circuit and throughout the country, on settlement amounts that are on par with the Settlement achieved in this Action. *See, e.g., Lauture v. A.C. Moore Arts & Crafts, Inc.*, No. 17-cv-10219, 2017 U.S. Dist. LEXIS 195147, at *3 (D. Mass. Nov. 28, 2017) (Dein, J.) (finding one-third fee award of \$2.9 million settlement "appropriate because it mimics the market" and declining to perform a lodestar cross-check); *Roberts v. TJX Cos.*, No. 13-cv-13142-ADB, 2016 U.S. Dist. LEXIS 136987, at *45 (D. Mass Sep. 30, 2016) (Burroughs, J.) (finding fee award of one-third of the fund recovered, including a lodestar multiplier of nearly 2, to be "reasonable in light of the counsel's efforts—consolidating the three class actions, preparing for mediation, engaging in extensive settlement negotiations, undertaking a substantial amount of work in approving the settlement, administering the required notice to class members, and administering the settlement itself—and the significant risk they assumed in taking the case on a

wholly contingent basis, to be reasonable.”); *Lapan v. Dick’s Sporting Goods*, No. 13-cv-11390-RGS, Dkt. Nos. 220-21 (D. Mass. April 19, 2016) (Stearns, J.) (approving thirty-three and one-third percent of \$3.3 million settlement); *Barbosa v. Publishers Circulation Fulfillment, Inc.*, No. 08-cv-10873 (D. Mass. Nov. 25, 2009) (Dein, J.) (approving one-third fee award of \$1.4 million settlement fund); *Swack v. Credit Suisse First Bos., LLC*, No. 1:02-cv-11943-DPW, Dkt. No. 114 (D. Mass. Jul. 18, 2006) (Woodlock, J.) (33%); *In re Relafen Antitrust Litig.*, 231 F.R.D. 52, 80-82 (D. Mass. 2005) (awarding 33.3% of \$75 million settlement fund; 2.02 multiplier of counsel’s lodestar); *In re StockerYale, Inc. Sec. Litig.*, No. 1:05-cv-00177-SM, 2007 U.S. Dist. LEXIS 94004, at *21 (D.N.H. Dec. 18, 2007) (awarding 33.3% of \$3.4 million settlement; 2.17 multiplier); *City of Providence v. Aéropostale, Inc.*, No. 11 Civ. 7132, 2014 U.S. Dist. LEXIS 64517, at *33, *60 (S.D.N.Y. May 9, 2014) (awarding fees of 33% of \$15 million settlement where maximum damages were \$163 million); *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 374 (S.D.N.Y. Jan. 29, 2002) (awarding 33.3% of settlement fund valued at over \$11.5 million).

61. As discussed in the Fee and Expense Brief and below, each of the factors considered by courts in the First Circuit confirm the reasonableness of the fee request.

A. Counsel Achieved An Excellent Result for the Class

62. Courts have consistently recognized that the result achieved is an important factor to be considered in making a fee award. The Settlement Fund created here consists of \$1,325,000.00 cash. This amount, representing approximately 6.8% of the estimated potential damages, is a very good recovery for the Class. The results achieved by Lead Counsel in a legally and factually complex case justify the requested fee award.

B. The Risk of Litigation

63. As endorsed by the First Circuit, the risk of litigation is an important, if not the foremost, factor in awarding attorneys' fees. As is detailed *infra* at ¶¶40-49, continued prosecution of the Action was indeed risky.

64. Notably, and despite such risks, this Action settled for 6.8% of the Class Period damages *before* Lead Plaintiff had demonstrated that the Complaint was well-pleaded under the PSLRA, proved that Avid stock traded in an efficient market (a prerequisite for class certification), and *before* Lead Plaintiff demonstrated (either on summary judgment or at trial) the amount of Avid's share price decline attributable to the revelation of the truth about Defendants' alleged misrepresentations to the investing public resulted in a decline in the price of Avid common stock. In sum, the obstacles to recovery faced by the Class in this securities class action were significant, particularly given the strict pleading requirements of the PSLRA and applicable proof requirements during the later stages of the case (and on appeal).

C. The Skill Required and the Quality and Efficiency of the Work

65. The "prosecution and management of a complex national class action requires unique legal skills and abilities." *Knight v. Red Door Salons, Inc.*, No. 08-01520 SC, 2009 U.S. Dist. LEXIS 11149, at *16 (N.D. Cal. Feb. 2, 2009) (internal citations omitted). Here, the quality of Lead Counsel's work on this case is reflected in the recovery obtained. *See In re Flag Telecom Holdings, Ltd. Sec. Litig.*, No. 02-CV-3400 (CM)(PED), 2010 U.S. Dist. LEXIS 119702, at *28 (S.D.N.Y. Nov. 8, 2010); *In re Bisys Sec. Litig.*, No. 04 Civ. 3840 (JSR), 2007 U.S. Dist. LEXIS 51087, at *3 (S.D.N.Y. July 16, 2007).

66. As reflected in Lead Counsel's firm résumé, which attached as Exhibit C to the Declaration of Michael I. Fistel, Jr. of Johnson Fistel, LLP in Support of Lead Counsel's Motion

for an Award of Attorneys' Fees, Payment of Expenses, and an Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4) (Ex. 4 hereto) ("Johnson Fistel Decl."), Lead Counsel has extensive and significant experience in the highly-specialized field of securities class action and shareholder litigation. Given the complexity of the issues presented in this Action, including the issues of market efficiency, loss causation, scienter, and damages, only skilled counsel who applied themselves diligently could have obtained such a favorable recovery. Specifically, Lead Counsel were required to: grasp and explain the Company's product offerings; review the Company's accounting concepts applicable to Avid's financial statements and financial forecasting; evaluate evidence demonstrating that Avid's shares traded in an efficient market; evaluate evidence demonstrating loss causation; and probe extremely complex issues regarding the pleading and proof of falsity and scienter.

67. The quality of opposing counsel is also important in evaluating the quality of the work done by Lead Counsel. Here, Lead Plaintiff and Lead Counsel were vigorously opposed by Ropes & Gray LLP, a prominent national law firm that frequently defends public companies in securities class actions.

68. In sum, Lead Counsel were required to perform with a high level of skill, efficiency, and professionalism to assemble a case that was strong enough to encourage the Company to compensate Class Members for their losses. Lead Counsel evaluated the merits and risks presented, negotiated a very favorable payment, and settled this Action on excellent terms for Class Members. Melnick Decl. at ¶2 ("From a mediator's perspective, however, I recommend the proposed Settlement as reasonable, arm's length, and consistent with the risks and potential rewards of the claims asserted in the Action."); ¶7 ("I believe the proposed \$1,325,000.00 settlement is a reasonable resolution of the Action for the Parties based on my involvement in the

negotiations, review and analysis of the Parties' mediation submissions, extensive communications with the Parties, and assessment of the risks inherent in continuing the litigation of the Action, and the limited potential damages."'). Lead Counsel's efforts, efficiency, and dedication should be rewarded.

D. The Contingent Nature of the Case and the Financial Burden Carried by Lead Counsel

69. The First Circuit recognizes that the determination of a fair fee must include consideration of the contingent nature of the fee and the difficulties which were overcome in obtaining the Settlement. In fact, contingent fees that may far exceed the market value of the services if rendered on a non-contingent basis are accepted in the legal profession as a legitimate way of assuring competent representation for plaintiffs who could not afford to pay on an hourly basis regardless of whether they win or lose.

70. As discussed *infra* at ¶74, the fee requested by Lead Counsel is *less than* the market value of the time it has spent litigating this case. Moreover, Lead Counsel received no compensation over the year that this Action has been pending and incurred significant litigation expenses for the benefit of the Class. Any fee award or expense reimbursement to Lead Counsel has always been at risk and completely contingent on the result achieved, and on this Court's exercise of its discretion in making any award. Thus, this factor militates in favor of the Court granting Lead Counsel's request for attorneys' fees and expenses.

E. The Customary Fee

71. If this were not a class action, the customary fee arrangement would be contingent, on a percentage basis. Because the percentage-of-recovery fee requested in this case approximates the customary contingent fee in the private marketplace —33 1/3% of the fund recovered—Lead Counsel's request is reasonable. *See, e.g., Lauture*, 2017 U.S. Dist. LEXIS 195147, at *3 (finding

one-third fee award of \$2.9 million settlement “appropriate because it mimics the market” and declining to perform a lodestar cross-check); *see also infra* at ¶60.

72. Under these circumstances, a fee award of a reasonable percentage fee of 33 1/3% of the Settlement (plus expenses) reflects both the benefit conferred and approximates the customary, privately-contracted contingent fee rate.

F. A Lodestar Cross-Check Shows the Fee Request Is Reasonable

73. As a “cross-check” on the reasonableness of a requested fee award, courts often compare counsel’s “lodestar” (a compilation of the hours performed at the various rates charged for the professionals providing the services herein) with the fee request made under the percentage-of-the-fund method.

74. Significantly, in securities class actions, it is common for lodestar figures to be adjusted upward by a multiplier to reflect a variety of factors, including the complexity of the case and the risks assumed by counsel. Here, the lodestar cross-check confirms that the fee requested by Lead Counsel is fair and reasonable. To date, Plaintiffs’ Counsel have spent 1,134.6 total hours of professional time, having a market value of \$627,452.50, in prosecuting this Action.⁶ Based on the current cash value of the Settlement Fund of approximately \$1,325,000.00, the requested 33 1/3% fee is \$441,666.67. Thus, the requested fee of \$441,666.67 is *less than* the fair value of the time Lead Counsel has spent litigating this case, *yielding a negative multiplier* of approximately

⁶ Specifically, through February 11, 2018, Lead Counsel Johnson Fistel, LLP devoted 1,094.4 hours of professional time to the Action, for a total lodestar of \$605,352.50. *See* Johnson Fistel Dec. at ¶5 and Ex. A. Hutchings Barsamian Mandelcorn, LLP serving as Liaison Counsel, has spent 40.2 hours on the litigation for a total lodestar of \$22,100.00. *See* Declaration of Theodore M. Hess-Mahan, Esq., Of Counsel to Hutchings Barsamian Mandelcorn, LLP, in Support of Lead Counsel’s Motion for an Award of Attorneys’ Fees, Payment of Expenses, and an Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4) (Ex. 5 hereto) (“Hutchings Decl.”) at ¶5 and Ex. A.

0.7039. This “negative multiplier” is extremely unusual and supports the reasonableness of the fee requested.

G. The Reaction of the Class Supports the Requested Award

75. Class Members were informed in the Notice and the Summary Notice that Lead Counsel could apply for attorneys’ fees of up to 33 1/3% of the Settlement Fund, plus reimbursement of litigation costs and expenses (not to exceed \$75,000), with interest on both amounts, and were advised of their right to object to Lead Counsel’s fee and expense request. To date, no objections to the fee request or any aspect of the Settlement have been filed with the Court, nor has any objection been received by the Claims Administrator, Lead Counsel, or Defendants’ Counsel.

IX. LEAD COUNSEL’S REQUEST FOR REIMBURSEMENT OF EXPENSES

76. The Court should likewise approve Lead Counsel’s request for reimbursement of expenses. Courts have found that counsel for the Class are entitled to reimbursement for certain types of out-of-pocket expenses that an attorney would normally expect the client to pay.

77. To prosecute this Action to Settlement, Plaintiff’s Counsel incurred reasonable and necessary costs and expenses in the amount of \$55,542.50.⁷ These expenses were incurred largely in conjunction with mediation fees and the engagement of an investigator and damages consultant. Thus, Lead Counsel seeks reimbursement of these costs and expenses related to the prosecution of this Action on behalf of the Class. Additionally, because the expenses at issue are the types

⁷ Specifically, Lead Counsel Johnson Fistel, LLP incurred total expenses of \$55,255.18. *See* Exhibit 4 hereto, Johnson Fistel Decl. at ¶¶7-8, and at Ex. B. Hutchings Barsamian Mandelcorn, LLP, serving as Liaison Counsel, incurred total expenses of \$287.32. *See* Exhibit 5 hereto, Hutchings Decl. at ¶¶6-7, and at Ex. B.

reimbursed by individual clients in the marketplace, they should be reimbursed from the common fund.

78. Because the expenses were incurred with no guarantee of recovery, Lead Counsel had a strong incentive to keep them as low as reasonably possible—and did so. Indeed, total expenses of \$55,542.50 are significantly less than the \$75,000 estimate contained in the Notice. Moreover, the fact that no Class Members objected to the reimbursement of Lead Counsel’s estimated expenses further evidences their reasonableness.

79. Since the expenses here are relatively small compared to the recovery obtained, and were incurred on an ongoing basis for such items as consultant fees, investigation, mediation, legal research and other expenses necessarily incurred and directly related to the prosecution of this Action, the total amount of expenses is reasonable and should be reimbursed in full from the common fund following payment of attorneys’ fees.

X. LEAD PLAINTIFF’S REQUEST FOR A COMPENSATORY AWARD PURSUANT TO 15 U.S.C. § 78u-4(a)(4)

80. During the course of this litigation, Lead Plaintiff spent 101.65 hours performing significant work for the benefit of the Class as court-appointed Lead Plaintiff. *See* Declaration of David Wayne Hammond in Support of Lead Plaintiff’s Motion for Final Approval of Class Action Settlement and For an Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4) (Ex. 6 hereto) (“Hammond Decl.”) at ¶9.

81. Lead Plaintiff was actively involved in this case from start to finish. For example, Lead Plaintiff engaged in at least 50 telephonic conferences and other correspondence with Lead Counsel, which allowed Lead Plaintiff to be kept fully informed regarding case status. *Id.* at ¶3. Lead Plaintiff also (a) personally conducted significant research on securities class actions and related topics relevant to his role as Lead Plaintiff; (b) participated in regular telephone conferences

and meetings with Lead Counsel concerning the significant developments in the litigation; (c) communicated frequently with, and received periodic status updates from, Lead Counsel regarding the status of the case; and (d) participated in discussions with Lead Counsel concerning settlement negotiations with Defendants and the ultimate decision to agree to the Settlement to resolve the Action. *Id.*

82. Lead Plaintiff also reviewed all of the pleadings, briefs, and orders in the Action. *Id.* at ¶4. These documents included: (a) the initial complaint filed in this Action; (b) briefing and submissions relating to Lead Plaintiff's motion for appointment as Lead Plaintiff in the Action, and the order appointing Lead Plaintiff as Lead Plaintiff in this Action; (c) the operative, amended Complaint; (d) briefing related to Defendants' motion to dismiss; (e) mediation submissions; (f) drafts of the Stipulation, and exhibits thereto; and (g) the Order granting the motion for preliminary approval of the Settlement of the Action. *Id.* In connection with each of these documents, Lead Plaintiff communicated with Lead Counsel regarding their potential impact on the Action. *Id.*

83. Lead Plaintiff also participated in discussions with Lead Counsel concerning negotiations with Defendants and the ultimate decision to settle this Action. Lead Plaintiff also carefully reviewed, considered, and ultimately approved the proposed Settlement. *Id.* at ¶5.

84. In recognition of Lead Plaintiff's time and effort expended for the benefit of the Class, Lead Counsel respectfully requests a compensatory award to Lead Plaintiff in the amount of \$7,940.90, which represents his time spent in the prosecution of this Action multiplied by an hourly rate of \$78.12, a rate based on his annual income as a Program Manager for a leading global security company in the Boston-metro area. *Id.* at 9.

XI. CONCLUSION

85. Lead Counsel respectfully submits that, based on an understanding of the

circumstances concerning the subject matter of this Action, the principles of law applicable to them, the procedural posture of this Action, and the risks of continued litigation against the Defendants, the Settlement represents a very good, reasonable result for the Class and should be approved by the Court.

86. Based on these factors, as well as Lead Counsel's extensive experience in litigating securities class actions, Lead Counsel believes that the Settlement, which provides a certain recovery to the Class, is more beneficial than continuing to prosecute the action towards an uncertain outcome.

87. Lead Counsel respectfully submits that the Settlement and Plan of Allocation are reasonable in light of the criteria considered by courts in this Circuit. Therefore, Lead Plaintiff and Lead Counsel request that the Court approve the Settlement and Plan of Allocation, find that notice to the Class satisfied due process, grant final certification of the Class for settlement purposes, award attorneys' fees equal to 33 1/3% of the Settlement Fund and reasonable expenses to Plaintiffs' Counsel in the amount of \$55,542.50, and grant a compensatory award to Lead Plaintiff pursuant to 15 U.S.C. § 78u-4(a)(4) in the amount of \$7,940.90.

XII. INDEX OF EXHIBITS

Attached hereto are the following exhibits:

- **Exhibit 1**: Declaration of Jed D. Melnick Esq. in Support of Final Approval of Class Action Settlement;
- **Exhibit 2**: Declaration of Jennifer M. Bareither Regarding Notice Dissemination, Publication, and Requests for Exclusion Received to Date, with exhibits;
- **Exhibit 3**: a true and correct copy of Laarni T. Bulan, Glen M. Ryan, and Laura E. Simmons, Securities Class Action Settlements: 2015 Review and Analysis (Cornerstone Research 2016);

- **Exhibit 4**: Declaration of Michael I. Fistel, Jr. of Johnson Fistel, LLP in Support of Lead Counsel’s Motion for an Award of Attorneys’ Fees, Payment of Expenses, and an Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4), with exhibits;
- **Exhibit 5**: Declaration of Theodore M. Hess-Mahan of Hutchings Barsamian Mandelcorn, LLP in Support of Lead Counsel’s Motion for an Award of Attorneys’ Fees, Payment of Expenses, and an Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4), with exhibits;
- **Exhibit 6**: Declaration of David Wayne Hammond in Support of Lead Plaintiff’s Motion for Final Approval of Class Action Settlement and For an Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4); and
- **Exhibit 7**: a true and correct copy of the article entitled “Legal Fees Cross New Mark: \$1,500 an Hour,” by Sara Randazzo and Jacqueline Palank, February 9, 2016, *The Wall Street Journal*.

I declare under penalty of perjury that the above statements are true and correct.

Executed on this the 23rd day of February, 2018.



MICHAEL I. FISTEL, JR.

DATED: February 23, 2018

Respectfully submitted,

JOHNSON FISTEL, LLP
MICHAEL I. FISTEL, JR.

s/ Michael I. Fistel, Jr.

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Liaison Counsel for Lead Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that this document(s) filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants on February 23, 2018.

s/ Michael I. Fistel, Jr.

MICHAEL I. FISTEL, JR.

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EXHIBIT 1

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

PRAKASH MOHANTY, Individually and on)	Case No. 1:16-cv-12336-IT
Behalf of All Others Similarly Situated,)	
)	
Plaintiff,)	CLASS ACTION
vs.)	
)	
AVID TECHNOLOGY, INC., LOUIS)	
HERNANDEZ, JR., and ILAN SIDI,)	
)	
Defendants.)	
_____)	

**DECLARATION OF JED D. MELNICK, ESQ. IN SUPPORT OF FINAL APPROVAL
OF CLASS ACTION SETTLEMENT**

I, JED D. MELNICK, declare as follows:

1. I was selected by the Parties¹ to serve as the Mediator in the above-captioned action (“Action”). I make this declaration based on personal knowledge and am competent to testify to the matters set forth herein. The Parties have consented to my submitting this declaration regarding the negotiations which led to the proposed Settlement.

2. As discussed below, I believe that the Settlement in this class action for the total amount of \$1,325,000.00 in cash – after a rigorous mediation process and numerous follow-up telephone calls with the Parties – represents a well-reasoned and sound resolution of the complicated and uncertain claims. The Court, of course, will make determinations as to the “fairness” of the Settlement under applicable legal standards. From a mediator’s perspective, however, I recommend the proposed Settlement as reasonable, arm’s length, and consistent with the risks and potential rewards of the claims asserted in the Action.

¹ The Parties are Lead Plaintiff David Wayne Hammond and Defendants Avid Technology, Inc., Louis Hernandez, Jr., and Ilan Sidi.

3. I am a mediator associated with JAMS. I am also the managing partner for Weinstein Melnick LLC. I have mediated over one thousand disputes, including complex securities class actions and shareholder derivative actions, published articles on mediation, founded a nationally ranked dispute resolution journal, and taught young mediators.

4. As detailed below, I oversaw the settlement negotiations in this case over the course of seven weeks between August 22, 2017 and October 13, 2017, culminating in the parties agreeing to settle the claims asserted in the Action for \$1,325,000.00.

5. On August 22, 2017, counsel for Lead Plaintiff, counsel for the Defendants, and representatives of the Defendants' insurance carriers met with me in New York, New York for a full-day mediation session. In advance of this mediation, the Parties exchanged and submitted detailed mediation statements. The mediation statements contained the Parties' respective views on liability and damages. During the session, the Parties made presentations to me and we discussed the merits of the case, including liability and damages.

6. The Action did not settle at that mediation, but the Parties, with my assistance, continued negotiations over the next several weeks which culminated in the Parties reaching an agreement in principle on October 13, 2017, to settle the Action for \$1,325,000.00, subject to the negotiation of the terms of a formal settlement agreement.

7. I believe the proposed \$1,325,000.00 settlement is a reasonable resolution of the Action for the Parties based on my involvement in the negotiations, review and analysis of the Parties' mediation submissions, extensive communications with the Parties, and assessment of the risks inherent in continuing the litigation of the Action, and the limited potential damages.

The entire mediation process involved significant disputed issues and hard-fought, arm's-length negotiations.

I declare, under penalty of perjury, that the foregoing facts are true and correct.

Executed this 16th day of February, 2018.



Jed D. Melnick, Esq.

EXHIBIT 2

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

PRAKASH MOHANTY, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

AVID TECHNOLOGY, INC., LOUIS
HERNANDEZ, JR, and ILAN SIDI,

Defendants.

Case No. 1:16-cv-12336-IT

CLASS ACTION

**DECLARATION OF JENNIFER M. BAREITHER REGARDING
NOTICE DISSEMINATION, PUBLICATION, AND REQUESTS FOR EXCLUSION
RECEIVED TO DATE**

Jennifer M. Bareither declares and states as follows:

1. I am a Director of Operations for the Garden City Group, LLC (“GCG”). Pursuant to the Court’s Order Preliminarily Approving Class Certification, Appointment of Counsel and Settlement, and Providing for Notice, dated January 12, 2018 (ECF No. 55) (the “Notice Order”), GCG was appointed to act as the Claims Administrator in connection with the proposed Settlement in the above-captioned action (the “Action”).¹ The following statements are based on my personal knowledge and information provided to me by GCG employees working under my supervision, and if called on to do so, I could and would testify competently thereto.

¹All capitalized terms not otherwise defined in this document shall have the same meaning ascribed to them as set forth in the Stipulation and Agreement of Settlement (the “Stipulation”) (ECF No. 50-2) and/or the Notice Order.

DISSEMINATION OF THE NOTICE PACKET

2. Pursuant to the Notice Order, GCG disseminated the Notice of Pendency and Proposed Settlement of Class Action (the “Notice”) and the Proof of Claim and Release (“Proof of Claim,” and collectively with the Notice, the “Notice Packet”) to potential Class Members. A copy of the Notice Packet is attached hereto as Exhibit A.

3. On January 17, 2018, GCG received from Defendants’ Counsel a file containing 302 unique names and addresses. GCG was informed that this file contained the relevant transfer agent records for Avid common stock during the Class Period as required under Paragraph 6.2 of the Stipulation. GCG loaded these records into a database established for this Action.

4. On January 29, 2018, Notice Packets were disseminated by first class mail to the 302 potential Class Members identified above (the “Initial Mailing”).

5. As in most class actions of this nature, the large majority of potential Class Members are beneficial purchasers whose securities are held in “street name” – i.e., the securities are purchased by brokerage firms, banks, institutions, and other third-party nominees in the name of the nominee, on behalf of the beneficial purchasers. GCG maintains a proprietary database with names and addresses of the largest and most common banks, brokerage firms, and nominees, including the national and regional offices of certain nominees (the “Nominee Database”). GCG’s Nominee Database is updated from time to time as new nominees are identified, and others cease to exist. At the time of the Initial Mailing, the Nominee Database contained 1,788 mailing records. On January 29, 2018, GCG caused Notice Packets to be mailed to the 1,788 mailing records contained in GCG’s Nominee Database.

6. In total, on January 29, 2018, 2,090 Notice Packets were timely mailed to potential Class Members and their nominees by first-class mail as required by the Notice Order.

7. Paragraph 7(b) of the Notice Order also required that Nominees who purchased Avid common stock during the Class Period for the benefit of another Person during the Class Period, within ten calendar days of receipt of the Notice, either (a) provide to GCG the names

and addresses of such beneficial owners so that GCG could send them copies of the Notice Packet directly; or (b) request from GCG sufficient copies of the Notice Packet to forward to all such beneficial owners within ten calendar days of receipt of those Notice Packets from GCG.

8. On January 29, 2018, GCG notified the security settlement system of the Depository Trust Company (“DTC”) of the issuance of the Notice in accordance with GCG’s standard practice. At GCG’s request, DTC posted the Notice on its electronic Legal Notice System (“LENS”). The LENS service may be accessed by any firm, bank, institution or other nominee which is a participant in DTC’s security settlement system.

9. Following the Initial Mailing, GCG performed a personalized calling campaign to the largest nominees to field any questions they may have and to prompt them to respond to the Notice by either identifying Class Members or requesting Notice Packets to forward directly to their clients. GCG typically makes several attempts to reach a person at the nominees’ offices. If GCG was unable to reach the nominee by phone, GCG sent the nominee an email reminding them to provide GCG with the names and addresses of their clients in accordance with the Notice.

10. As of February 21, 2018, GCG had received 3,723 additional names and addresses of potential Class Members (after exact duplicate mailing records were removed) from individuals and from brokerage firms, banks, institutions and other nominees. GCG also has received requests from brokers and other nominee holders for 1,575 Notice Packets to be forwarded to them to thereafter be forwarded to their customers. All such requests have been, and will continue to be, complied with and addressed in a timely manner.

11. In total, as of February 21, 2018, 7,388 Notice Packets have been timely mailed to potential Class Members and their nominees by first-class mail as required in the Order. In addition, GCG has re-mailed 3 Notice Packets to persons whose original mailing was returned by the U.S. Postal Service and for whom updated addresses were provided to GCG by the Postal Service.

PUBLICATION OF THE SUMMARY NOTICE

12. The Notice Order also directed that the Summary Notice be published once in the national edition of *IBD Weekly* and be disseminated once over a national newswire service no later than February 2, 2018. Accordingly, on January 29, 2018, the Summary Notice was published in *IBD Weekly* and transmitted over PR Newswire. A copy of the Summary Notice and the confirmations of publication are attached hereto as Exhibit B.

TELEPHONE HOTLINE

13. GCG established and continues to maintain a toll-free telephone number, 1-877-982-0120, to accommodate inquiries from potential Class Members and to respond to frequently asked questions. Common types of questions relate to a potential Class Member's eligibility, the Notice Packet, and their potential benefits should they choose to participate. The toll-free telephone number has been accessible since January 29, 2018, with operators available during business hours.

WEBSITE

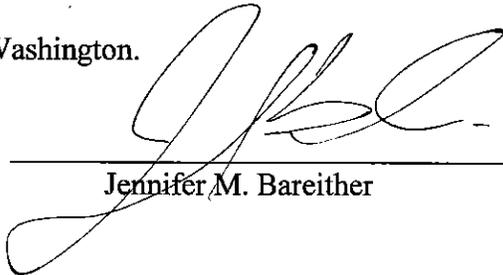
14. GCG established and maintains a website dedicated to the Settlement, www.AvidSecuritiesSettlement.com, to assist potential Class Members. The website lists the exclusion, objection, and claim submission deadlines, as well as the date, time, and location of the Court's Final Settlement Approval Hearing. Copies of the Summary Notice, Notice, Proof of Claim, Stipulation, and Notice Order are posted on the website and may be downloaded by potential Class Members. Copies of all briefs and declarations in support of the motions for approval of the Settlement and Lead Counsel's fee and expense application will be posted upon their filing with the Court. In addition, the website includes a link to a document with detailed instructions for institutions submitting their claims electronically. The website also features a secure claim filing portal, allowing potential Class Members to file Proof of Claims online. The website became operational on January 29, 2018, and is accessible 24 hours a day, 7 days a week.

REPORT ON EXCLUSION REQUESTS RECEIVED

15. Paragraph 12 of the Notice informs potential Class Members that any written requests for exclusion must be addressed to *Mohanty v. Avid Technology, Inc. et al.*, c/o GCG, P.O. Box 10525, Dublin, OH 43017-4525, such that they are received no later than April 9, 2018. The Notice also sets forth the information that must be included in each request for exclusion. GCG has been monitoring all mail delivered to that Post Office Box. To date, GCG has not received any requests for exclusion from potential Class Members.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 22, 2018 in Seattle, Washington.



Jennifer M. Bareither

Exhibit

A

PRAKASH MOHANTY, Individually and on)	Case No. 1:16-cv-12336-IT
Behalf of All Others Similarly Situated,)	
)	
Plaintiff,)	CLASS ACTION
)	
vs.)	
)	
AVID TECHNOLOGY, INC., LOUIS)	
HERNANDEZ, JR, and ILAN SIDI,)	
)	
Defendants.)	

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK OF AVID TECHNOLOGY, INC. (“AVID” OR THE “COMPANY”) DURING THE PERIOD FROM AUGUST 4, 2016 THROUGH NOVEMBER 9, 2016, INCLUSIVE (THE “CLASS”)

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION. PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THE SETTLEMENT PROCEEDS, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM AND RELEASE”) **POSTMARKED OR SUBMITTED ONLINE ON OR BEFORE APRIL 19, 2018.**

This Notice of Pendency and Proposed Settlement of Class Action (“Notice”) has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the District of Massachusetts (the “Court”). The purpose of this Notice is to inform you of the pendency of this class action (the “Action”) between Lead Plaintiff and Defendants Avid, Louis Hernandez, Jr., and Ilan Sidi (the “Individual Defendants,” and collectively with Avid, the “Defendants”), the proposed One Million, Three Hundred and Twenty- Five Thousand United States Dollars (\$1,325,000.00) cash settlement reached therein (the “Settlement”), and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as well as Lead Plaintiff’s counsel’s application for fees, costs, and expenses, and Lead Plaintiff’s request for his time and expenses incurred in representing the Class. This Notice describes what steps you may take in relation to the Settlement and this Action.¹

This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Action as to any of the Defendants or the merits of the claims or defenses asserted by or against the Defendants. This Notice is solely to advise you of the proposed Settlement of the Action and of your rights in connection therewith.

YOUR LEGAL RIGHTS AND OPTIONS IF THIS SETTLEMENT IS APPROVED	
SUBMIT A PROOF OF CLAIM AND RELEASE FORM	The only way to be eligible to receive a payment from the Settlement. Proof of Claim and Release forms must be postmarked or submitted online on or before April 19, 2018.
EXCLUDE YOURSELF	Get no payment. This is the only option that <i>potentially</i> allows you to ever be part of any other lawsuit against the Defendants or any other Released Persons about the legal claims being resolved by this Settlement. Exclusions must be received no later than April 9, 2018.
OBJECT	Write to the Court about why you disagree with the Settlement, the Plan of Allocation, and/or the request for attorneys’ fees, costs, and expenses. You will still be a Class Member. Objections must be received by the Court and counsel on or before April 9, 2018.
GO TO THE HEARING ON APRIL 30, 2018	Ask to speak in Court about the fairness of the Settlement. Requests to speak must be received by the Court and counsel on or before April 9, 2018. Unless such requests are timely filed, you will not be heard at the Final Approval Hearing on April 30, 2018, absent leave of court.
DO NOTHING	Receive no payment. You will, however, still be a Class Member, which means that you give up your right to ever be part of any other lawsuit against the Defendants or any other Released Persons about the legal claims being resolved by this Settlement, and you will be bound by any judgments or orders entered by the Court in the Action.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement dated November 30, 2017 (the “Stipulation”), which is available on the website www.AvidSecuritiesSettlement.com.

SUMMARY OF THIS NOTICE**Statement of Class Recovery**

Pursuant to the Settlement described herein, a One Million, Three Hundred and Twenty-Five Thousand United States Dollars (\$1,325,000.00) cash settlement has been established. Based on Lead Plaintiff's analysis, the estimated average recovery per damaged share under the Plan of Allocation is roughly \$0.11 per damaged share, before deduction of notice and administration costs, and the attorneys' fees, costs, and expenses as determined by the Court. **Class Members should note, however, that this is only an estimate.** A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's claims as compared to the total claims of all Class Members who submit acceptable Proofs of Claim. An individual Class Member may receive more or less than this estimated average amount. *See* Plan of Allocation set forth and discussed at pages 9-12 below for more information on the calculation of your claim.

Statement of Potential Outcome of Case

The parties disagree on both liability and damages, and do not agree on the average amount of damages per Avid common share that would be recoverable if the Class prevailed on each claim alleged. The Defendants deny that they are liable to the Class and deny that the Class has suffered any damages.

Statement of Attorneys' Fees and Expenses Sought

Lead Counsel will apply to the Court for an award of attorneys' fees not to exceed thirty-three and one-third percent (33.33%) of the Settlement Amount, plus expenses and costs not to exceed \$75,000.00, plus interest earned on fees, expenses, and costs at the same rate as earned by the Settlement Fund. Since the Action's inception, Lead Counsel has expended considerable time and effort in the prosecution of this litigation on a wholly-contingent basis and has advanced all of the expenses of the Action in the expectation that if it was successful in obtaining a recovery for the Class, it would be paid from such recovery. In addition, Lead Plaintiff may seek up to \$10,000 for his time and expenses (including lost wages) incurred in representing the Class. The requested attorneys' fees and expenses amount to an average cost of approximately \$0.04 per damaged share of Avid common stock. The average cost per damaged share will vary depending on the number of acceptable Proofs of Claim and Releases submitted.

Further Information

For further information regarding the Action or this Notice, or to review the Stipulation, please contact the Claims Administrator toll-free at 1-877-982-0120 or visit the website www.AvidSecuritiesSettlement.com.

You may also contact the representative of counsel for the Class: Frank J. Johnson, Johnson Fistel, LLP, 600 West Broadway, Suite 1540, San Diego, CA 92101, (619) 230-0063, www.johnsonfistel.com.

Please Do Not Call the Court or Defendants with Questions About the Settlement.

Reasons for the Settlement

Lead Plaintiffs' principal reason for entering into the Settlement is the benefit to the Class now, without further risk or the delays inherent in continued litigation. The cash benefit under the Settlement must be considered against the significant risk that a smaller recovery—or, indeed, no recovery at all—might be achieved after contested motions, trial, and likely appeals, a process that could last several years into the future. For Defendants, who have denied and continue to deny all allegations of liability, fault, or any wrongdoing whatsoever, the principal reason for entering into the Settlement is to eliminate the uncertainty, risk, costs, and burdens inherent in any litigation.

BASIC INFORMATION**1. Why did I get this notice package?**

This Notice was sent to you pursuant to an Order of a United States Federal Court because you, someone in your family, or an investment account for which you serve as custodian may have purchased Avid common stock during the time period from August 4, 2016 through November 9, 2016, inclusive (the "Class Period").

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

The Court in charge of the Action is the United States District Court for the District of Massachusetts, and the case is known as *Mohanty v. Avid Technology, Inc. et al.*, Case No.: 1:16-cv-12336-IT. The case has been assigned to the Honorable Indira Talwani. The individual representing the Class is the "Lead Plaintiff," and the companies and individuals he sued and who have now settled are called the Defendants.

2. What is this lawsuit about?

On November 21, 2016, a putative class action was filed in the United States District Court for the District of Massachusetts alleging violations of federal securities laws. The Court has appointed the law firm of Johnson Fistel, LLP (formerly known as Johnson & Weaver, LLP) as Lead Counsel. David Wayne Hammond is the Court-appointed Lead Plaintiff.

The Corrected Amended Complaint for Violations of the Federal Securities Laws (the “Complaint”) filed in the Action on April 19, 2017, alleged that the Defendants made public statements during the Class Period that contained untrue statements and omitted facts required to be stated therein or required to make the statements therein not misleading. The Complaint asserts claims pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder.

The Defendants filed a motion to dismiss the Complaint on June 14, 2017, which Lead Plaintiff opposed on July 31, 2017. Briefing related to the Defendants’ motion dismiss was completed on August 21, 2017. At the time Lead Plaintiff and the Defendants reached the Settlement, the Defendants’ motion to dismiss remained pending.

Defendants deny each and every claim and allegation of wrongdoing alleged by Lead Plaintiff in the Action. Defendants contend that they did not make any materially false or misleading statements and that they disclosed all material information required to be disclosed by the federal securities laws. Defendants also contend that any losses allegedly suffered by Class Members were not caused by any false or misleading statements or omissions by Defendants and/or were caused by intervening events.

3. Why is this a class action?

In a class action, one or more people called the plaintiff(s) sues on behalf of people who have similar claims. All of the people with similar claims are referred to as a class or class members. One court resolves the issues for all class members, except for those who exclude themselves from the class.

4. Why is there a Settlement?

The Court has not decided in favor of the Defendants or of Lead Plaintiff and has not yet approved this Settlement. Instead, both sides agreed to the Settlement to avoid the distraction, costs, and risks of further litigation, and Lead Plaintiff agreed to the Settlement in order to ensure that Class Members will receive compensation.

WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement if it is approved, 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 who purchased or otherwise acquired* Avid common stock during the time period from August 4, 2016 through November 9, 2016, inclusive, except those Persons and entities that are excluded, as described below.

Excluded from the Class are Defendants, members of the immediate family of any such Defendant, any Person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has or had a controlling interest during the Class Period; the officers and directors of Avid during the Class Period; and legal representatives, agents, executors, heirs, successors, or assigns of any such excluded Person. The Defendants or any entity in which any of the Defendants has or had a controlling interest (for purposes of this paragraph, together a “Defendant-Controlled Entity”) are excluded from the Class only to the extent that such Defendant-Controlled Entity itself purchased a proprietary (*i.e.* for its own account) interest in the Company’s common stock. To the extent that a Defendant-Controlled Entity purchased Avid stock in a fiduciary capacity or otherwise on behalf of any third-party client, account, fund, trust, or employee-benefit plan that otherwise falls within the Class, neither such Defendant-Controlled Entity nor the third-party client, account, fund, trust, or employee-benefit plan shall be excluded from the Class with respect to such Avid stock. Also excluded from the Class are those Persons who timely and validly exclude themselves therefrom by submitting a request for exclusion in accordance with the requirements set forth in question 12 below.

If one of your mutual funds owns Avid common stock, that alone does not make you a Class Member. You are a Class Member only if you directly purchased or acquired Avid common stock during the Class Period. Contact your broker to see if you have purchased or acquired Avid common stock.

If you sold Avid common stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you *purchased or acquired* Avid common stock, as defined above.

Please Note: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim and Release that is being distributed with this Notice and the required supporting documentation as set forth therein postmarked or submitted online on or before April 19, 2018.

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

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator toll-free at 1-877-982-0120, or you can fill out and return the Proof of Claim and Release form enclosed with this Notice package, to see if you qualify.

THE SETTLEMENT BENEFITS—WHAT YOU GET**7. What does the Settlement provide?**

The Settlement provides that, in exchange for the release of the Released Claims (defined below) and dismissal of the Action, Defendants have agreed to pay (or cause to be paid) One Million, Three Hundred and Twenty-Five Thousand United States Dollars (\$1,325,000.00) in cash to be distributed after taxes, fees, and expenses, *pro rata*, to Class Members who send in a valid Proof of Claim and Release form pursuant to the Court-approved Plan of Allocation. The Plan of Allocation is described in more detail at the end of this Notice.

8. How much will my payment be?

Your share of the Net Settlement Fund will depend on several things, including the total amount of claims represented by the valid Proof of Claim and Release forms that Class Members send in, compared to the amount of your claim, all as calculated under the Plan of Allocation discussed below.

HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM**9. How can I get a payment?**

To be potentially eligible to receive a payment from the Settlement if it is approved, you must submit a Proof of Claim and Release form. A Proof of Claim and Release form is enclosed with this Notice or it may be downloaded at www.AvidSecuritiesSettlement.com. Read the instructions carefully, fill out the Proof of Claim and Release, include all the documents the form asks for, sign it, and **mail or submit it online so that it is postmarked or received no later than April 19, 2018**. The Proof of Claim and Release form may be submitted online at www.AvidSecuritiesSettlement.com.

10. When would I get my payment?

The Court will hold a Final Approval Hearing on April 30, 2018, at 2:45 p.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there might be appeals. It is always uncertain whether appeals can be resolved, and if so, how long it would take to resolve them. It also takes time for all the Proofs of Claim and Releases to be processed. Please be patient.

11. What am I giving up to get a payment or to stay in the Class?

Unless you timely and validly exclude yourself, you are staying in the Class, and that means, if the Settlement is approved, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or their Related Persons about the Released Claims (as defined below) in this Action. It also means that all of the Court's orders will apply to you and legally bind you. If you remain a Class Member, and if the Settlement is approved, you will give up all "Released Claims" (as defined below), including "Unknown Claims" (as defined below), against the "Released Persons" (as defined below):

- "Released Claims" means any and all claims, demands, losses, damages, rights, causes of action, liabilities, obligations, judgments, suits, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' and consultants' fees, actions, potential actions, causes of action, suits, judgments, decrees, matters, as well as issues and controversies of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, accrued or unaccrued, apparent or unapparent, foreseen or unforeseen, fixed or contingent, that have been, or could have been, asserted in the Action or in any court, tribunal, forum, or proceeding (including, but not limited to, any claims arising under federal, state, or foreign law, statute, rule, or regulation relating to alleged fraud, negligence, violations of the federal securities laws, or otherwise, and including all claims within the exclusive jurisdiction of the federal courts), whether individual or class, arising from or relating to both (a) the purchase or other acquisition of the Company's common stock during the Class Period, and (b) the acts, facts, statements, or omissions that were, or could have been, alleged by Plaintiff in the Action, including, without limitation, any and all claims that are based upon, arise out of, relate in any way to, or involve, directly or indirectly,
- Avid's public statements and SEC filings which arise out of, or relate in any way to, the allegations or subject matter of the Action; (ii) actions taken by the Individual Defendants which arise out of, or relate in any way to, the allegations or subject matter of the Action; (iii) any transaction in Avid securities by any Defendant, current or former officer or director of such Defendant, or affiliated entity during the Class Period; (iv) public statements made by the Individual Defendants which arise out of, or relate in any way to, the allegations or subject matter of the Action; and (v) arise out of, or are based upon, the purchase, sale, decision to hold, or other acquisition of Avid securities during the Class Period (the "Release"). This Release extends to any and/or all Defendants, and any and/or all of their Related Persons. "Released Claims" includes "Unknown Claims" as defined below. Released Claims does not include claims to enforce the Settlement, nor does it include any currently pending related ERISA or stockholder derivative actions. "Released Persons" means each and all of the Defendants, and each and all of their Related Persons.
- "Related Persons" means, with respect to the Defendants, each and all of their respective present or former parents, subsidiaries, affiliates, successors, and assigns, and each and all of their respective present or former officers, directors, employees, employers, attorneys, accountants, financial advisors, commercial bank lenders, insurers, reinsurers,

investment bankers, underwriters, representatives, general and limited partners and partnerships, heirs, executors, administrators, successors, affiliates, agents, spouses, associates, and assigns of each of them, in their capacity as such, or any trust of which any Defendant and/or their Related Persons is the settlor, or which is for the benefit of any Defendant and/or their Related Persons and/or member(s) of his or her family, and any entity in which any such Defendant and/or their Related Persons has a controlling interest. "Related Person" means, individually, any of the Related Persons.

- "Unknown Claims" means any Released Claims which Plaintiff or any Class Members do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons, and any claims that the Released Persons do not know or suspect to exist in his, her, or its favor at the time of the release of Plaintiff, each and all of the Class Members, and Plaintiff's Counsel, which, if known by him, her, or it, might have affected his, her, or its settlement with, and release of, the Released Persons or Plaintiff, each and all of the Class Members, and Plaintiff's Counsel, or might have affected his, her, or its decision not to object to this Settlement or seek exclusion. Unknown Claims include those Released Claims in which some or all of the facts related to the claim may be suspected, or even undisclosed or hidden. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Plaintiff and Defendants shall expressly, and each of the Class Members and Released Persons shall be deemed to have, and by operation of the Judgment shall have, expressly waived, relinquished, and released, to the fullest extent permitted by law, the provisions, rights, and benefits conferred by or under California Civil Code §1542, which provides:

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

Plaintiff and Defendants shall expressly, and each of the Class Members and Released Persons shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code §1542. Plaintiff, Class Members, and the Released Persons may hereafter discover facts in addition to, or different from, those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims and the claims released by the Released Persons, but Plaintiff and Defendants shall expressly, and each Class Member and Released Person, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, or the claims released by the Released Persons, as the case may be, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts, whether or not previously or currently asserted in any action. Plaintiff and Defendants acknowledge, and the Class Members and Released Persons shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and an essential, material term of the Settlement relied upon by each and all of the Defendants in entering into the Stipulation of which this release is a part.

If you remain a Class Member, all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE CLASS

If you do not want to participate in this Settlement, and you want to keep the right to potentially sue the Defendants and the other Released Persons, on your own, about the claims being released by the Settlement, then you must take steps to remove yourself from the Settlement. This is called excluding yourself - or is sometimes referred to as "opting out."

12. How do I get out of the Class and the proposed Settlement?

To exclude yourself from the Class and the Settlement, you must send a letter by First-Class Mail stating that you "request exclusion from the Class in *Mohanty v. Avid Technology, Inc. et al.*, Case No.: 1:16-cv-12336-IT." A Request for Exclusion must be signed and state (a) the name, address, and telephone number of the Person requesting exclusion; and (b) that the Person wishes to be excluded from the Class. Persons submitting such Requests for Exclusion are requested to provide the approximate dates and number of shares of Avid common stock purchased, acquired, or sold during the Class Period in order to assist the Court, Lead Plaintiff, and Defendants in assessing the Settlement at the Final Approval Hearing. You must submit your exclusion request so that it is **received no later than April 9, 2018** to:

Mohanty v. Avid Technology, Inc. et al.
 c/o GCG
 P.O. Box 10525
 Dublin, OH 43017-4525
www.AvidSecuritiesSettlement.com

If you ask to be excluded, and the Settlement is approved, you will not get any payment from the Settlement, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this Action, and you may be able to sue the Defendants and the other Released Persons about the Released Claims in the future.

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

No. Unless you exclude yourself, you give up any rights you may potentially have to sue the Defendants and the other Released Persons for any and all Released Claims. If you have a pending lawsuit against the Released Persons, speak to your lawyer in that case immediately. You must exclude yourself from the Class in this Action to continue your own lawsuit. Remember, the exclusion deadline is April 9, 2018.

14. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, you should not send in a Proof of Claim and Release to ask for any money. But, you may have the right to potentially sue or be part of a different lawsuit against the Defendants and the other Released Persons about the claims raised in the Action.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court ordered the law firm of Johnson Fistel, LLP (formerly known as Johnson & Weaver, LLP) to represent the Class Members, including you. These lawyers are called Lead Counsel. You will not be charged for Lead Counsel’s services. Lead Counsel will be paid from the Settlement Fund to the extent the Court approves its application for fees and expenses. If you want to be represented by your own lawyer, you may hire one at your own expense.

16. How will the lawyers be paid?

Lead Counsel will apply to the Court for an award of attorneys’ fees not to exceed thirty- three and one-third percent (33.33%) of the Settlement Amount, and for expenses and costs in an amount not to exceed \$75,000.00 in connection with the Action, plus interest on such fees, expenses, and costs at the same rate as earned by the Settlement Fund. In addition, Lead Plaintiff may request up to \$10,000 for his time and expenses (including lost wages) incurred in representing the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund.

The attorneys’ fees and expenses requested will be the only payment to Plaintiffs’ Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly-contingent basis. To date, Lead Counsel have not been paid for their services for conducting this Action on behalf of Lead Plaintiff and the Class nor for their substantial litigation expenses. The fee requested will compensate Plaintiffs’ Counsel for their work in achieving the Settlement and is within the range of fees awarded to class counsel under similar circumstances in other cases of this type.

OBJECTING TO THE SETTLEMENT

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

17. How do I tell the Court that I object to the proposed Settlement?

If you are a Class Member, you can comment or object to the proposed Settlement, the proposed Plan of Allocation, Lead Counsel’s fee and expense application, and/or Lead Plaintiff’s time and expense request. You can write to the Court setting out your comment or objection. The Court will consider your views. To comment or object, you must send a signed letter saying that you wish to comment on, or object to, the proposed Settlement in *Mohanty v. Avid Technology, Inc. et al.*, Case No.: 1:16-cv-12336-IT. Include your name, address, telephone number, and your signature, identify the date(s), price(s), and number(s) of shares of Avid common stock you purchased or acquired during the Class Period, and state your comments or the reasons why you object to the proposed Settlement. Your comments or objection must be filed with the Court or mailed or delivered to either of the following addresses such that it is **received no later than April 9, 2018**:

COURT

Clerk of the Court
 UNITED STATES DISTRICT COURT FOR
 THE DISTRICT OF MASSACHUSETTS
 1 Courthouse Way
 Suite 2300
 Boston, MA 02210

LEAD COUNSEL

Frank J. Johnson
 JOHNSON FISTEL, LLP
 600 West Broadway,
 Suite 1540
 San Diego, CA 92101

DEFENDANTS’ COUNSEL

John D. Donovan, Jr.
 ROPES & GRAY LLP
 Prudential Tower
 800 Boylston Street
 Boston, MA 02199

18. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement.

Excluding yourself is telling the Court that you do not want to be paid through the Settlement and do not want to release any claims you think you may have against the Defendants and their Related Persons.

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

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

The Court will hold a Final Approval Hearing at **2:45 p.m., on April 30, 2018**, in the Courtroom of the Honorable Indira Talwani, at the United States District Court for the District of Massachusetts, John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Boston, MA 02210. At the hearing, the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Lead Counsel and Lead Plaintiff. After the Final Approval Hearing, the Court will decide whether to approve the Settlement, the Plan of Allocation, and the fee and expense requests. We do not know how long these decisions will take. You should be aware that the Court may change the date and time of the Final Approval Hearing without another notice being sent to Class Members. If you want to attend the hearing, you should check with Lead Counsel and/or the Settlement website www.AvidSecuritiesSettlement.com beforehand to be sure that the date and/or time has not changed.

20. Do I have to come to the hearing?

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

21. May I speak at the hearing?

If you object to the Settlement, the Plan of Allocation, or the requests for fees, costs, and expenses, you may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must include with your objection (*see* question 17 above) a statement saying that it is your "Notice of Intention to Appear in the *Mohanty v. Avid Technology, Inc. et al.*, Case No.: 1:16-cv-12336-IT." Persons who intend to object to the Settlement, the Plan of Allocation, and/or any attorneys' fees and expenses to be awarded to Lead Counsel or any requested award to Plaintiff for his reasonable costs and expenses (including lost wages) and desire to present evidence at the Final Approval Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Final Approval Hearing. Your notice of intention to appear must be **received no later than April 9, 2018**, and addressed to the Clerk of Court, Lead Counsel, and Defendants' counsel, at the addresses listed above in question 17.

IF YOU DO NOTHING

22. What happens if I do nothing?

If you do nothing, you will not receive any money from this Settlement. In addition, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants and their Related Persons about the Released Claims in this Action.

GETTING MORE INFORMATION

23. How do I get more information?

This Notice summarizes the proposed Settlement. You can obtain answers to common questions regarding the proposed Settlement by contacting the Claims Administrator toll-free at 1-877-982-0120. Reference is also made to the Stipulation, to the pleadings in support of the Settlement, to the Orders entered by the Court, and to the other settlement-related papers filed in the Action, which are posted on the Settlement website at www.AvidSecuritiesSettlement.com, and which may be inspected at the Office of the Clerk of the United States District Court for the District of Massachusetts, John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Boston, MA 02210, during regular business hours. For a fee, all papers filed in this Action are available at www.pacer.gov.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The Settlement Amount of One Million, Three Hundred and Twenty-Five Thousand United States Dollars (\$1,325,000.00) cash and any interest earned thereon is the "Settlement Fund." If the Settlement is approved, the Settlement Fund, less all taxes, approved costs, fees, and expenses (the "Net Settlement Fund"), shall be distributed to Class Members who submit timely and valid Proof of Claim and Release forms to the Claims Administrator ("Authorized Claimants"). The Plan of Allocation provides that you will be eligible to participate in the distribution of the Net Settlement Fund only if you have an overall net loss on all of your transactions in Avid common stock during the Class Period.

The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Class Members who allegedly suffered economic losses as a result of the alleged violations of the federal securities laws. For this Action, the Plan of Allocation takes into account the alleged drop in Avid common stock price on November 10, 2016, following the alleged corrective disclosure on November 9, 2016. The Plan of Allocation is not a damage analysis.

The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that

Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

Subject to certain contingencies set forth below, the Net Settlement Fund will be distributed to Authorized Claimants with respect to their Recognized Loss Amounts based on their Class Period purchases or acquisitions of Avid common stock.

A “Recognized Loss Amount” will be calculated for each eligible purchase or acquisition of Avid common stock during the Class Period for which adequate documentation is provided. The calculation will depend upon several factors, including: (i) when the shares were purchased or otherwise acquired; and (ii) whether the shares were sold and, if so, when they were sold and for how much.

In this Action, Lead Plaintiff alleges that Defendants violated the Exchange Act by making false and misleading statements during the Class Period, which had the effect of artificially inflating the price of Avid common stock. Defendants have denied, and continue to deny, all such allegations and maintain that their conduct was at all times proper and in compliance with the law.

The disclosure that allegedly removed the alleged artificial inflation from the price of Avid common stock occurred after the close of trading on November 9, 2016. Accordingly, in order to have a compensable loss, Avid common stock purchased or otherwise acquired during the time period from August 4, 2016 through November 9, 2016, inclusive, must have been held until at least the end of trading on November 9, 2016, the day of the alleged corrective disclosure.

To the extent that an Authorized Claimant does not satisfy the condition set forth in the preceding paragraph, his, her, or its Recognized Loss Amount for those transactions will be zero, since any such loss is not compensable under the federal securities laws.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

Based on the formula set forth below, a Recognized Loss Amount will be calculated for each purchase or acquisition of Avid common stock during the Class Period that is listed in the Proof of Claim and Release form and for which adequate documentation is provided. In the calculations below, if a Recognized Loss Amount calculates to a negative number, that Recognized Loss Amount shall be zero.

For each share of Avid common stock purchased or otherwise acquired during the period from August 4, 2016, and November 9, 2016, inclusive, and:

- (i) sold prior to the close of trading on November 9, 2016, the Recognized Loss Amount is \$0.00;
- (ii) sold at a loss between the close of trading on November 9, 2016 through February 7, 2017, inclusive, the Recognized Loss Amount shall be the least of (but not less than zero):
 - (a) \$1.62;
 - (b) purchase/acquisition price minus the sale price; and
 - (c) purchase/acquisition price minus the Private Securities Litigation Reform Act of 1995 (“PSLRA”) rolling-average price on the date of sale as set forth in Table A attached to the end of this Notice; and
- (iii) still held as of the close of trading on February 7, 2017, the Recognized Loss Amount shall be the lesser of (but not less than zero):
 - (a) \$1.62; and
 - (b) the purchase/acquisition price minus the PSLRA 90-day look-back price of \$4.70² per share.

ADDITIONAL PROVISIONS

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net overall loss, after all profits from transactions in all Avid common stock described above during the Class Period are subtracted from all losses. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

² Pursuant to Section 21(D)(e)(1) of the PSLRA (15 U.S.C. §78u-4(e)(1)), “the award of damages to the plaintiff shall not exceed the difference between the purchase . . . price paid . . . by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” The mean closing price of Avid common stock during the 90-day period beginning after market close on November 9, 2016, and ending on February 7, 2017, was \$4.70.

Pursuant to Section 21(D)(e)(2) of the PSLRA (15 U.S.C. §78u-4(e)(2)), “if the plaintiff sells . . . the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff’s damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security.”

Pursuant to Section 21(D)(e)(3) of the PSLRA (15 U.S.C. §78u-4(e)(3)), the “‘mean trading price’ of a security shall be an average of the daily trading price of that security, determined as of the close of the market each day during the 90-day period referred in paragraph (1).”

If a Class Member has more than one purchase/acquisition or sale of Avid common stock, all purchases/acquisitions shall be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/ acquisition made during the Class Period.

A Claimant’s “Recognized Claim” under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss Amounts for all of the Avid common stock purchased or otherwise acquired during the Class Period.

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

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

The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Avid common stock. The date of a “short sale” is deemed to be the date of sale of the Avid common stock.

Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that an Authorized Claimant has an opening short position in Avid common stock, the earliest Class Period purchases or acquisitions of common stock shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

Option contracts are not securities eligible to participate in the Settlement. With respect to Avid common stock purchased or sold through the exercise of an option, the purchase/sale date of the Avid common stock is the exercise date of the option and the purchase/sale price of the Avid common stock is the exercise price of the option.

To the extent an Authorized Claimant had a market gain with respect to his, her, or its overall transactions in Avid common stock during the Class Period, the value of the Authorized Claimant’s Recognized Claim shall be zero. Such Authorized Claimants shall in any event be bound by the Settlement. To the extent that an Authorized Claimant suffered an overall market loss with respect to his, her, or its overall transactions in Avid common stock during the Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Authorized Claimant’s Recognized Claim shall be limited to the amount of the actual market loss.

For purposes of determining whether an Authorized Claimant had a market gain with respect to his, her, or its overall transactions in Avid common stock during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount, and (ii) the sum of the Total Sales Proceeds and Total Holding Value. This difference shall be deemed an Authorized Claimant’s market gain or loss with respect to his, her, or its overall transactions in Avid common stock during the Class Period.³

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of un-cashed distribution checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund after at least six (6) months after the initial distribution of such funds shall be used: (a) first, to pay any amounts mistakenly omitted from the initial disbursement; (b) second, additional settlement administration fees, costs, and expenses, including those of Plaintiffs’ Counsel as may be approved by the Court; and (c) to make a second distribution to claimants who cashed their checks from the initial distribution and who would receive at least \$10.00, after payment of the estimated costs, expenses, or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. These redistributions shall be repeated, if economically feasible, until the balance remaining in the Net Settlement Fund is *de minimis* and such remaining balance shall then be distributed to an appropriate non-sectarian, non-profit charitable organization serving the public interest selected by Lead Counsel.

³ The “Total Purchase Amount” is the total amount the Authorized Claimant paid (excluding commissions and other charges) for Avid common stock purchased or otherwise acquired during the Class Period. The Claims Administrator shall match any sales of Avid common stock during the Class Period first against the Authorized Claimant’s opening position in Avid common stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for sales of Avid common stock during the Class Period (if the sale can be matched against a Settlement Class Period purchase/acquisition) shall be the “Total Sales Proceeds.” The Claims Administrator shall ascribe a holding value of \$4.70 to Avid common stock purchased or otherwise acquired during the Class Period and still held as of the close of trading on February 7, 2017.

Any *de minimis* balance that still remains in the Net Settlement Fund after such reallocation(s) and payments, which is not feasible or economical to reallocate, shall be donated to any appropriate non-sectarian, non-profit, charitable organization(s) serving the public interest, to be recommended by Lead Counsel with the consent of the Defendants.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. Defendants, their respective counsel, and all other Released Persons will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. No Person shall have any claim against Plaintiff, Plaintiff's Counsel, the Claims Administrator, or other Person designated by Lead Counsel, Defendants, or Defendants' Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Class Members who fail to complete and submit a valid and timely Proof of Claim and Release shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any Judgment entered and the releases given.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim and Release. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request.

The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiff to the Court for its approval. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, www.AvidSecuritiesSettlement.com.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or otherwise acquired Avid common stock during the time period from August 4, 2016 through November 9, 2016, inclusive, for the beneficial interest of an individual or organization other than yourself, the Court has directed that, WITHIN TEN (10) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each Person or organization for whom or which you purchased such securities during such time period, or (b) request additional copies of this Notice and the Proof of Claim and Release form, which will be provided to you free of charge, and within ten (10) calendar days mail the Notice and Proof of Claim and Release form directly to the beneficial owner(s) of the securities referred to herein. If you choose to follow alternative procedure (b), upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed and retain the names and addresses for any future mailings to Class Members. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of any beneficial owner(s). Your reasonable expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator: *Mohanty v. Avid Technology, Inc. et al.*, c/o GCG, P.O. Box 10525, Dublin, OH 43017-4525. Copies of this Notice and the Proof of Claim and Release may also be obtained from the website maintained by the Claims Administrator, www.AvidSecuritiesSettlement.com, or by calling the Claims Administrator toll-free at 1-877-982-0120.

DATED: January 12, 2018

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

Class Period: 8/4/2016 through 11/9/2016 Inclusive / 90-Day Lookback Period 11/10/2016 - 2/7/2017

<u>Date</u>	<u>Closing Price</u>	<u>Rolling Mean Trading Price in 90-Day Lookback Period</u>
		<u>11/10/2016 - 2/7/2017</u>
8/4/2016	\$7.23	\$4.70
8/5/2016	\$7.53	\$4.70
8/8/2016	\$8.09	\$4.70
8/9/2016	\$8.62	\$4.70
8/10/2016	\$8.34	\$4.70
8/11/2016	\$8.69	\$4.70
8/12/2016	\$8.85	\$4.70
8/15/2016	\$9.12	\$4.70
8/16/2016	\$9.15	\$4.70
8/17/2016	\$9.12	\$4.70
8/18/2016	\$9.42	\$4.70
8/19/2016	\$9.69	\$4.70
8/22/2016	\$9.63	\$4.70
8/23/2016	\$9.66	\$4.70
8/24/2016	\$9.37	\$4.70
8/25/2016	\$9.18	\$4.70
8/26/2016	\$9.31	\$4.70
8/29/2016	\$9.18	\$4.70
8/30/2016	\$9.18	\$4.70
8/31/2016	\$8.99	\$4.70
9/1/2016	\$9.04	\$4.70
9/2/2016	\$9.12	\$4.70
9/6/2016	\$8.78	\$4.70
9/7/2016	\$8.53	\$4.70
9/8/2016	\$8.16	\$4.70
9/9/2016	\$7.76	\$4.70
9/12/2016	\$7.88	\$4.70
9/13/2016	\$7.66	\$4.70
9/14/2016	\$7.75	\$4.70
9/15/2016	\$7.82	\$4.70
9/16/2016	\$7.60	\$4.70
9/19/2016	\$7.64	\$4.70
9/20/2016	\$7.38	\$4.70
9/21/2016	\$7.79	\$4.70
9/22/2016	\$8.05	\$4.70
9/23/2016	\$8.11	\$4.70
9/26/2016	\$7.98	\$4.70
9/27/2016	\$7.87	\$4.70
9/28/2016	\$7.86	\$4.70
9/29/2016	\$7.60	\$4.70
9/30/2016	\$7.94	\$4.70
10/3/2016	\$7.67	\$4.70
10/4/2016	\$7.56	\$4.70
10/5/2016	\$7.65	\$4.70
10/6/2016	\$7.56	\$4.70
10/7/2016	\$7.47	\$4.70
10/10/2016	\$7.55	\$4.70
10/11/2016	\$7.24	\$4.70
10/12/2016	\$7.25	\$4.70
10/13/2016	\$7.21	\$4.70
10/14/2016	\$7.19	\$4.70
10/17/2016	\$7.43	\$4.70
10/18/2016	\$7.41	\$4.70
10/19/2016	\$7.28	\$4.70
10/20/2016	\$7.13	\$4.70
10/21/2016	\$7.18	\$4.70
10/24/2016	\$7.14	\$4.70
10/25/2016	\$6.89	\$4.70
10/26/2016	\$6.75	\$4.70
10/27/2016	\$6.76	\$4.70
10/28/2016	\$6.59	\$4.70
10/31/2016	\$6.57	\$4.70
11/1/2016	\$6.55	\$4.70
11/2/2016	\$6.38	\$4.70
11/3/2016	\$6.05	\$4.70
11/4/2016	\$5.97	\$4.70

Class Period: 8/4/2016 through 11/9/2016 Inclusive / 90-Day Lookback Period 11/10/2016 - 2/7/2017

Rolling Mean Trading Price in 90-Day Lookback Period

<u>Date</u>	<u>Closing Price</u>	<u>11/10/2016 - 2/7/2017</u>
11/7/2016	\$6.20	\$4.70
11/8/2016	\$6.05	\$4.70
11/9/2016	\$6.32	\$4.70
11/10/2016	\$4.52	\$4.52
11/11/2016	\$4.47	\$4.50
11/14/2016	\$4.65	\$4.55
11/15/2016	\$4.71	\$4.59
11/16/2016	\$4.81	\$4.63
11/17/2016	\$4.95	\$4.69
11/18/2016	\$4.68	\$4.68
11/21/2016	\$4.49	\$4.66
11/22/2016	\$4.31	\$4.62
11/23/2016	\$4.35	\$4.59
11/25/2016	\$4.33	\$4.57
11/28/2016	\$4.29	\$4.55
11/29/2016	\$4.42	\$4.54
11/30/2016	\$4.21	\$4.51
12/1/2016	\$4.17	\$4.49
12/2/2016	\$4.07	\$4.46
12/5/2016	\$4.43	\$4.46
12/6/2016	\$4.49	\$4.46
12/7/2016	\$4.54	\$4.47
12/8/2016	\$4.57	\$4.47
12/9/2016	\$4.57	\$4.48
12/12/2016	\$4.49	\$4.48
12/13/2016	\$4.19	\$4.47
12/14/2016	\$4.36	\$4.46
12/15/2016	\$4.31	\$4.46
12/16/2016	\$4.32	\$4.45
12/19/2016	\$4.34	\$4.45
12/20/2016	\$4.43	\$4.45
12/21/2016	\$4.40	\$4.44
12/22/2016	\$4.53	\$4.45
12/23/2016	\$4.63	\$4.45
12/27/2016	\$4.60	\$4.46
12/28/2016	\$4.45	\$4.46
12/29/2016	\$4.42	\$4.46
12/30/2016	\$4.40	\$4.45
1/3/2017	\$4.63	\$4.46
1/4/2017	\$4.59	\$4.46
1/5/2017	\$4.55	\$4.47
1/6/2017	\$4.55	\$4.47
1/9/2017	\$4.70	\$4.47
1/10/2017	\$4.86	\$4.48
1/11/2017	\$5.05	\$4.50
1/12/2017	\$5.03	\$4.51
1/13/2017	\$5.11	\$4.52
1/17/2017	\$5.02	\$4.53
1/18/2017	\$5.03	\$4.54
1/19/2017	\$4.88	\$4.55
1/20/2017	\$4.86	\$4.56
1/23/2017	\$4.92	\$4.56
1/24/2017	\$4.95	\$4.57
1/25/2017	\$4.95	\$4.58
1/26/2017	\$4.87	\$4.59
1/27/2017	\$5.03	\$4.59
1/30/2017	\$5.03	\$4.60
1/31/2017	\$5.35	\$4.62
2/1/2017	\$5.49	\$4.63
2/2/2017	\$5.61	\$4.65
2/3/2017	\$5.70	\$4.67
2/6/2017	\$5.65	\$4.68
2/7/2017	\$5.65	\$4.70

Must be
Postmarked
No Later Than
April 19, 2018

c/o GCG
P.O. Box 10525
Dublin, OH 43017-4525
Toll-Free Number: 1-877-982-0120
www.AvidSecuritiesSettlement.com



PROOF OF CLAIM AND RELEASE

To be potentially eligible to receive a share of the Net Settlement Fund¹ in connection with the Settlement of this Action, you must complete and sign this Proof of Claim and Release form (“Proof of Claim and Release”) and mail it by first-class mail to the above address, **postmarked no later than April 19, 2018**, or submit **online no later than April 19, 2018**.

Failure to submit your Proof of Claim and Release by the date specified will subject your claim to rejection and may preclude you from being eligible to receive any money in connection with the Settlement.

Do not mail or deliver your Proof of Claim and Release to the Court, the parties to the Action, or their counsel. Submit your Proof of Claim and Release only to the Claims Administrator.

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Important - This form should be completed **IN CAPITAL LETTERS** using **BLACK** or **DARK BLUE** ballpoint/fountain pen. Characters and marks used should be similar in the style to the following:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 1 2 3 4 5 6 7 0

¹ All capitalized terms used in this Proof of Claim and Release that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement dated November 30, 2017 (the “Stipulation”), which is available on the website www.AvidSecuritiesSettlement.com.



PART II – GENERAL INSTRUCTIONS

1. To recover as a member of the Class based on your claims in the action entitled *Mohanty v. Avid Technology, Inc. et al.*, Case No.: 1:16-cv-12336-IT (D. Mass.) (the “Action”), you must complete and, on page 9 hereof, sign this Proof of Claim and Release. If you fail to submit a timely and properly addressed (as set forth in paragraph 3 below) Proof of Claim and Release, your claim may be rejected, and you may not receive any recovery from the Net Settlement Fund created in connection with the proposed Settlement.

2. Submission of this Proof of Claim and Release, however, does not assure that you will share in the proceeds of the Settlement of the Action.

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

Mohanty v. Avid Technology, Inc. et al.
c/o GCG
P.O. Box 10525
Dublin, OH 43017-4525
www.AvidSecuritiesSettlement.com

If you are NOT a Class Member, as defined in the Notice of Pendency and Proposed Settlement of Class Action (“Notice”), DO NOT submit a Proof of Claim and Release.

4. If you are a Class Member and you did not timely request exclusion, you will be bound by the terms of any Judgment entered in the Action, including the releases provided therein, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE.

5. If you purchased or otherwise acquired Avid Technology, Inc. (“Avid”) common stock during the time period from August 4, 2016 through November 9, 2016, inclusive (the “Class Period”), and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased or otherwise acquired Avid common stock during the Class Period and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser or acquirer and the third party is the record purchaser or acquirer.

6. Use Part I of this form entitled “Claimant Identification” to identify each purchaser of record (“nominee”), if different from the beneficial purchaser of the Avid common stock that forms the basis of this claim. THIS PROOF OF CLAIM AND RELEASE MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OF THE AVID COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

7. All joint beneficial owners must each sign this Proof of Claim and Release and their names must appear as “Claimants” in Part I of this Proof of Claim and Release. Agents, executors, administrators, guardians, conservators, and trustees or others acting in a representative capacity on behalf of a Class Member must complete and sign this Proof of Claim and Release on behalf of Persons represented by them, and submit evidence of their current authority to act on behalf of that Class Member, including that your titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

8. Use Part III of this form entitled “Schedule of Transactions in Avid Common Stock” to supply all required details of your transaction(s), including free transfers and deliveries in, and holdings of, Avid common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

9. On the schedule(s), provide all of the requested information with respect to **all** of your purchases and **all** of your sales of Avid common stock which took place during the Class Period, regardless of whether such transactions resulted in a profit or a loss. You must also provide all of the requested information with respect to **all** of the shares of Avid common stock you held at the close of trading on February 7, 2017. Failure to report all such transactions may result in the rejection of your claim.

**PART II – GENERAL INSTRUCTIONS (CONTINUED)**

10. List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.
11. The date of covering a “short sale” is deemed to be the date of purchase of Avid common stock. The date of a “short sale” is deemed to be the date of sale of Avid common stock.
12. For each transaction, copies of broker confirmations or other documentation of your transactions in Avid common stock should be attached to your Proof of Claim and Release. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.
13. **NOTICE REGARDING ELECTRONIC FILES:** Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. This is different from the online-submission process that is available at www.AvidSecuritiesSettlement.com. To obtain the mandatory electronic-filing requirements and file layout, you may visit the settlement website at www.AvidSecuritiesSettlement.com or you may email the Claims Administrator’s electronic-filing department at eClaim@choosegcg.com. Any file not in accordance with the required electronic-filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email to that effect after processing your file with your claim numbers and respective account information. **Do not assume that your file has been received or processed until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the electronic filing department at eClaim@choosegcg.com to inquire about your file and confirm it was received and acceptable.**

IMPORTANT: PLEASE NOTE

YOUR CLAIM IS NOT DEEMED FILED UNTIL YOU RECEIVE AN ACKNOWLEDGEMENT POSTCARD. THE CLAIMS ADMINISTRATOR WILL ACKNOWLEDGE RECEIPT OF YOUR PROOF OF CLAIM AND RELEASE BY MAIL, WITHIN 60 DAYS. IF YOU DO NOT RECEIVE AN ACKNOWLEDGEMENT POSTCARD WITHIN 60 DAYS, PLEASE CALL THE CLAIMS ADMINISTRATOR TOLL FREE AT 1-877-982-0120.



PART III—SCHEDULE OF TRANSACTIONS IN AVID COMMON STOCK (CONTINUED)

Please be sure to include proper documentation with your Proof of Claim and Release as described in detail in Part II—General Instructions, Paragraph 6, above.

D. SALES OF AVID COMMON STOCK FROM AUGUST 4, 2016 THROUGH FEBRUARY 7, 2017 – Separately list each and every sale or disposition (including free deliveries) of Avid common stock from after the opening of trading on **August 4, 2016** through the close of trading on **February 7, 2017**. (All sales must be documented.)

Date of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (not deducting any taxes, commissions, and fees)	Confirm Proof of Sale Enclosed
/ /		.	.	
/ /		.	.	
/ /		.	.	
/ /		.	.	

E. HOLDINGS AS OF FEBRUARY 7, 2017 – State the total number of shares of Avid common stock held as of the close of trading on **February 7, 2017**. (Must be documented.) If none, write “zero” or “0.”

	Confirm Proof of Position Enclosed
--	--

IF YOU REQUIRE ADDITIONAL SPACE FOR THE SCHEDULE ABOVE, ATTACH EXTRA SCHEDULES IN THE SAME FORMAT. PRINT THE BENEFICIAL OWNER'S FULL NAME AND LAST FOUR DIGITS OF SOCIAL SECURITY/TAXPAYER IDENTIFICATION NUMBER ON EACH ADDITIONAL PAGE. IF YOU DO ATTACH EXTRA SCHEDULES, CHECK THIS BOX

<input type="checkbox"/>



PART IV – RELEASE OF CLAIMS AND SIGNATURE

YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON PAGE 9. FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

On behalf of myself (ourselves) and each of my (our) heirs, agents, executors, trustees, administrators, predecessors, successors, and assigns, I (we) submit this Proof of Claim and Release under the terms of the Stipulation described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the District of Massachusetts with respect to my (our) claim as a Class Member (Class Members) and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any Judgment that may be entered in the Action. I (We) agree to furnish additional information to the Claims Administrator to support this claim (including transactions in other Avid securities) if requested to do so. I (We) have not submitted any other claim covering the same purchases or sales of Avid common stock during the time period from August 4, 2016, through November 9, 2016, inclusive, and know of no other Person having done so on my (our) behalf.

RELEASE

1. Upon the Effective Date of the Settlement, I (we) acknowledge full and complete satisfaction of, and fully, finally, and forever settle, release, and discharge from the Released Claims each and all of the “Released Persons,” defined as each and all of the Defendants, and each and all of their Related Persons as provided in the Stipulation. “Related Persons” means, with respect to the Defendants, each and all of their respective present or former parents, subsidiaries, affiliates, successors, and assigns, and each and all of their respective present or former officers, directors, employees, employers, attorneys, accountants, financial advisors, commercial bank lenders, insurers, reinsurers, investment bankers, underwriters, representatives, general and limited partners and partnerships, heirs, executors, administrators, successors, affiliates, agents, spouses, associates, and assigns of each of them, in their capacity as such, or any trust of which any Defendant and/or their Related Persons is the settlor, or which is for the benefit of any Defendant and/or their Related Persons and/or member(s) of his or her family, and any entity in which any such Defendant and/or their Related Persons has a controlling interest. “Related Person” means, individually, any of the Related Persons.

2. “Released Claims” means any and all claims, demands, losses, damages, rights, causes of action, liabilities, obligations, judgments, suits, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys’ and consultants’ fees, actions, potential actions, causes of action, suits, judgments, decrees, matters, as well as issues and controversies of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, accrued or unaccrued, apparent or unapparent, foreseen or unforeseen, fixed or contingent, that have been, or could have been, asserted in the Action or in any court, tribunal, forum, or proceeding (including, but not limited to, any claims arising under federal, state, or foreign law, statute, rule, or regulation relating to alleged fraud, negligence, violations of the federal securities laws, or otherwise, and including all claims within the exclusive jurisdiction of the federal courts), whether individual or class, arising from or relating to both (a) the purchase or other acquisition of the Company’s common stock during the Class Period, and (b) the acts, facts, statements, or omissions that were, or could have been, alleged by Plaintiff in the Action, including, without limitation, any and all claims that are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) Avid’s public statements and SEC filings which arise out of, or relate in any way to, the allegations or subject matter of the Action; (ii) actions taken by the Individual Defendants which arise out of, or relate in any way to, the allegations or subject matter of the Action; (iii) any transaction in Avid securities by any Defendant, current or former officer or director of such Defendant, or affiliated entity during the Class Period; (iv) public statements made by the Individual Defendants which arise out of, or relate in any way to, the allegations or subject matter of the Action; and (v) arise out of, or are based upon, the purchase, sale, decision to hold, or other acquisition of Avid securities during the Class Period (the “Release”). This Release extends to any and/or all Defendants, and any and/or all of their Related Persons. “Released Claims” includes “Unknown Claims” as defined in the Notice. Released Claims does not include claims to enforce the Settlement, nor does it include any currently pending related ERISA or stockholder derivative actions. “Released Persons” means each and all of the Defendants, and each and all of their Related Persons.

3. “Unknown Claims” means any Released Claims which Plaintiff or any Class Members do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons, and any claims that the Released Persons do not know or suspect to exist in his, her, or its favor at the time of the release of Plaintiff, each and all of the Class Members, and Plaintiff’s Counsel, which, if known by him, her, or it, might have affected his, her, or its settlement with, and release of, the Released Persons or Plaintiff, each and all of the Class Members, and Plaintiff’s Counsel, or might have affected his, her, or

**PART IV – RELEASE OF CLAIMS AND SIGNATURE (CONTINUED)**

its decision not to object to this Settlement or seek exclusion. Unknown Claims include those Released Claims in which some or all of the facts related to the claim may be suspected, or even undisclosed or hidden. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Plaintiff and Defendants shall expressly, and each of the Class Members and Released Persons shall be deemed to have, and by operation of the Judgment shall have, expressly waived, relinquished, and released, to the fullest extent permitted by law, the provisions, rights, and benefits conferred by or under California Civil Code §1542, which provides:

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

Plaintiff and Defendants shall expressly, and each of the Class Members and Released Persons shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code §1542. Plaintiff, Class Members, and the Released Persons may hereafter discover facts in addition to, or different from, those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims and the claims released by the Released Persons, but Plaintiff and Defendants shall expressly, and each Class Member and Released Person, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, or the claims released by the Released Persons, as the case may be, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts, whether or not previously or currently asserted in any action. Plaintiff and Defendants acknowledge, and the Class Members and Released Persons shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and an essential, material term of the Settlement relied upon by each and all of the Defendants in entering into the Stipulation of which this release is a part.

4. I (We) hereby warrant and represent that I (we) have not assigned or transferred, or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

5. I (We) hereby warrant and represent that I (we) have included the information requested about all of my (our) transactions in Avid common stock which are the subject of this claim, as well as the opening and closing positions in such securities held by me (us) on the dates requested in this Proof of Claim and Release.



PART IV – RELEASE OF CLAIMS AND SIGNATURE (CONTINUED)

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS PROOF OF CLAIM AND RELEASE IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HEREWITH ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

Signature of Claimant

Date

Print Name of Claimant

Signature of Joint Claimant, if any

Date

Print Name of Joint Claimant, if any

If claimant is other than an individual, or is not the person completing this form, the following also must be provided:

Signature of Person signing on behalf of claimant

Date

Print your name here

Capacity of person signing on behalf of claimant, if other than an individual, e.g., executor, president, custodian, etc. (Must provide evidence of authority to act on behalf of claimant – see paragraph 7 on page 3 of this Claim Form.)



REMINDER CHECKLIST:

1. Please sign the above release and certification. If this Proof of Claim and Release is being made on behalf of joint claimants, then both must sign.
2. Remember to attach only **copies** of acceptable supporting documentation as these documents will not be returned to you. **Do not send** originals of certificates.
3. Please do not highlight any portion of the Proof of Claim and Release or any supporting documents.
4. Keep copies of the completed Proof of Claim and Release and documentation for your own records.
5. The Claims Administrator will acknowledge receipt of your Proof of Claim and Release by mail, within 60 days. Your claim is not deemed filed until you receive an acknowledgement postcard.
6. If you move, please send the Claims Administrator written notification of your new address to the address below.

THIS PROOF OF CLAIM AND RELEASE MUST BE SUBMITTED ONLINE OR POSTMARKED NO LATER THAN APRIL 19, 2018, ADDRESSED AS FOLLOWS:

Mohanty v. Avid Technology, Inc. et al.
c/o GCG
P.O. Box 10525
Dublin, OH 43017-4525
www.AvidSecuritiesSettlement.com

Exhibit

B

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

PRAKASH MOHANTY, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

AVID TECHNOLOGY, INC., LOUIS
HERNANDEZ, JR, and ILAN SIDI,

Defendants.

Case No. 1:16-cv-12336-IT

CLASS ACTION

SUMMARY NOTICE

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK OF AVID TECHNOLOGY, INC. (“AVID” OR THE “COMPANY”) DURING THE PERIOD FROM AUGUST 4, 2016 THROUGH NOVEMBER 9, 2016, INCLUSIVE (THE “CLASS”)

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the District of Massachusetts, that a hearing will be held on **April 30, 2018, at 2:45 p.m.**, before the Honorable Indira Talwani, United States District Judge, at the United States District Court for the District of Massachusetts, John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Boston, MA 02210, to determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Stipulation, and for the principal amount of One Million, Three Hundred and Twenty-Five Thousand United States Dollars (\$1,325,000.00) cash, plus interest, is fair, reasonable, and adequate to the Class such that the Class should be finally certified and the Settlement should be approved by the Court; to determine whether a Judgment and Order of Dismissal with Prejudice should be entered, and if so, whether it should be in substantially the form set forth as Exhibit B to the Stipulation; to determine whether the proposed Plan of Allocation should be approved; to determine any amount of fees, costs, and expenses that should be awarded to Lead Counsel; to determine the amount of costs and expenses to be awarded to Lead Plaintiff (including for lost wages); to hear objections to the Stipulation or to the Plan of Allocation or any award of fees, expenses and costs to Lead Counsel and Lead Plaintiff; and to consider such matters as the Court may deem appropriate. The Court may adjourn or continue the Final Approval Hearing or alter its time or date without further notice to Class Members but will not set it earlier than the time and date set forth in this paragraph.

IF YOU PURCHASED OR OTHERWISE ACQUIRED ANY AVID COMMON STOCK DURING THE PERIOD FROM AUGUST 4, 2016 THROUGH NOVEMBER 9, 2016, INCLUSIVE, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF THIS ACTION, INCLUDING THE RELEASE AND EXTINGUISHMENT OF CLAIMS YOU MAY POSSESS RELATING TO YOUR PURCHASE OR ACQUISITION OF AVID COMMON STOCK DURING THE CLASS PERIOD. If you have not received a detailed Notice of Pendency and Proposed Settlement of Class Action (“Notice”) and a copy of the Proof of Claim and Release form, you may obtain copies by writing to *Mohanty v. Avid Technology, Inc. et al.*, Claims Administrator, c/o GCG, P.O. Box 10525, Dublin, OH 43017-4525, or on the internet at www.AvidSecuritiesSettlement.com. If you are a Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release by mail or online **no later than April 19, 2018**, establishing that you are entitled to recovery. You will be bound by any Judgment rendered in the Action unless you timely and validly request to be excluded, in writing, to *Mohanty v. Avid Technology, Inc. et al.*, Claims Administrator, c/o GCG, P.O. Box 10525, Dublin, OH 43017-4525, **no later than April 9, 2018**.

Any objection to the Settlement, the Plan of Allocation, or the fee and expense applications must be **received**, not simply postmarked, by one or more of the following recipients **no later than April 9, 2018**:

COURT	LEAD COUNSEL	DEFENDANTS’ COUNSEL
Clerk of the Court	Frank J. Johnson	John D. Donovan, Jr.
UNITED STATES DISTRICT	JOHNSON FISTEL, LLP	ROPES & GRAY LLP
COURT FOR THE DISTRICT	600 West Broadway	Prudential Tower
OF MASSACHUSETTS	Suite 1540	800 Boylston Street
1 Courthouse Way	San Diego, CA 92101	Boston, MA 02199
Suite 2300		
Boston, MA 02210		

PLEASE DO NOT CONTACT THE COURT OR THE CLERK’S OFFICE REGARDING THIS NOTICE.

If you have any questions about the Settlement, you may contact Lead Counsel at the address listed above.

DATED: January 12, 2018

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

INVESTOR'S BUSINESS DAILY™

Affidavit of Publication

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Name of Publication: IBD Weekly
 Address: 12655 Beatrice Street
 City, State, Zip: Los Angeles, CA 90066
 Phone #: 310.448.6700
 State of: California
 County of: Los Angeles

I, Kathleen Murray for the publisher of IBD Weekly, published in the city of Los Angeles, state of California, county of Los Angeles hereby certify that the attached notice(s) for Garden City Group/Avid Technology, Inc was printed in said publication on the following date(s):

JANUARY 29, 2018

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 29th day of January, 2018, by _

Kathleen Murray, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Richard C. Brand II (Seal)



SMALL-CAP GROWTH FUNDS VS. BIG-CAP GROWTH FUNDS. Line chart showing performance from APR to JAN18. Legend: Small-Cap Growth Funds (black line), Big-Cap Growth Funds (grey line). Values range from 180 to 285.

VALUE FUNDS VS. GROWTH FUNDS. Line chart showing performance from APR to JAN18. Legend: Value Funds (black line), Growth Funds (grey line). Values range from 180 to 200.

36 Mos Performance Rating | Fund | 2018 12Wk % Chg | 5Yr % Chg | Net % After Asset NAV | Value | Chg. Columns for various fund categories.

Top Growth Funds Last 3 Months (All Total Returns)

Table of Top Growth Funds Last 3 Months. Columns: Mutual Fund, % Change Last 3 Mos, Performance Rating, \$ Net Assets. Includes Delaware A SMIDCapGrow, Hodges Retail, Kinetics Internet, etc.

Top Growth Funds Last 36 Months (All Total Returns)

Table of Top Growth Funds Last 36 Months. Columns: Mutual Fund, % Change In 2016, Performance Rating, \$ Net Assets. Includes Virtus Funds I SmlCapCore, Fidelity OTC, Morgan Stan Ins CapGrI, etc.

36 Mos Performance Rating | Fund | 2018 12Wk % Chg | 5Yr % Chg | Net % After Asset NAV | Value | Chg. Columns for various fund categories.

36 Mos Performance Rating | Fund | 2018 12Wk % Chg | 5Yr % Chg | Net % After Asset NAV | Value | Chg. Columns for various fund categories.

U.S. Stock Fund Cash Position High (1/100) 6.2% Low (1/16) 2.6%. Table with columns for Fund, Performance, High, Low, and Date.

Table of fund performance data. Columns: 36 Mos Performance Rating, Fund, 2018 12Wk % Chg, 5Yr % Chg, Net % After Asset NAV, Value, Chg.

Table of fund performance data. Columns: 36 Mos Performance Rating, Fund, 2018 12Wk % Chg, 5Yr % Chg, Net % After Asset NAV, Value, Chg.

Table of fund performance data. Columns: 36 Mos Performance Rating, Fund, 2018 12Wk % Chg, 5Yr % Chg, Net % After Asset NAV, Value, Chg.

Table of fund performance data. Columns: 36 Mos Performance Rating, Fund, 2018 12Wk % Chg, 5Yr % Chg, Net % After Asset NAV, Value, Chg.

UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS. PRAKASH MOHANTY, Individually and on Behalf of All Others Similarly Situated, Plaintiff, vs. AVID TECHNOLOGY, INC., LOUIS HERNANDEZ, JR. and ILAN SIDI, Defendants. CLASS ACTION SUMMARY NOTICE. TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK OF AVID TECHNOLOGY, INC. ("AVID" OR THE "COMPANY") DURING THE PERIOD FROM AUGUST 4, 2016 THROUGH NOVEMBER 9, 2016, INCLUSIVE (THE "CLASS")

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2

Johnson Fistel, LLP Announces Proposed Settlement in Mohanty v. Avid Technology, Inc. et al.

NEWS PROVIDED BY Johnson Fistel, LLP 09:00 ET



SAN DIEGO, Jan. 29, 2018 /PRNewswire/ -- The following statement is being issued by Johnson Fistel, LLP regarding Mohanty v. Avid Technology, Inc. et al.

UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS

PRAKASH MOHANTY, Individually and on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

AVID TECHNOLOGY, INC., LOUIS HERNANDEZ, JR. and ILAN SIDI,

Defendants.

Case No. 1:16-cv-12336-IT

CLASS ACTION

SUMMARY NOTICE

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK OF AVID TECHNOLOGY, INC. ("AVID" OR THE "COMPANY") DURING THE PERIOD FROM AUGUST 4, 2016 THROUGH NOVEMBER 9, 2016, INCLUSIVE (THE "CLASS")

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the District of Massachusetts, that a hearing will be held on April 30, 2018, at 2:45 p.m., before the Honorable Indra Talwani, United States District Judge, at the United States District Court for the District of Massachusetts, John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Boston, MA 02210, to determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Stipulation, and for the principal amount of One Million, Three Hundred and Twenty-Five Thousand United States Dollars (\$1,325,000.00) cash, plus interest, is fair, reasonable, and adequate to the Class such that the Class should be finally certified and the Settlement should be approved by the Court; to determine whether a Judgment and Order of Dismissal with Prejudice should be entered, and if so, whether it should be in substantially the form set forth as Exhibit B to the Stipulation; to determine whether the proposed Plan of Allocation should be approved; to determine any amount of fees, costs, and expenses that should be awarded to Lead Counsel; to determine the amount of costs and expenses to be awarded to Lead Plaintiff (including for lost wages); to hear objections to the Stipulation or to the Plan of Allocation or any award of fees, expenses and costs to Lead Counsel and Lead Plaintiff; and to consider such matters as the Court may deem appropriate. The Court may adjourn or continue the Final Approval Hearing or alter its time or date without further notice to Class Members but will not set it earlier than the time and date set forth in this paragraph.

IF YOU PURCHASED OR OTHERWISE ACQUIRED ANY AVID COMMON STOCK DURING THE PERIOD FROM AUGUST 4, 2016 THROUGH NOVEMBER 9, 2016, INCLUSIVE, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF THIS ACTION, INCLUDING THE RELEASE AND EXTINGUISHMENT OF CLAIMS YOU MAY POSSESS RELATING TO YOUR PURCHASE OR ACQUISITION OF AVID COMMON STOCK DURING THE CLASS PERIOD. If you have not received a detailed Notice of Pendency and Proposed Settlement of Class Action ("Notice") and a copy of the Proof of Claim and Release form, you may obtain copies by writing to Mohanty v. Avid Technology, Inc. et al., Claims Administrator, c/o GCC, P.O. Box 10525, Dublin, OH 43077-4525, or on the internet at www.AvidSecuritiesSettlement.com. If you are a Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release by mail or online no later than April 19, 2018, establishing that you are entitled to recovery. You will be bound by any Judgment rendered in the Action unless you timely and validly request to be excluded, in writing, to Mohanty v. Avid Technology, Inc. et al., Claims Administrator, c/o GCC, P.O. Box 10525, Dublin, OH 43077-4525; so that it is received no later than April 9, 2018.

Any objection to the Settlement, the Plan of Allocation, or the fee and expense applications must be received, not simply postmarked, by one or more of the following recipients no later than April 9, 2018.

COURT

Clerk of the Court UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS 1 Courthouse Way Suite 2300 Boston, MA 02210

LEAD COUNSEL

Frank J. Johnson JOHNSON FISTEL, LLP 600 West Broadway Suite 1540 San Diego, CA 92101

DEFENDANTS' COUNSEL

John D. Donovan, Jr. ROPES & GRAY LLP Prudential Tower 800 Boylston Street Boston, MA 02199

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have any questions about the Settlement, you may contact Lead Counsel at the address listed above.

DATED: January 12, 2018

BY ORDER OF THE COURT UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

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EXHIBIT 3

CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony



Securities Class Action Settlements

2015 Review and Analysis

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This report analyzes 1,537 securities class actions filed after passage of the Private Securities Litigation Reform Act of 1995 (Reform Act) and settled from 1996 through year-end 2015, and explores a variety of factors that influence settlement outcomes. The sample includes cases alleging fraudulent inflation in the price of a corporation’s common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price and M&A cases). See page 24 for a detailed description of the research sample. For purposes of this report and related research, a settlement refers to a negotiated agreement between the parties to the securities class action that is publicly announced to potential class members by means of a settlement notice.

HIGHLIGHTS

- There were 80 securities class action settlements approved in 2015, representing a 27 percent rise in the number of settlements over 2014 and the highest number since 2010. (page 3)
- Total settlement dollars in 2015 increased substantially over the 2014 historic low to \$3 billion and were 9 percent higher than the average for the prior five years. (page 3)
- In 2015, there were eight mega settlements (those greater than or equal to \$100 million), up from just one in 2014. (page 4)
- The average settlement size climbed from \$17 million in 2014 to \$37.9 million in 2015 (an increase of 123 percent), while the median settlement amount (representing the typical case) remained relatively flat (\$6.0 million in 2014 and \$6.1 million in 2015). (page 6)
- Average “estimated damages” rose 151 percent from 2014. Since “estimated damages,” the simplified damages calculation used in this research, is the most important factor in predicting settlement amounts, this increase contributed to the substantially higher average settlement amounts in 2015. (page 7)
- Median settlements as a percentage of “estimated damages” decreased to historic low levels in 2015. (page 8)
- In 2015, 35 percent of accounting-related cases had a named auditor defendant, representing a 50 percent increase over the prior 10-year average. Underwriter defendants were named in 76 percent of cases with Section 11 claims. (page 15)
- Although the proportion of securities class action settlements involving financial sector firms was lower in 2014 and 2015 compared to prior years, these cases continue to be some of the largest when measured by “estimated damages.” In 2015, 55 percent of financial sector settlements involved “estimated damages” of greater than \$1 billion. (page 21)

FIGURE 1: SETTLEMENT STATISTICS

(Dollars in Millions)

	1996–2014	2014	2015
Minimum	\$0.1	\$0.3	\$0.4
Median	\$8.2	\$6.0	\$6.1
Average	\$55.6	\$17.0	\$37.9
Maximum	\$8,503.8	\$265.3	\$970.5
Total Amount	\$80,944.5	\$1,069.3	\$3,034.2
Number of Settlements	1,457	63	80

Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

2015 FINDINGS—PERSPECTIVE AND DEVELOPING TRENDS

The number of settlements approved in 2015 increased to 80, reversing four years of relatively low settlement volume. This surge can be attributed, at least in part, to three consecutive year-over-year increases in the number of case filings.¹ Since many cases take three to four years to settle, the increased number of case filings in 2015 may suggest that higher numbers of settlements will persist in the near future.

There were eight mega settlements (equal to or greater than \$100 million) in 2015, compared to only one in 2014. Reflecting that analyses show that the most important factor affecting settlement amounts is a proxy for shareholder damages, this increase was likely driven by a corresponding uptick in cases with very high “estimated damages.” In fact, median “estimated damages” for mega settlements in 2015 was the second highest over the last 10 years.

While larger damages appear to have driven up settlement values for some cases in 2015, other factors that are also associated with higher settlements were less prevalent in 2015. For example, the proportion of mega settlements involving financial statement restatements, public pension plan lead plaintiffs, and/or SEC actions was lower. Consistent with this, the median settlement as a percentage of “estimated damages” for mega settlements reached a historical low.

At the opposite end of the spectrum, the proportion of settlements for \$2 million or less was the highest in 18 years. The increased number of settlements of cases related to Chinese reverse mergers contributed to the growth in very small settlements, as these cases tend to involve relatively low “estimated damages” and settle for comparatively low amounts.

The number of cases settling within two years from filing date increased to 16 cases in 2015, more than two-and-a-half times the number in 2014. Cases that settle within two years tend to be smaller (indicated by asset size of the defendant company and “estimated damages”) and less likely to be characterized by indicators associated with higher settlements (e.g., restatement or reported accounting irregularity, parallel SEC action or companion derivative action, or public pension as a lead or co-lead plaintiff).

Overall, while a handful of very large settlements produced a higher average settlement value in 2015, the size of the typical settlement (as represented by the median) was similar to 2014, and the median “estimated damages” was lower. Looking ahead, the most recent data on case filings provide a mixed outlook for the size of settlements. In particular, Cornerstone Research’s [Securities Class Action Filings—2015 Year in Review](#) reported a substantial increase in the average size of case filings but a decrease in the median filing size.²

“The increases in case filings may suggest that higher numbers of settlements will persist in the near future.”

Dr. Laura Simmons
Cornerstone Research
Senior Advisor

NUMBER AND SIZE OF SETTLEMENTS

TOTAL SETTLEMENT DOLLARS

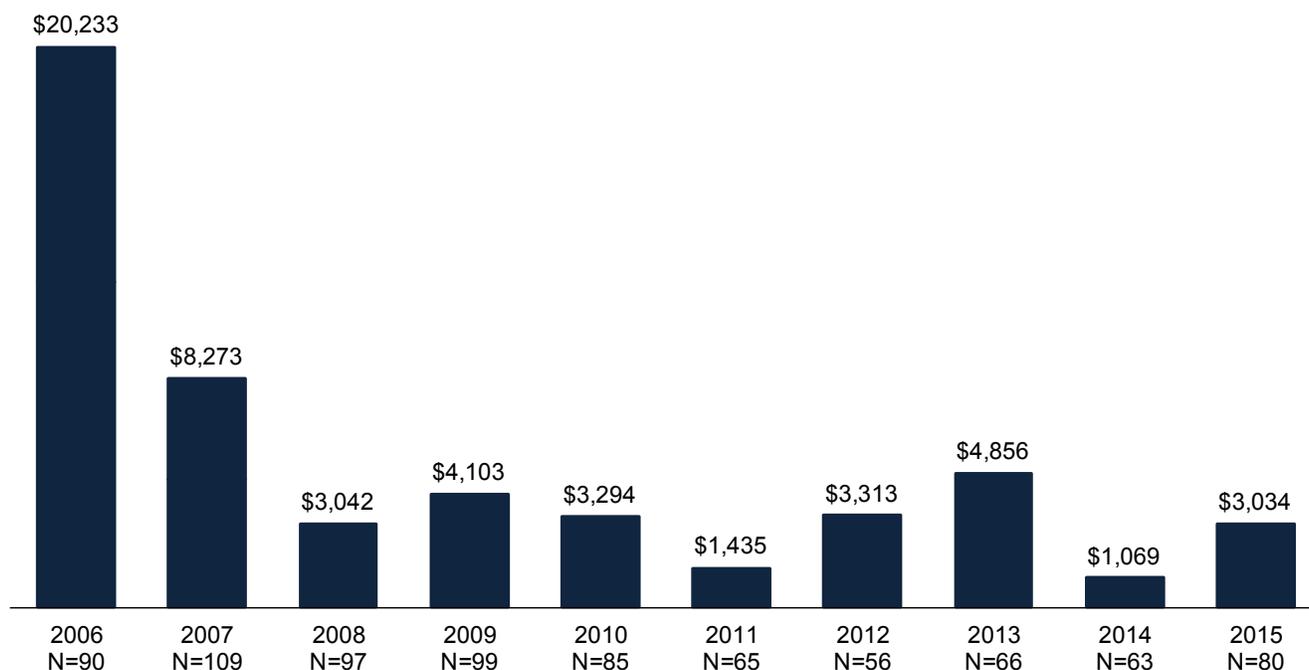
- The total value of settlements approved by courts in 2015 was \$3 billion, similar to the annual average of \$2.8 billion for the prior five years but a substantial increase over the unusually low level for 2014.
- Contributing to the rise in total settlement dollars in 2015 was the notable increase in mega settlements (see page 4).
- The increased total settlement value in 2015 was also due to the 27 percent rise in the number of settlements over 2014.
- While substantially higher than 2014, the total settlement value in 2015 did not approach the levels reached in 2006 and 2007.

Total settlement dollars in 2015 rebounded from a historic low in 2014.

FIGURE 2: TOTAL SETTLEMENT DOLLARS

2006–2015

(Dollars in Millions)



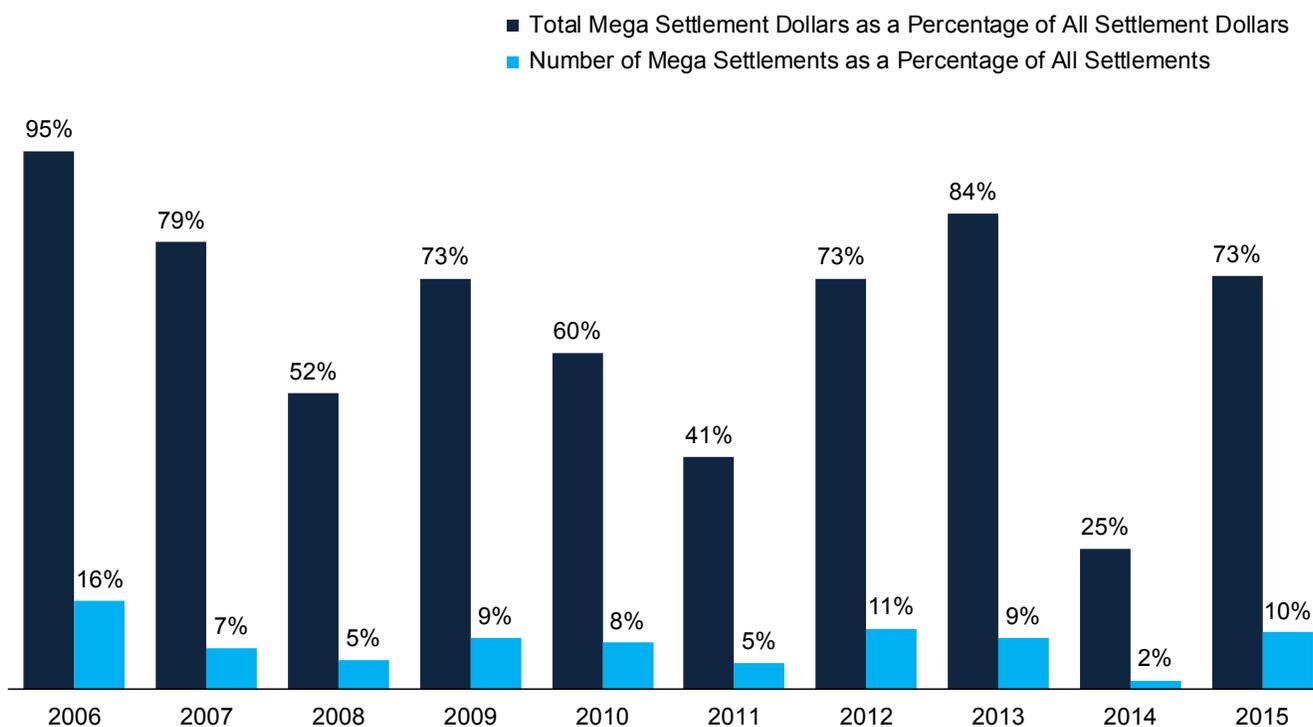
Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

MEGA SETTLEMENTS

- In 2015, the percentage of settlement dollars from mega settlements (those greater than or equal to \$100 million) returned to historical levels.
- The eight mega settlements in 2015 represented a dramatic increase over the one mega settlement approved in 2014.
 - In 2015, six of the eight mega settlements approved were between \$100 million and \$200 million.
 - There was one case with a settlement of more than \$970 million, which drove up both settlement totals and the average settlement in 2015.

Over the last decade, mega settlements have generally accounted for more than 50 percent of settlement dollars.

FIGURE 3: MEGA SETTLEMENTS
2006–2015



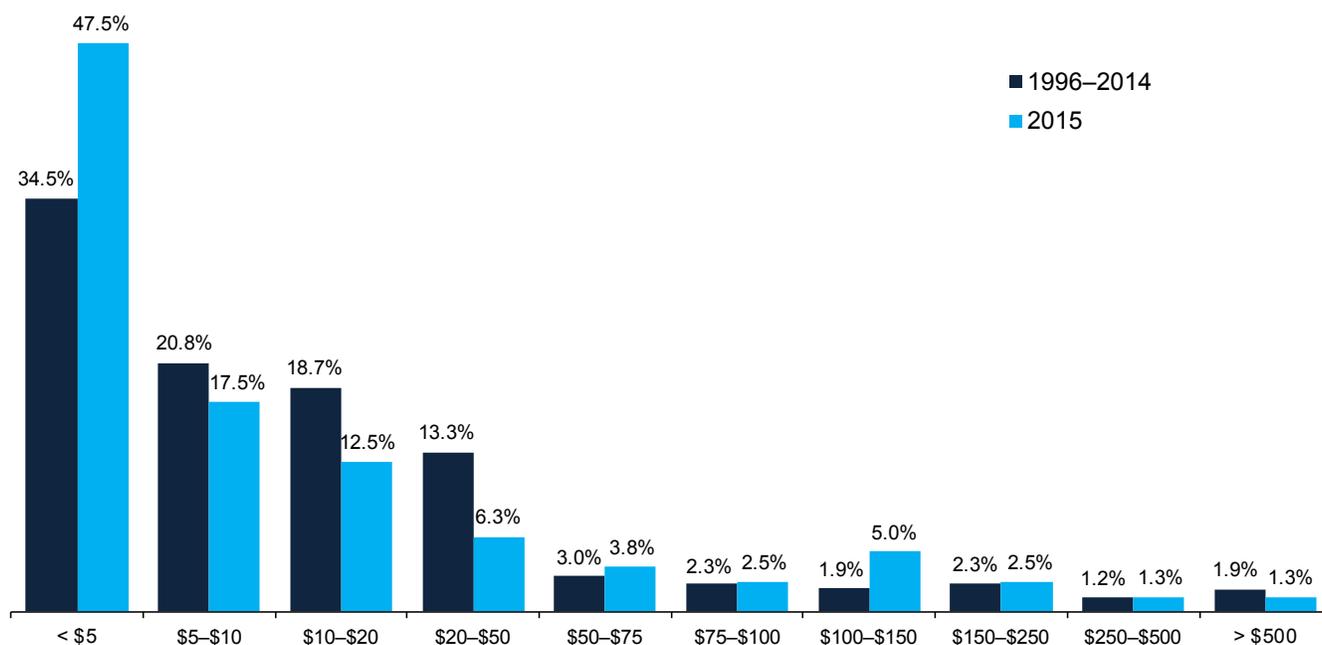
SETTLEMENT SIZE

- The proportion of cases settling for \$2 million or less (often referred to as “nuisance suits”) in 2015 was 26 percent, the highest single-year proportion since 1997.
- In 2015, 29 percent of cases that settled for \$2 million or less were Chinese reverse merger cases, which historically have settled for very small amounts.
- There were fewer settlements in the \$5 million to \$50 million range in 2015 compared to prior years, while more occurred in the \$100 million to \$150 million range.

Since 1996, the vast majority of securities class actions have settled for less than \$25 million.

**FIGURE 4: DISTRIBUTION OF POST-REFORM ACT SETTLEMENTS
1996–2015**

(Dollars in Millions)



Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

SETTLEMENT SIZE *continued*

- The average settlement amount in 2015 was 123 percent higher than the average in 2014, but was still 25 percent lower than the average for all prior post–Reform Act years.
- The median settlement amount in 2015 was also lower than the median for all prior post–Reform Act years.
- Nearly 50 percent of settlements approved in 2015 settled for less than \$5 million; 80 percent settled for less than \$25 million; and 90 percent settled for less than \$100 million.
- Average settlements have varied widely over the last 10 years, while median settlements have fluctuated within a narrower range.

The median settlement amount has remained largely unchanged in the last three years.

FIGURE 5: SETTLEMENT PERCENTILES**2006–2015**

(Dollars in Millions)

Year	Average	10th	25th	Median	75th	90th
2015	\$37.9	\$1.3	\$2.0	\$6.1	\$15.3	\$91.0
2014	\$17.0	\$1.7	\$2.9	\$6.0	\$13.2	\$39.9
2013	\$73.6	\$1.9	\$3.1	\$6.6	\$22.6	\$83.9
2012	\$59.2	\$1.2	\$2.8	\$9.5	\$36.6	\$118.7
2011	\$22.1	\$1.9	\$2.6	\$6.1	\$19.0	\$44.0
2010	\$38.8	\$2.2	\$4.6	\$12.2	\$27.2	\$86.5
2009	\$41.4	\$2.6	\$4.2	\$8.8	\$22.1	\$73.4
2008	\$31.4	\$2.2	\$4.1	\$8.8	\$20.9	\$55.5
2007	\$75.9	\$1.7	\$3.4	\$10.3	\$20.0	\$91.3
2006	\$131.8	\$2.0	\$3.7	\$8.2	\$27.3	\$268.5

Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

DAMAGES ESTIMATES AND MARKET CAPITALIZATION LOSSES

“ESTIMATED DAMAGES”

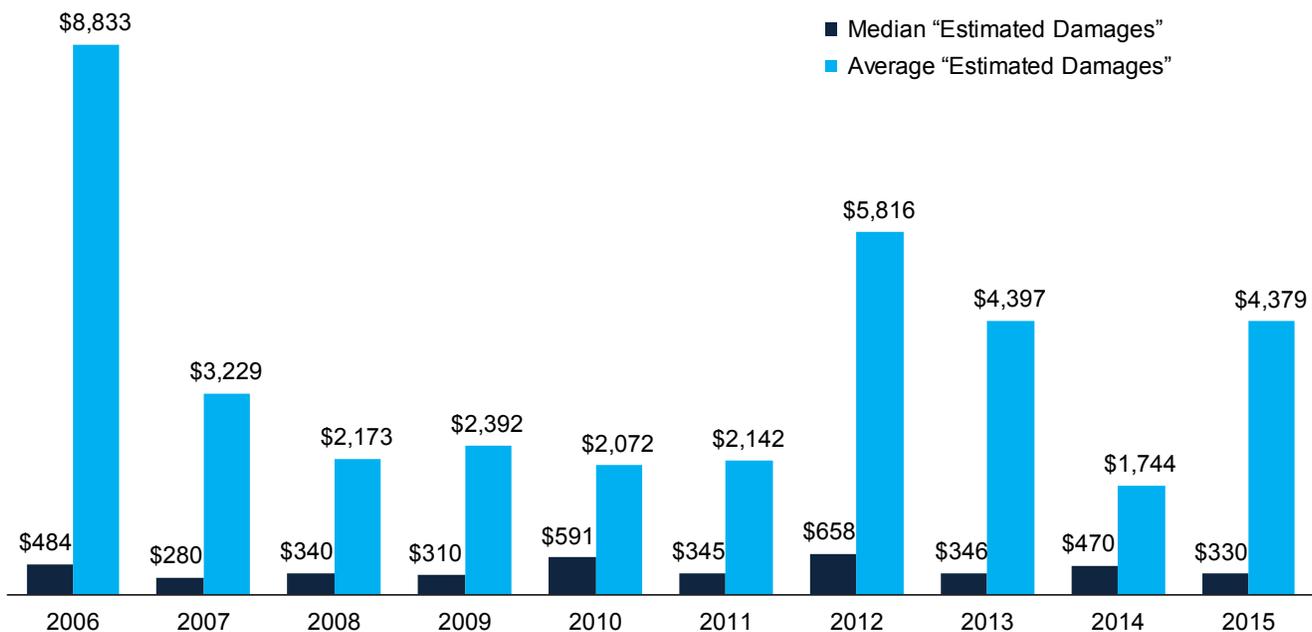
For purposes of this research, the use of a consistent method for estimating potential shareholder losses allows for the identification and analysis of potential trends. A simplified measure, referred to here as “estimated damages,” is used as a proxy for potential shareholder losses. “Estimated damages” are the most important factor in predicting settlement amounts. These “estimated damages” are not necessarily linked to the allegations included in the associated court pleadings.³ The damages estimates presented in this report are not intended to be indicative of actual economic damages borne by shareholders.

- Average “estimated damages” for 2015 increased 151 percent from 2014.
- While average “estimated damages” increased, median “estimated damages” (representing the midpoint) were 30 percent lower in 2015 than in 2014.
- In 2015, 23 percent of settlements involved “estimated damages” of \$1 billion or more, the lowest percentage in the last seven years. This suggests that a small number of cases with very large “estimated damages” contributed to the relatively high average “estimated damages” in 2015.

A small number of cases contributed to the relatively high average “estimated damages” in 2015.

**FIGURE 6: MEDIAN AND AVERAGE “ESTIMATED DAMAGES”
2006–2015**

(Dollars in Millions)



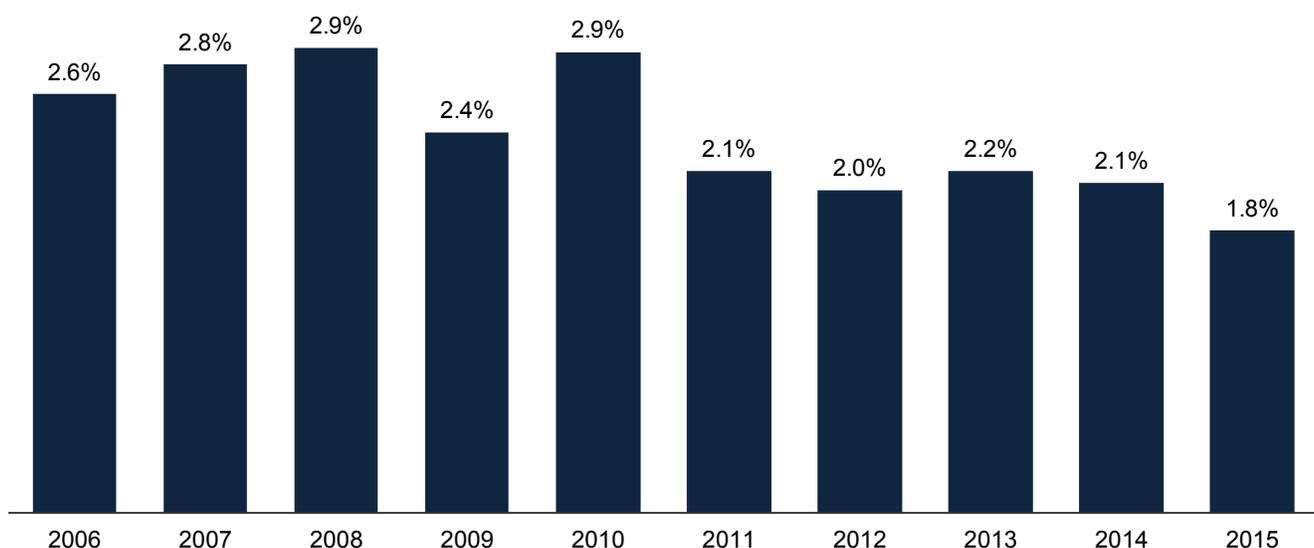
Note: “Estimated damages” are adjusted for inflation based on class period end dates.

“ESTIMATED DAMAGES” *continued*

- In 2015, median “estimated damages” and median settlements as a percentage of “estimated damages” both decreased compared to 2014.
- In contrast to the typical pattern observed for prior years, in 2015, the median settlement as a percentage of “estimated damages” was similar for non-mega settlements and mega settlements. Typically, mega settlements occur at lower percentages of “estimated damages” but, in 2015, non-mega settlements also settled for a relatively low percentage of “estimated damages.”
- Overall, the combination of lower median “estimated damages” and lower settlements as a percentage of “estimated damages” suggests that other factors, including those discussed in the following pages, may have contributed to lower median settlements as a percentage of “estimated damages” in 2015.

In 2015, median settlements as a percentage of “estimated damages” decreased to historic low levels.

FIGURE 7: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” 2006–2015



“ESTIMATED DAMAGES” *continued*

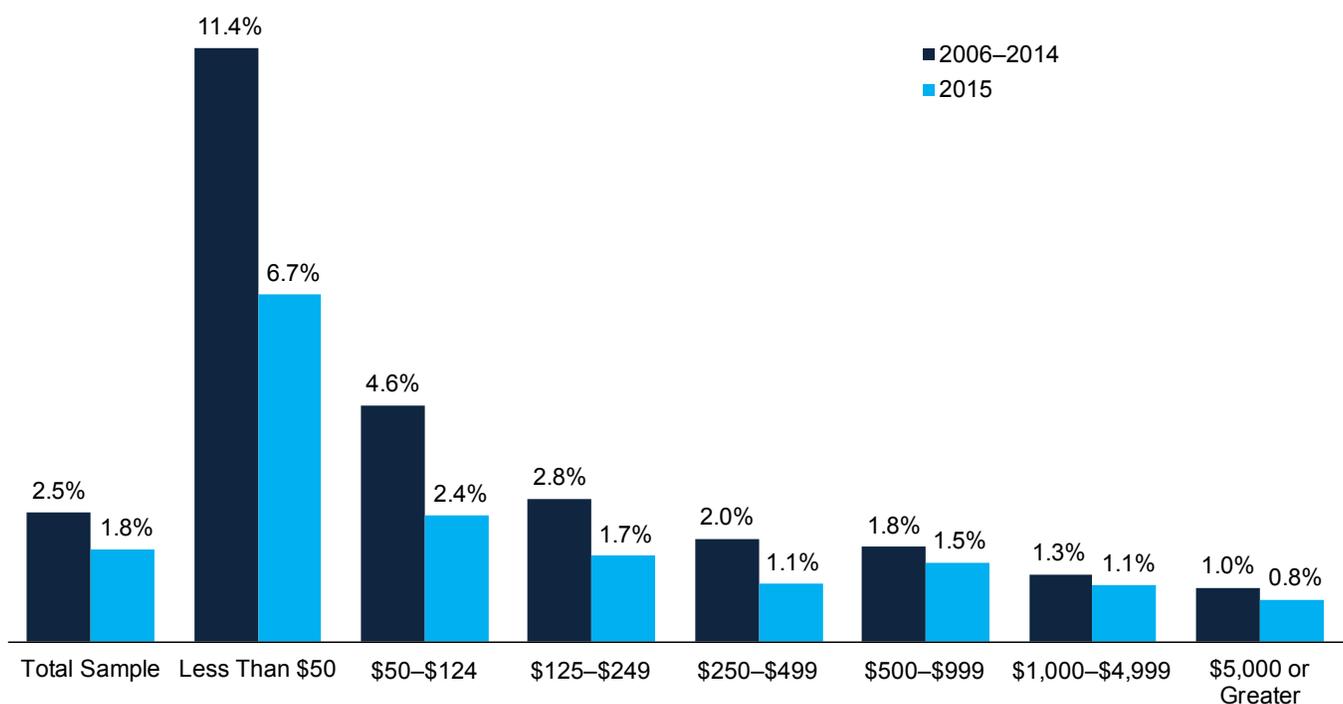
- Median settlements as a percentage of “estimated damages” decreased 29 percent from the 2006–2014 median.
- In 2015, smaller cases continued to settle for substantially higher percentages of “estimated damages,” although the median settlement of very small cases—those with “estimated damages” less than \$50 million—declined sharply in 2015 compared with the 2006–2014 median.

Median settlements declined across all damages ranges in 2015.

FIGURE 8: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” BY DAMAGES RANGES

2006–2015

(Dollars in Millions)



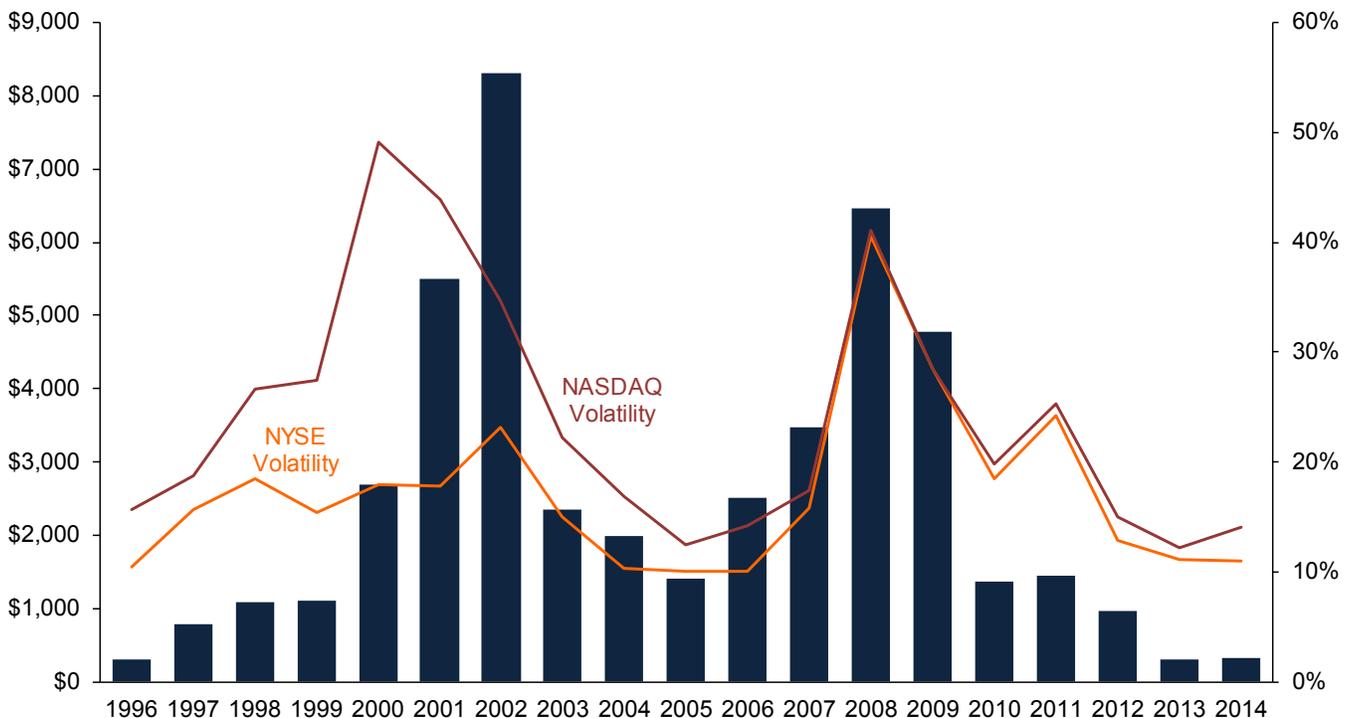
“ESTIMATED DAMAGES” continued

- The size of “estimated damages” is correlated with market volatility around the time of a case filing, which tends to occur two to four years before the settlement.
- In the past decade, NYSE and NASDAQ volatility peaked in 2008. Consistent with this, “estimated damages” for settled cases filed in 2008 and 2009 were the highest since 2002.
- For cases filed in more recent years (2010 through 2014), market volatility has generally been trending downward, which may have contributed to the reduction in median “estimated damages” and Disclosure Dollar Loss (DDL) for cases settled in 2015 (see page 11).

Continued low market volatility was tied to smaller median “estimated damages” among 2015 settlements.

FIGURE 9: AVERAGE “ESTIMATED DAMAGES” FOR SETTLED CASES BY FILING YEAR 1996–2014

(Dollars in Millions)



Note: “Estimated damages” are adjusted for inflation; 2014 dollar equivalent figures are used. Volatility is calculated as the annualized standard deviation of daily market returns. Chart shows filing years for settled cases through December 2014.

DISCLOSURE DOLLAR LOSS

Disclosure Dollar Loss (DDL) captures the stock price reaction to the disclosure that resulted in the first filed complaint. DDL is calculated as the decline in the market capitalization of the defendant firm from the trading day immediately preceding the end of the class period to the trading day immediately following the end of the class period.⁴

- Unlike the pattern observed with “estimated damages” in 2015 (where the average increased and the median decreased from 2014), both the average and median DDL decreased in 2015, with the median DDL declining 29 percent and average DDL declining 10 percent.
- Total DDL associated with settlements approved in 2015 was \$61.2 billion, 30 percent below the average from 2006 through 2014.

**Median DDL
in 2015 was
the lowest
since 1999.**

**FIGURE 10: MEDIAN AND AVERAGE DISCLOSURE DOLLAR LOSS
2006–2015**

(Dollars in Millions)



Note: DDL is adjusted for inflation based on class period end dates.

TIERED ESTIMATED DAMAGES

This research also considers an alternative measure of damages to account for the U.S. Supreme Court's 2005 landmark decision in *Dura*, which states that damages cannot be associated with shares sold before information regarding the alleged fraud reaches the market.⁵ This alternative damages measure is referred to as tiered estimated damages and is based on the stock-price drops on alleged corrective disclosure dates as described in the settlement plan of allocation.⁶

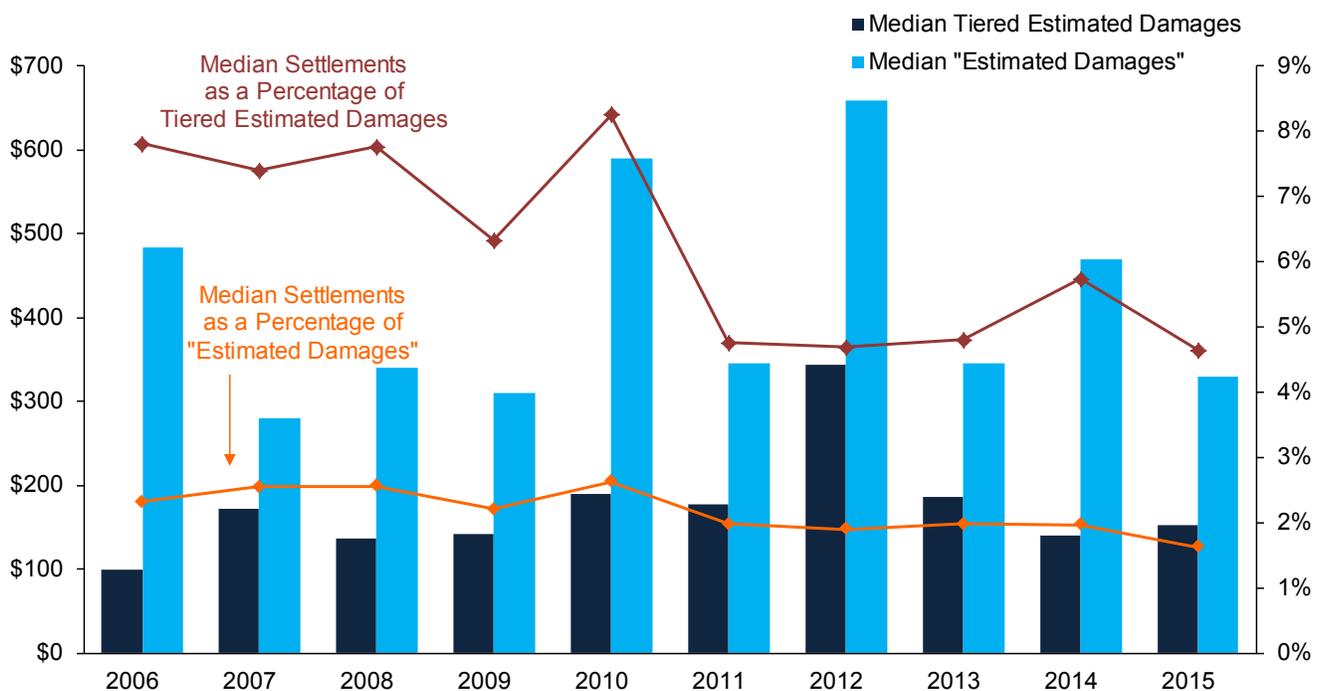
As noted in past reports, this measure has not yet surpassed “estimated damages” in terms of its power as a predictor of settlement outcomes. However, it is highly correlated with settlement amounts and provides an alternative measure of investor losses for more recent securities class action settlements.

- While median “estimated damages” declined, median tiered “estimated damages” increased in 2015.
- The median settlement as a percentage of tiered “estimated damages” declined 19 percent in 2015 from 2014.
- Median settlements as a percentage of tiered estimated damages are higher than median settlements as a percentage of “estimated damages,” as tiered estimated damages are typically lower than “estimated damages.”⁷

Tiered estimated damages are highly correlated with settlement amounts.

**FIGURE 11: TIERED ESTIMATED DAMAGES
2006–2015**

(Dollars in Millions)



Note: Damages figures are adjusted for inflation based on class period end dates.

ANALYSIS OF SETTLEMENT CHARACTERISTICS

NATURE OF CLAIMS

- In 2015, there were five settlements involving Section 11 and/or Section 12(a)(2) claims that did not involve Rule 10b-5 allegations. This is consistent with the historical rate of 6 percent of settlements with only Section 11 claims
- Intensified activity in the U.S. IPO market in recent years, in tandem with the increase in filings involving Section 11 claims (either alone or together with Rule 10b-5 claims),⁸ suggests that these cases are likely to be more prevalent in the near future. However, a slowdown in IPO activity reported in 2015 may contribute to a reduction in Section 11–only cases in the long term.
- Settlements and “estimated damages” are considerably higher for cases involving Section 11 and/or Section 12(a)(2) claims in addition to Rule 10b-5 claims. These cases are more likely to include allegations related to other securities of the defendant company in addition to common stock in the alleged class. The cases may also represent more complex matters.
- On average, from 2011 through 2015, cases with combined claims took four years from filing date to the settlement hearing date compared to 3.6 years for cases with only Rule 10b-5 claims. Cases with only Section 11 and/or Section 12(a)(2) claims had settlement hearing dates, on average, 3.4 years after filing. (See page 19 for additional discussion on time to settlement.)

Settlements are considerably higher for cases involving combined Section 11 and/or Section 12(a)(2) claims and Rule 10b-5 claims.

FIGURE 12: SETTLEMENTS BY NATURE OF CLAIMS

1996–2015

(Dollars in Millions)

	Number of Settlements	Median Settlements	Median "Estimated Damages"	Median Settlements as a Percentage of "Estimated Damages"
Section 11 and/or 12(a)(2) Only	87	\$4.0	\$54.9	7.6%
Both Rule 10b-5 and Section 11 and/or 12(a)(2)	265	\$13.5	\$532.8	3.2%
Rule 10b-5 Only	1,162	\$7.9	\$367.6	2.7%
All Post–Reform Act Settlements	1,514	\$8.2	\$335.5	3.0%

Note: Settlement dollars and “estimated damages” are adjusted for inflation; 2015 dollar equivalent figures are used. “Estimated damages” are adjusted for inflation based on class period end dates.

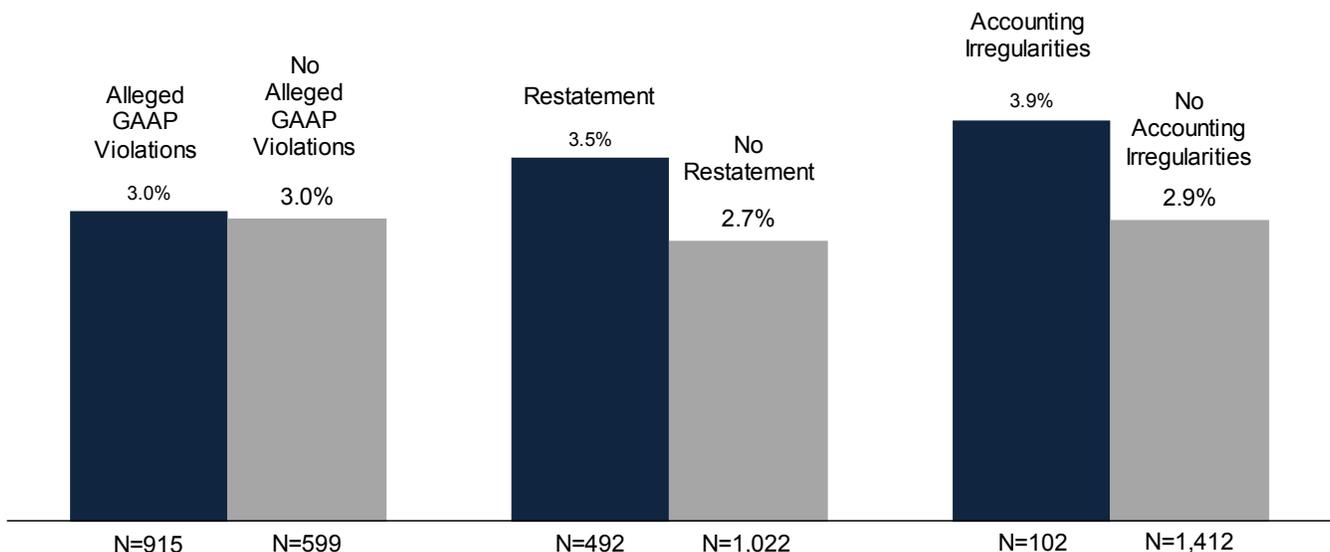
ACCOUNTING ALLEGATIONS

This research examines three types of accounting allegations among settled cases: (1) alleged GAAP violations, (2) restatements, and (3) reported accounting irregularities.⁹ For further details regarding settlements of accounting cases, see Cornerstone Research’s annual report, *Accounting Class Action Filings and Settlements*.

- In early post–Reform Act years, cases involving GAAP allegations were associated with higher settlements as a percentage of “estimated damages,” but this pattern has not been consistent in recent years.
- Restatements were involved in 22 percent of cases settled in 2015 and were associated with higher settlements as a percentage of “estimated damages” compared to cases without restatements.
- Of the cases approved for settlement in 2015, only one involved reported accounting irregularities, well below the rate of 7 percent for prior years. These cases continued to settle for the highest amounts in relation to “estimated damages.”

In 2015,
52 percent of
settled cases
alleged GAAP
violations, a
decrease from
67 percent
in 2014.

FIGURE 13: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” AND ACCOUNTING ALLEGATIONS 1996–2015

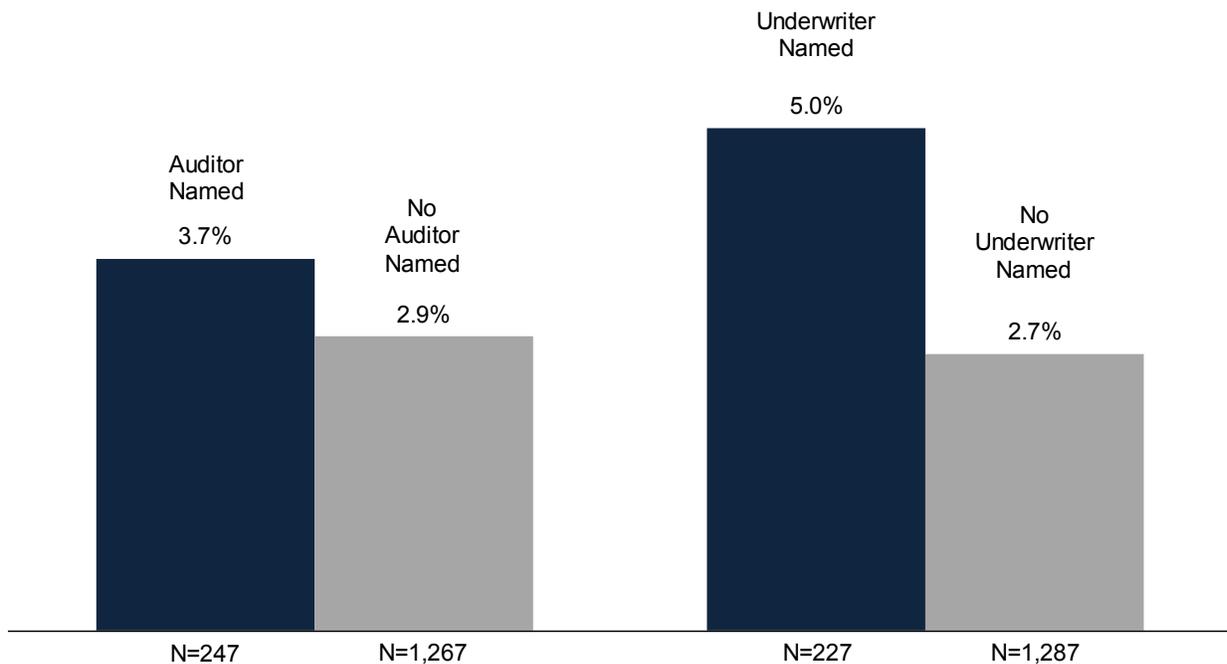


THIRD-PARTY CODEFENDANTS

- Third parties, such as an auditor or an underwriter, are often named as codefendants in larger, more complex cases and can provide an additional source of settlement funds.
- Historically, cases with third-party codefendants have settled for substantially higher amounts as a percentage of “estimated damages.” In 2015, however, cases with third-party defendants settled for lower percentages of “estimated damages,” and the difference in the median settlement amount with and without a third-party named defendant was one of the lowest in the last 10 years.
- The presence of outside auditor defendants is typically associated with cases involving GAAP violations; the presence of underwriter defendants is highly correlated with Section 11 claims.
- In 2015, 35 percent of accounting-related cases had a named auditor defendant, representing a 50 percent increase over the prior 10-year average. Underwriter defendants were named in 76 percent of cases with Section 11 claims.

Overall,
30 percent of
settlements in
2015 involved a
named auditor or
underwriter
codefendant.

FIGURE 14: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” AND THIRD-PARTY CODEFENDANTS 1996–2015



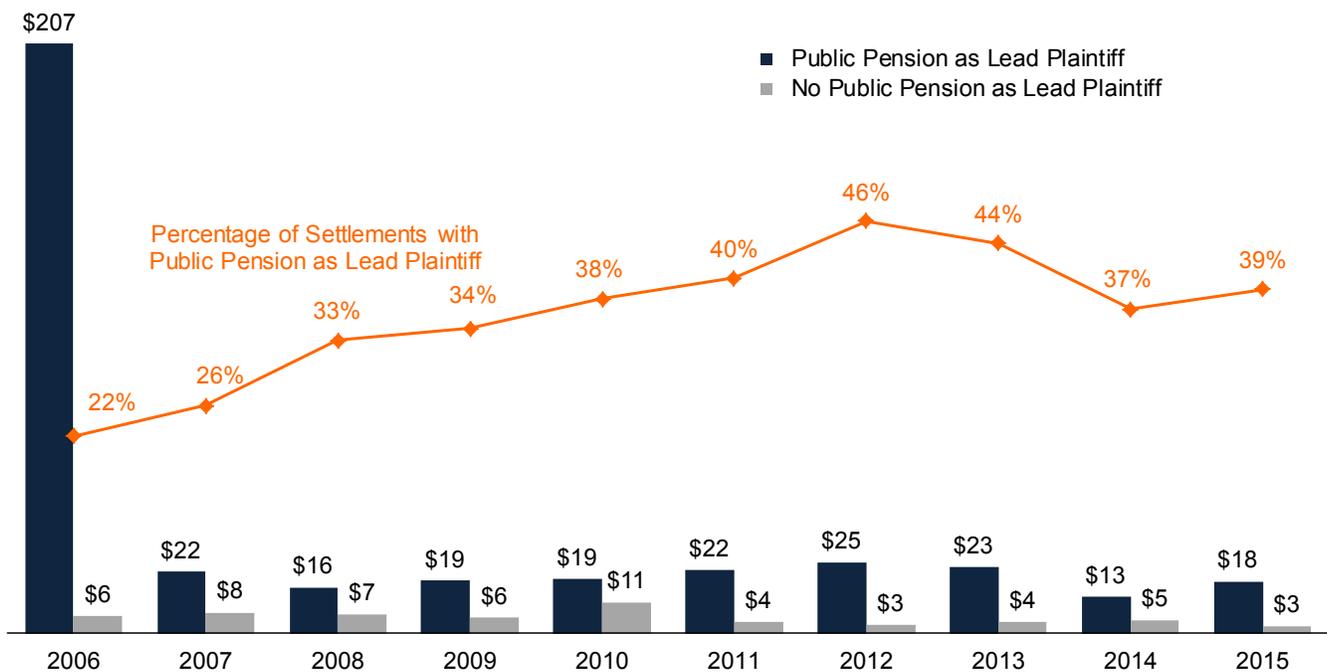
INSTITUTIONAL INVESTORS

- Public pension plans (a subset of institutional investors) tend to be involved as plaintiffs in larger cases (i.e., cases with higher “estimated damages”). In 2015, 64 percent of settlements with “estimated damages” greater than \$500 million involved a public pension plan as lead plaintiff, compared to 23 percent for cases with “estimated damages” of \$500 million or less.
- The median settlement in 2015 for cases with a public pension as a lead plaintiff was \$18 million. This compares to a median settlement of \$6.4 million for cases with non-public pension lead plaintiff institutional investors and \$2.7 million for cases where the lead plaintiff was not an institutional investor.
- While public pension participation in 2015 settlements was up compared with 2014, as a group, public pensions were involved in fewer settled cases in 2015 than in 2012 and 2013.

In 2015,
64 percent of
cases approved
for settlement
had institutional
investor lead
plaintiffs.

**FIGURE 15: MEDIAN SETTLEMENT AMOUNTS AND PUBLIC PENSIONS
2006–2015**

(Dollars in Millions)



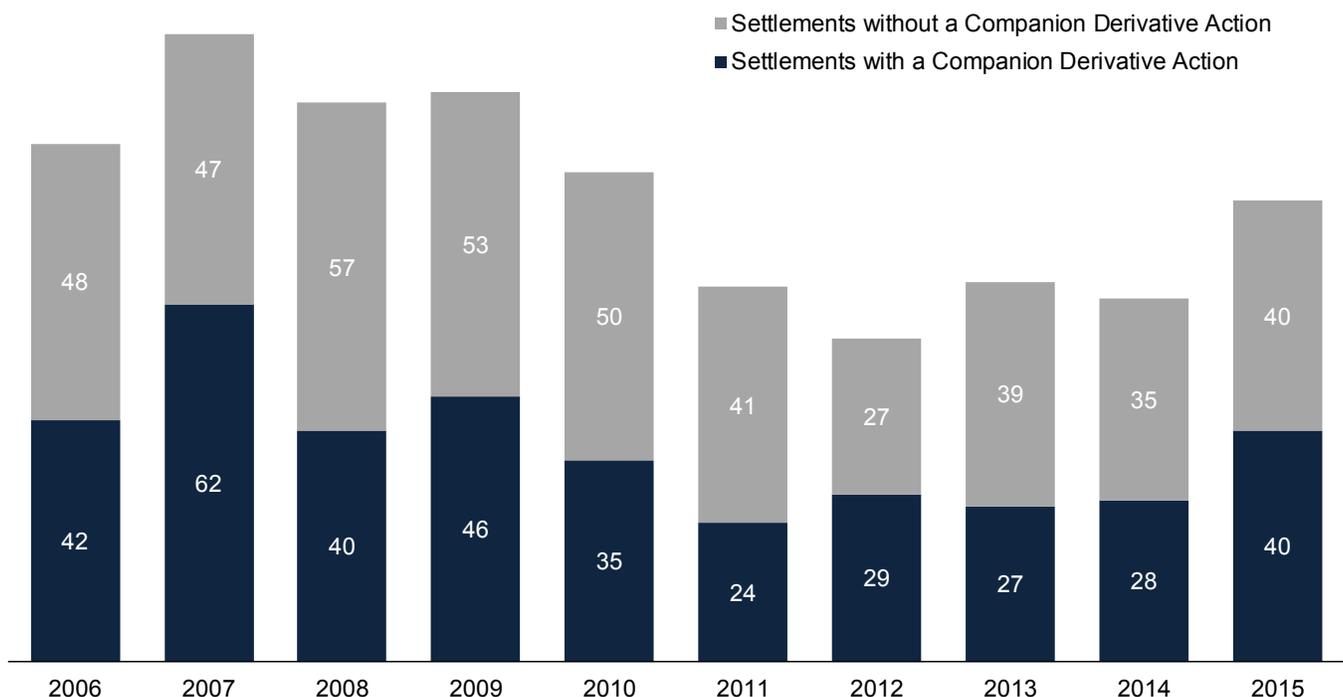
Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

DERIVATIVE ACTIONS

- In 2015, 50 percent of settled cases were accompanied by derivative actions. For the past nine years, derivative actions have accompanied an average of 46 percent of settlements.
- Historically, accompanying derivative actions have been associated with relatively large securities class actions.¹⁰ In 2015, 64 percent of cases with “estimated damages” of more than \$500 million involved a companion derivative action, compared to 40 percent for cases with damages of \$500 million or less.
- Median “estimated damages” for settlements in 2015 with an accompanying derivative action were two-and-a-half times larger than for settlements without an accompanying derivative action.

In 2015, the median settlement for a case with a companion derivative action was \$8.3 million versus \$3.1 million for those without.

**FIGURE 16: FREQUENCY OF DERIVATIVE ACTIONS
2006–2015**



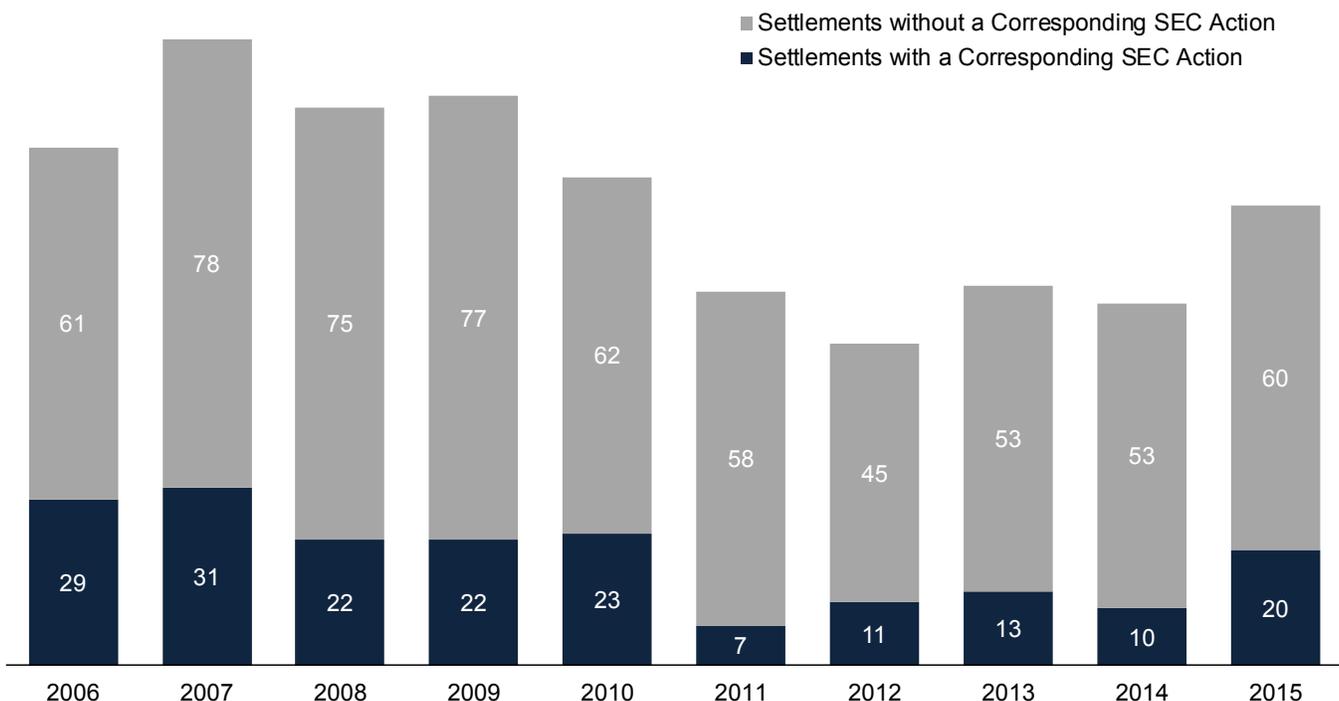
CORRESPONDING SEC ACTIONS

Cases with a corresponding SEC action related to the allegations (evidenced by the filing of a litigation release or administrative proceeding prior to settlement) are associated with significantly higher settlement amounts and have higher settlements as a percentage of “estimated damages.”¹¹

- The median settlement for all post–Reform Act cases with an SEC action (\$12.1 million) was more than twice the median settlement for cases without a corresponding SEC action (\$6 million).
- In 2015, however, the median settlement for cases with a corresponding SEC action was only \$5.3 million, while cases without an associated SEC action had a higher median settlement of \$6.1 million.
- Closely related to the increased proportion of settlements with corresponding SEC actions in 2015, recent data indicate an increase in the volume of SEC enforcement actions involving financial reporting allegations over the last few years.¹²

In 2015,
institutional
investors were
involved as lead
plaintiffs in 15 out
of 20 cases with a
corresponding
SEC action.

**FIGURE 17: FREQUENCY OF SEC ACTIONS
2006–2015**



TIME TO SETTLEMENT AND CASE COMPLEXITY

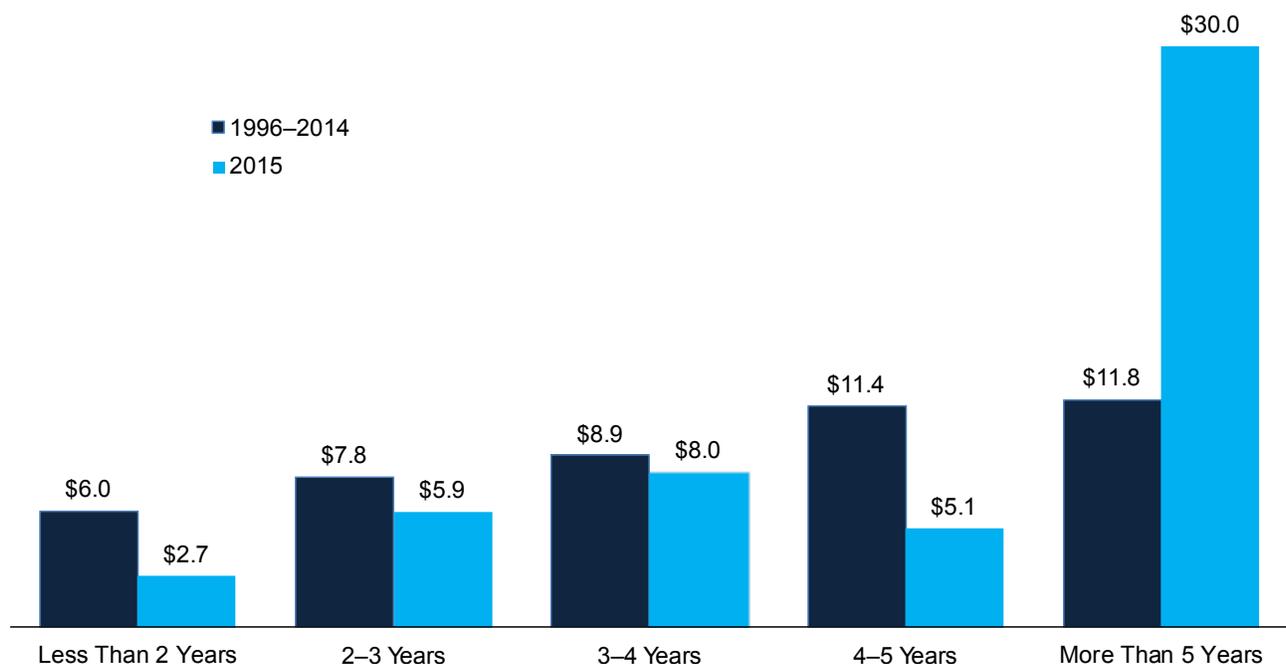
- In 2015, 20 percent of settlements occurred within two years after the filing date, up considerably from 10 percent of settlements in 2014.
 - Median settlements were 67 percent lower for cases settling within two years than for cases taking longer to settle.
 - Cases settling within two years were also less likely to include allegations of GAAP violations or corresponding SEC actions or have a public pension as a lead plaintiff.
- Overall, larger cases (as measured by “estimated damages”) and cases involving larger firms tend to take longer to reach settlement.
- In 2015, settlement amounts for cases that took five years or longer to finalize were substantially higher than those that reached quicker settlements.

In 2015, the median time from filing date to settlement was three years.

FIGURE 18: MEDIAN SETTLEMENT BY DURATION FROM FILING DATE TO SETTLEMENT HEARING DATE

1996–2015

(Dollars in Millions)



Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

LITIGATION STAGES

This report studies three stages in the litigation process that may be considered an indication of the strength of the merits of a case (e.g., surviving a motion to dismiss) and/or the time and effort invested by the lead plaintiff counsel:

Stage 1: Settlement before the first ruling on a motion to dismiss

Stage 2: Settlement after a ruling on motion to dismiss, but before a ruling on motion for summary judgment

Stage 3: Settlement after a ruling on motion for summary judgment¹³

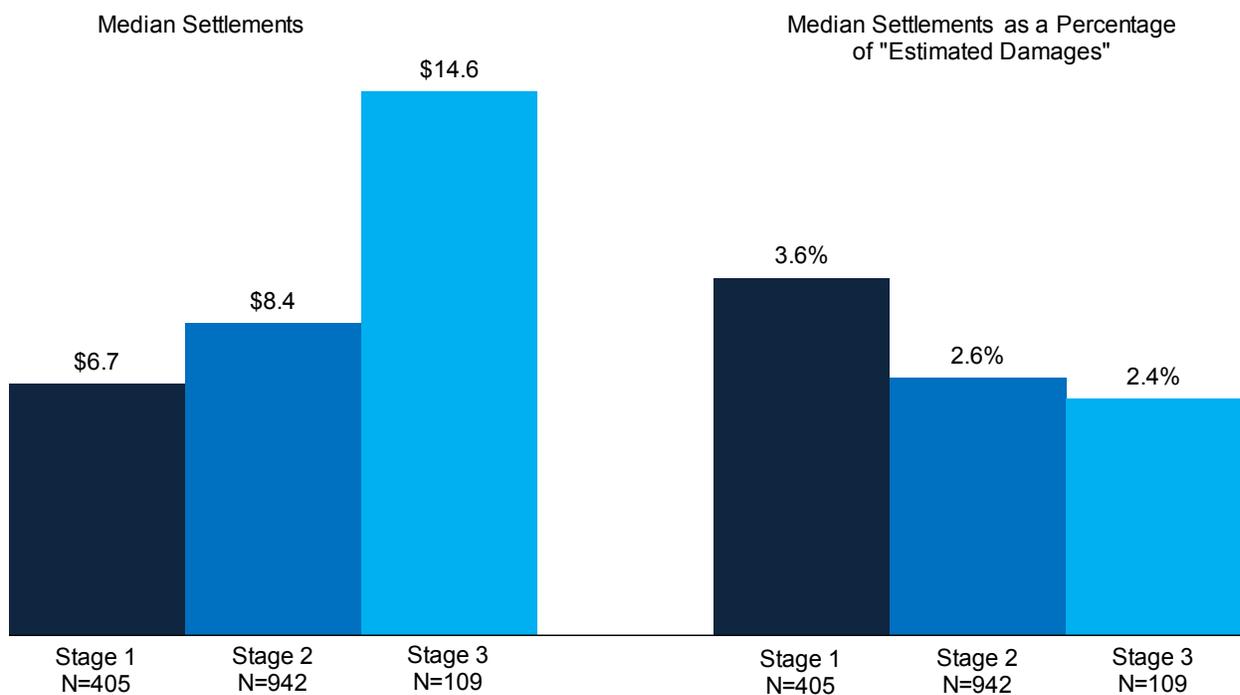
- In 2015, 30 percent of settlements occurred in Stage 1, compared to 26 percent for cases settled in 1996–2014.
- Larger cases, denoted by “estimated damages,” tend to settle at more advanced stages of litigation and tend to take longer to reach settlement.
 - Cases settling in Stage 3 had median “estimated damages” that were three-and-a-half times higher than the median “estimated damages” of cases settling in Stage 1.
 - Cases settling in Stage 1 had the lowest dollar amount but the highest percentage of “estimated damages.”

Settlement amounts tend to increase the longer a case continues.

FIGURE 19: LITIGATION STAGES

1996–2015

(Dollars in Millions)



Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

INDUSTRY SECTORS

- There were 11 settled cases in the financial sector in 2015, up 57 percent over 2014 but lower than in earlier years. This is consistent with the resolution of a majority of the credit crisis–related cases filed since 2007 and the absence of securities class actions related to the credit crisis filed since 2012.¹⁴
- Reflecting their larger “estimated damages,” cases in the financial sector have settled for the highest amounts among all post–Reform Act cases. In 2015, 55 percent of financial sector settlements involved “estimated damages” of greater than \$1 billion.
- The proportion of settled cases involving pharmaceutical firms rose 40 percent in 2015 from 2014 (from 10 percent to 14 percent of cases).
- Industry sector is not a significant determinant of settlement amounts when controlling for other variables that influence settlement outcomes (such as “estimated damages,” asset size, and other factors discussed on page 23).

The proportion of settled cases in 2015 involving technology firms reached 18 percent.

**FIGURE 20: SELECT INDUSTRY SECTORS
1996–2015**

(Dollars in Millions)

Industry	Number of Settlements	Median Settlements	Median "Estimated Damages"	Median Settlements as a Percentage of "Estimated Damages"
Technology	345	\$7.8	\$327.7	2.9%
Financial	186	\$13.6	\$762.6	2.7%
Telecommunications	147	\$9.4	\$495.5	2.4%
Retail	126	\$6.6	\$231.2	4.1%
Pharmaceuticals	111	\$8.2	\$460.3	2.6%
Healthcare	62	\$8.2	\$283.6	3.5%

Note: Settlement dollars and “estimated damages” adjusted for inflation; 2015 dollar equivalent figures used. “Estimated damages” are adjusted for inflation based on class period end dates.

FEDERAL COURT CIRCUITS

- In 2015, 53 percent of settlements occurred in the Second or Ninth Circuits
- Reflecting the concentration of financial industry cases in the Second Circuit, median “estimated damages” of cases filed in this circuit were more than two times the median for all settlements in 2015.
- Cases in the DC and Sixth Circuits have settled for the highest dollar amounts and also relatively high median settlements as a percentage of “estimated damages.”

The Second and Ninth Circuits continued to lead other circuits in the number of settlements.

**FIGURE 21: SETTLEMENTS BY FEDERAL COURT CIRCUIT
2006–2015**

(Dollars in Millions)

Circuit	Number of Settlements	Median Number of Docket Entries	Median Duration from Tentative Settlement to Approval Hearing (in months)	Median Settlements	Median Settlements as a Percentage of "Estimated Damages"
First	37	140	6.4	\$6.9	2.7%
Second	201	113	6.5	\$12.0	2.3%
Third	75	121	6.3	\$8.9	2.8%
Fourth	30	118	4.8	\$8.4	1.9%
Fifth	49	107	5.3	\$6.6	2.3%
Sixth	37	142	4.5	\$17.1	3.0%
Seventh	41	149	5.2	\$9.8	2.5%
Eighth	22	195	5.9	\$8.1	3.6%
Ninth	211	165	6.4	\$7.5	2.3%
Tenth	24	153	6.4	\$8.2	1.5%
Eleventh	56	133	5.4	\$5.2	2.6%
DC	4	190	6.5	\$31.2	3.7%

Note: Settlement dollars adjusted for inflation; 2015 dollar equivalent figures used.

CORNERSTONE RESEARCH'S SETTLEMENT PREDICTION ANALYSIS

This research applies regression analysis to examine which characteristics of securities cases were associated with settlement outcomes. Based on the research sample of post-Reform Act cases that settled through December 2015, the factors that were important determinants of settlement amounts included the following:

- “Estimated damages”
- Disclosure Dollar Loss (DDL)
- Most recently reported total assets of the defendant firm
- Number of entries on the lead case docket
- The year in which the settlement occurred
- Whether the issuer reported intentional misstatements or omissions in financial statements
- Whether a restatement of financials related to the alleged class period was announced
- Whether there was a corresponding SEC action against the issuer, other defendants, or related parties
- Whether the plaintiffs named an auditor and/or underwriter as a codefendant
- Whether the issuer defendant was distressed
- Whether a companion derivative action was filed
- Whether a public pension was a lead plaintiff
- Whether noncash components, such as common stock or warrants, made up a portion of the settlement fund
- Whether the plaintiffs alleged that securities other than common stock were damaged
- Whether criminal charges/indictments were brought with similar allegations to the underlying class action
- Whether the issuer traded on a nonmajor exchange

Settlements were higher when “estimated damages,” DDL, defendant asset size, or the number of docket entries were larger. Settlements were also higher in cases involving intentional misstatements or omissions in financial statements reported by the issuer, a restatement of financials, a corresponding SEC action, an underwriter and/or auditor named as codefendant, an accompanying derivative action, a public pension involved as lead plaintiff, a noncash component to the settlement, filed criminal charges, or securities other than common stock alleged to be damaged. Settlements were lower if the settlement occurred in 2009 or later, if the issuer was distressed, or if the issuer traded on a nonmajor exchange.

The regression analysis is designed to better understand and predict the total settlement amount, given the characteristics of a particular securities case. This analysis can also be applied to estimate the probabilities associated with reaching alternative settlement levels. These probability estimates can be useful for clients in considering the different layers of insurance coverage available and likelihood of contributing to the settlement fund. Regression analysis can also be used to explore hypothetical scenarios, including, but not limited to, the effects on settlement amounts given the presence or absence of particular factors found to significantly affect settlement outcomes.

RESEARCH SAMPLE

- The database used in this report focuses on cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price and M&A cases).
- The sample is limited to cases alleging Rule 10b-5, Section 11, and/or Section 12(a)(2) claims brought by purchasers of a corporation's common stock. These criteria are imposed to ensure data availability and to provide a relatively homogeneous set of cases in terms of the nature of the allegations.
- The current sample includes 1,537 securities class actions filed after passage of the Reform Act (1995) and settled from 1996 through 2015. These settlements are identified based on a review of case activity collected by Securities Class Action Services LLC (SCAS).¹⁵
- The designated settlement year, for purposes of this report, corresponds to the year in which the hearing to approve the settlement was held.¹⁶ Cases involving multiple settlements are reflected in the year of the most recent partial settlement, provided certain conditions are met.¹⁷

DATA SOURCES

In addition to SCAS, data sources include Dow Jones Factiva, Bloomberg, the Center for Research in Security Prices (CRSP) at University of Chicago Booth School of Business, Standard & Poor's Compustat, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, and public press.

ENDNOTES

- ¹ See [Securities Class Action Filings—2015 Year in Review](#), Cornerstone Research, 2016, page 4.
- ² See [Securities Class Action Filings—2015 Year in Review](#), Cornerstone Research, 2016, page 30.
- ³ The simplified “estimated damages” model is applied to common stock only. For all cases involving Rule 10b-5 claims, damages are calculated using a market-adjusted, backward-pegged value line. For cases involving only Section 11 and/or Section 12(a)(2) claims, damages are calculated using a model that caps the purchase price at the offering price. Volume reduction assumptions are based on the exchange on which the issuer’s common stock traded. Finally, no adjustments for institutions, insiders, or short sellers are made to the underlying float.
- ⁴ This measure does not incorporate additional stock price declines during the alleged class period that may affect certain purchasers’ potential damages claims. As this measure does not isolate movements in the defendant’s stock price that are related to case allegations, it is not intended to represent an estimate of investor losses. The DDL calculation also does not apply a model of investors’ share-trading behavior to estimate the number of shares damaged.
- ⁵ Tiered estimated damages are calculated for cases that settled after 2005. The calculation of tiered estimated damages utilizes a single value line when there is one alleged corrective disclosure date (at the end of the class period) or a tiered value line when there are multiple alleged corrective disclosure dates.
- ⁶ The dates used to identify the applicable inflation bands may be supplemented with information from the operative complaint at the time of settlement.
- ⁷ Tiered estimated damages applies inflation bands to specific date intervals during the alleged class period. As such, it does not reflect all declines during the alleged class period as captured by “estimated damages.”
- ⁸ See [Securities Class Action Filings—2015 Year in Review](#), Cornerstone Research, 2016, page 10.
- ⁹ The three categories of accounting allegations analyzed in this report are: (1) GAAP violations—cases with allegations involving Generally Accepted Accounting Principles (GAAP); (2) restatements—cases involving a restatement (or announcement of a restatement) of financial statements; and (3) accounting irregularities—cases in which the defendant has reported the occurrence of accounting irregularities (intentional misstatements or omissions) in its financial statements.
- ¹⁰ This is true whether or not the settlement of the derivative action coincides with the settlement of the underlying class action, or occurs at a different time.
- ¹¹ It could be that the merits in such cases are stronger, or simply that the presence of an accompanying SEC action provides plaintiffs with increased leverage when negotiating a settlement.
- ¹² See [SEC Enforcement Activity against Public Company Defendants, Fiscal Years 2010–2015](#), Cornerstone Research, 2016.
- ¹³ Litigation stage data obtained from Stanford Law School’s Securities Class Action Clearinghouse. Sample does not add to 100 percent as there is a small sample of cases with other litigation stage classifications.
- ¹⁴ See [Securities Class Action Filings—2015 Year in Review](#), Cornerstone Research, 2016.
- ¹⁵ Available on a subscription basis.
- ¹⁶ Movements of partial settlements between years can cause differences in amounts reported for prior years from those presented in earlier reports.
- ¹⁷ This categorization is based on the timing of the settlement approval. If a new partial settlement equals or exceeds 50 percent of the then-current settlement fund amount, the entirety of the settlement amount is recategorized to reflect the settlement hearing date of the most recent partial settlement. If a subsequent partial settlement is less than 50 percent of the then-current total, the partial settlement is added to the total settlement amount and the settlement hearing date is left unchanged.

ABOUT THE AUTHORS

Laarni T. Bulan

Ph.D., Columbia University; M.Phil., Columbia University; B.S., University of the Philippines

Laarni Bulan is a senior manager in Cornerstone Research's Boston office, where she specializes in finance. She has consulted on cases related to financial institutions and the credit crisis, municipal bond mutual funds, merger valuations, insider trading, asset-backed commercial paper conduits, real estate markets, credit default swaps, foreign exchange, securities damages, and class certification issues. Dr. Bulan has published several academic articles in peer-reviewed journals. Her research covers topics in dividend policy, capital structure, executive compensation, corporate governance, and real options. Prior to joining Cornerstone Research, Dr. Bulan had a joint appointment at Brandeis University as an assistant professor of finance in its International Business School and in the economics department.

Ellen M. Ryan

M.B.A., American Graduate School of International Management; B.A., Saint Mary's College

Ellen Ryan is a director in Cornerstone Research's Boston office, where she works in the securities practice. Ms. Ryan has consulted on economic and financial issues in a variety of cases, including securities class actions, financial institution breach of contract matters, and antitrust litigation. She also has worked with testifying witnesses in corporate governance and breach of fiduciary duty matters. Prior to joining Cornerstone Research, Ms. Ryan worked for Salomon Brothers in New York and Tokyo. Currently she focuses on post-Reform Act settlement research as well as general practice area business and research.

Laura E. Simmons

Ph.D., University of North Carolina at Chapel Hill; M.B.A., University of Houston; B.B.A., University of Texas at Austin

Laura Simmons is a senior advisor in Cornerstone Research's Washington, DC, office. She is a certified public accountant (CPA) and has more than 20 years of experience in accounting practice and economic and financial consulting. Dr. Simmons has focused on damages and liability issues in litigation, as well as on accounting issues arising in a variety of complex commercial litigation matters. She has served as a testifying expert in cases involving accounting analyses, securities case damages, research on securities lawsuits, and other issues involving empirical analyses.

Dr. Simmons's research on pre- and post-Reform Act securities litigation settlements has been published in a number of reports and is frequently cited in the public press and legal journals. She has spoken at various conferences and appeared as a guest on CNBC addressing the topic of securities case settlements. She has also published in academic journals, with recent research focusing on the intersection of accounting and litigation. Dr. Simmons was previously an accounting faculty member at the Mason School of Business at the College of William & Mary. From 1986 to 1991, she was an accountant with Price Waterhouse.

The authors acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research. Please direct any questions and requests for additional information to the settlement database administrator at settlement.database@cornerstone.com.

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The views expressed in this report are solely those of the authors, who are responsible for the content, and do not necessarily represent the views of Cornerstone Research.

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EXHIBIT 4

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

PRAKASH MOHANTY, Individually and on) Case No. 1:16-cv-12336-IT
Behalf of All Others Similarly Situated,)
)
Plaintiff,)
vs.) CLASS ACTION
)
AVID TECHNOLOGY, INC., LOUIS)
HERNANDEZ, JR., and ILAN SIDI,)
)
Defendants.)
_____)

**DECLARATION OF MICHAEL I. FISTEL, JR. OF JOHNSON FISTEL, LLP IN
SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS'
FEES, PAYMENT OF EXPENSES, AND AN AWARD TO LEAD PLAINTIFF
PURSUANT TO 15 U.S.C. §78u-4(a)(4)**

I, MICHAEL I. FISTEL, JR., declare as follows:

1. I am an attorney licensed to practice in the State of Georgia. My application to participate *pro hac vice* in the above-referenced action (the “Action”) was granted by the Court on December 14, 2016. I am a partner at Johnson Fistel, LLP (“Johnson Fistel”) and counsel to court-appointed Lead Plaintiff David Wayne Hammond in the Action. I submit this declaration in support of Lead Counsel’s Motion for an Award of Attorneys’ Fees, Payment of Expenses, and an Award to Lead Plaintiff Pursuant to pursuant to 15 U.S.C. §78u-4(a)(4). I have personal knowledge of the facts set forth herein and if called as a witness could and would competently testify thereto.

2. Johnson Fistel has actively engaged in the prosecution of this Action on behalf of Lead Plaintiff and the Class. As the sole court-appointed Lead Counsel, Johnson Fistel has performed and/or overseen numerous tasks in connection with its prosecution of the Action, including, *inter alia*, the following: (i) communicating with Lead Plaintiff regarding the status of the Action; (ii) conducting a pre-filing investigation which included, *inter alia*, a comprehensive review of Avid’s press releases, public statements, SEC filings, regulatory filings and reports, and securities analysts’ reports and advisories about the Company; (iii) researching the applicable law with respect to the claims asserted in the Action and the potential defenses thereto; (iv) identification of, and interviews with, former Avid employees; (v) filing the initial and amended complaints in the Action; (vi) opposing Defendants’ motion to dismiss the operative complaint; (vii) communicating with consultants; (viii) preparing for the mediation of the Action, including the preparation of the mediation statement; (ix) participating in extensive settlement discussions, including an all-day mediation in New York, as well as continued follow-up emails

and telephone calls with the mediator for several weeks following the in-person mediation; (x) negotiating, preparing, and finalizing settlement-related documents, including, *inter alia*, the Stipulation and Agreement of Settlement, exhibits thereto, and memoranda in support of the settlement; and (xi) communicating and coordinating with the claims administrator regarding the court-approved notice program and the administration of the settlement.

3. The information in this declaration regarding the firm's time and expenses is taken from time and expense printouts and supporting documentation prepared and/or maintained by the firm in the ordinary course of business. Based on my familiarity with the Action, and in consultation with my partner, Frank J. Johnson, who is also familiar with the firm's prosecution of the Action, the time entries kept in connection with the Action were reviewed to confirm the reasonableness of the time and expenses committed to the Action, and in an abundance of caution, Frank J. Johnson or I deleted entries whenever we had doubts about the utility of the task or reasonableness of the time billed. In addition, while the total lodestar was slightly higher in my firm's billing software, Frank J. Johnson or I exercised our discretion to exclude any time worked on the matter by anyone who spent less than 15.0 hours. To assure the accuracy of the hours entered on all cases, the firm has a regular business practice and policy of maintaining contemporaneous time records which are checked for accuracy on a monthly basis. In addition, I had personal involvement in and direct supervision of the timekeepers who worked on the Action.

4. As a result of this review and the adjustments made, I believe that the time reflected in the firm's lodestar calculation and the expenses for which payment is sought as set forth in this declaration are reasonable in amount and were necessary for the effective and efficient prosecution

and resolution of the Action. In addition, I believe that the expenses are all of a type that would normally be charged to a fee-paying client in the private legal marketplace.

5. After the reductions referred to above, the total number of hours spent on this Action by Johnson Fistel is 1,094.40. The total lodestar amount for attorney and paralegal time based on the firm's current hourly rates, including cases for which clients pay us by the hour, is \$605,352.50. Attached hereto as **Exhibit A** is a schedule of the hours performed by professional members of Johnson Fistel in connection with the Action. The hourly rates shown in **Exhibit A** are the usual and customary rates set by the firm for each individual.

6. Johnson Fistel will also incur additional time preparing for and arguing the motion for final approval and, if the Settlement is approved, in connection with post-approval matters including assisting with claims administration, communicating with Class Members, and addressing any claim disputes, objections, appeals, or other issues that may arise in connection with the settlement process. This time is not included in the firm's current lodestar calculations and Johnson Fistel will not seek additional compensation in connection with such time spent beyond any amount awarded by the Court in connection with Lead Counsel's Motion for an Award of Attorneys' Fees, Payment of Expenses, and an Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4).

7. Attached hereto as **Exhibit B** is a chart of expenses incurred by Johnson Fistel in connection with the prosecution of the Action. Johnson Fistel seeks a total of \$55,255.18 in expenses in connection with the prosecution of the Action. These expenses are reflected in the books and records of Johnson Fistel, were prepared consistent with Johnson Fistel's regular billing

practices, include expense receipts and check records, and are an accurate reflection of the expenses incurred by Johnson Fistel in connection with the prosecution of the Action.

8. Johnson Fistel has made every effort to limit expenses and to use the most efficient means available for accomplishing tasks for which expenses were incurred. Consistent with Johnson Fistel's practice in all cases, including cases for which clients pay the firm by the hour, internal office expenses (*e.g.*, postage, long-distance telephone, fax, and photocopies) are billed at the rate of three percent of hourly fees that would have been charged absent a contingency fee agreement. This practice has been universally approved by both federal and state courts throughout the country in representative actions and by my firm's hourly paying clients.

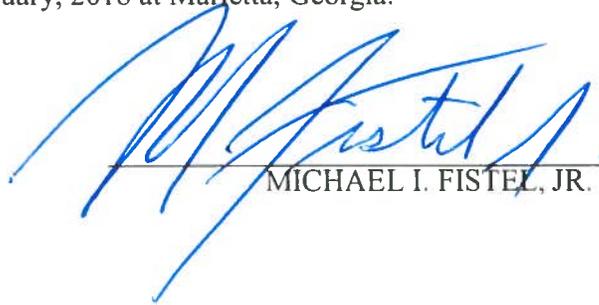
9. I respectfully submit that the time and expenses incurred by Johnson Fistel in the prosecution of the Action are reasonable under the circumstances and were necessary to achieve the Settlement reached in this case.

10. Attached hereto as **Exhibit C** is a true and correct copy of Johnson Fistel's firm résumé setting forth the qualifications of its attorneys and professionals.

11. As demonstrated in its firm résumé, the attorneys at Johnson Fistel are experienced and skilled practitioners in the field of shareholder litigation. They are responsible for significant settlements as well as legal decisions that enable litigation such as the Action to be successfully prosecuted. As a result of the firm's experience in these types of cases, the attorneys have unique insights into the factual and legal issues presented. Here, Johnson Fistel used that experience to effectively and efficiently prosecute the Action and to achieve the Settlement.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 22nd day of February, 2018 at Marietta, Georgia.



MICHAEL I. FISTEL, JR.

EXHIBIT A

EXHIBIT A
SUMMARY OF HOURS BY PROFESSIONAL

<i>NAME</i>	<i>POSITION¹</i>	<i>HOURS</i>	<i>RATE</i>	<i>LODESTAR</i>
Frank J. Johnson	P	61.6	\$895.00	\$55,132.00
Michael I. Fistel, Jr.	P	289.9	\$725.00	\$210,177.50
David A. Weisz	A	157.2	\$415.00	\$65,238.00
William W. Stone	OC	440.6	\$525.00	\$231,315.00
James M. Baker	FA	17.8	\$500.00	\$8,900.00
Margaret E. Barbera	PL	79	\$285.00	\$22,515.00
Matthew T. Ostman	PL	48.3	\$250.00	\$12,075.00
<i>TOTAL</i>		1094.4		\$605,352.50

¹ P=Partner, A=Associate, OC = Of Counsel, PL=Paralegal, FA=Financial Analyst

EXHIBIT B

EXHIBIT B
SUMMARY OF EXPENSES

<i>CATEGORY</i>	<i>AMOUNT</i>
Travel Costs to Attend Hearings and Depositions	\$5,679.78
Filing Fees, Service Fees, and Federal Express	\$1,819.18
Expert Witness and Investigative Fees	\$17,137.00
Mediation Fees	\$11,664.20
Online Research	\$794.44
Postage, Telephone, Photocopying, Facsimile, and Related Internal Office Charges	\$18,160.58
TOTAL	\$55,255.18

EXHIBIT C



FIRM RESUME

Johnson Fistel, LLP is committed to delivering comprehensive, creative, and cost-effective solutions to complex legal problems. The trial lawyers at Johnson Fistel have experience and training from some of the biggest firms in the country and have worked on numerous noteworthy cases. We pride ourselves on providing the same level of service large firms offer with the efficiency and personal touch that only a small firm can provide. Whether representing defrauded individuals or publicly-traded corporations, Johnson Fistel has a track record of success.

OUR ATTORNEYS

PARTNERS

FRANK J. JOHNSON

Mr. Johnson is one of the founding partners of Johnson Fistel. Prior to starting his own law firm, Mr. Johnson was a partner in the law firm Sheppard, Mullin, Richter & Hampton, LLP, a full-service Am Law 100 law firm with 750 attorneys in 15 offices located around the world. Mr. Johnson has represented some of the largest companies in the country in complex business disputes.

Areas of Practice: Mr. Johnson's practice focuses on complex litigation. Mr. Johnson has extensive experience in all aspects of trial practice, mediation, trial preparation, and non-jury and jury trials in state and federal court. In addition to his general trial practice, Mr. Johnson has both prosecuted and defended a number of cases involving securities fraud in class actions and derivative cases.

Professional Qualifications and Activities: Mr. Johnson was admitted to the State Bar of California in 1994. He has an AV rating with Martindale-Hubble, which indicates very high to preeminent legal ability and very high ethical standards as established by confidential opinions from members of the Bar. He is currently admitted in good standing with the following courts:

- The Supreme Court of the United States of America
- All courts in the State of California
- The United States Courts of Appeals for the Third and Ninth Circuits
- The United States District Courts for the Southern, Central, Eastern, and Northern Districts of California
- The United States Court of Federal Claims

- The United States District Court for the Northern District of Illinois
- The United States District Court for the District of Colorado

Mr. Johnson is also a member of the following professional organizations:

- The San Diego County Bar Association
- The Federal Bar Association
- The Litigation Section of the State Bar of California
- SD Regional Chamber of Commerce, Vice Chair Tech Comm. (2002-03, 2003-04, 2004-05)

Mr. Johnson completed the following trial advocacy programs:

- San Diego County District Attorney one-month misdemeanor jury trial program
- Louis M. Welsh American Inn of Court, one-year program
- San Diego Inn of Court College of Advocacy, multi-week trial course
- San Diego Inn of Court College of Advocacy, multi-week evidence course

Following graduation from law school in 1994, Mr. Johnson served as a judicial law clerk for one year for the Honorable John S. Rhoades, a federal trial judge in the United States District Court for the Southern District of California.

Education and Awards: Mr. Johnson received his Juris Doctor degree from Washington University School of Law in 1994, where he was in the top 10% of his class while in attendance. In his first year of law school, Mr. Johnson received the American Jurisprudence Award in Contracts. At both Washington University School of Law and the University of San Diego School of Law (where Mr. Johnson was a visiting student in his third year), Mr. Johnson won first place awards in each school's Moot Court Competition. He received his Bachelor of Science degree in Business Administration with an emphasis in Finance from San Diego State University in 1990, where he graduated second in his class major, with honors and *summa cum laude*.

Community and Volunteer Activities: For the past few years, Mr. Johnson has been a volunteer at Voices for Children, where he serves as a CASA (Court Appointed Special Advocate) meeting several times each month with a foster child and attending court hearings to advocate for the child's best interests.

MICHAEL I. FISTEL, JR.

Mr. Fistel is one of the founding partners of Johnson Fistel. He brings over 15 years' of experience specifically dedicated to protecting shareholder rights in a wide variety of cases. Prior to joining as one of the founding partners of Johnson Fistel, he was a partner at an Atlanta-based boutique litigation firm that represented

individuals and businesses in shareholder and other complex litigation in federal and state courts throughout the country. In that role, Mr. Fistel served as partner-in-charge of the firm's active case inventory, and obtained millions of dollars on behalf of injured shareholders, consumers, and businesses. Mr. Fistel was also instrumental in securing sweeping corporate governance reforms at numerous publicly-traded companies.

In 2011, 2013, 2014, 2015, and 2016, Mr. Fistel was recognized as a Georgia Super Lawyers—Rising Star by Atlanta Magazine, an honor bestowed on just 2.5% of the attorneys in the State of Georgia. Additionally, Mr. Fistel has an AV rating with Martindale-Hubble, which indicates very high to preeminent legal ability and very high ethical standards as established by confidential opinions from members of the Bar.

Mr. Fistel has also been invited to speak at the Georgia State University School of Law in the area of corporate governance and shareholder rights. Mr. Fistel has also served as an invited panelist for the Securities and Corporate Litigation Sub-Section of the Atlanta Bar Association.

Areas of Practice: Mr. Fistel devotes his practice to representing individuals, institutions, and businesses in shareholder and other complex litigation. Specifically, a substantial portion of Mr. Fistel's practice is focused on representing shareholders in securities fraud class action litigation and shareholder derivative litigation. In addition to shareholder litigation, Mr. Fistel also represents aggrieved consumers and businesses in other complex litigation arising out of financial and consumer fraud.

Professional Qualifications: Mr. Fistel was admitted to the State Bar of Georgia in 2001, and is currently admitted in good standing with the following courts:

- All courts in the State of Georgia
- The Supreme Court of the United States of America
- The United States Courts of Appeals for the First, Second, Fourth, Tenth, and Eleventh Circuits
- The United States District Courts for the Northern and Middle Districts of Georgia
- The United States District Court for the District of Colorado

Education and Awards: Mr. Fistel attended New England Law in Boston, Massachusetts, earning his Juris Doctor degree in 2001. While at New England Law, Mr. Fistel was repeatedly named to the Dean's List and received the CALI Award for Excellence in Trial Practice and Sports Law. Prior to attending New

England Law, Mr. Fistel attended Florida State University as a Florida Undergraduate Scholar, and graduated with a Bachelor of Arts degree in English.

Community and Volunteer Activities: Mr. Fistel is an active member of his local Hickory Flat, Georgia community, having served as an Executive Board Member and as Secretary of the Board of Directors of East Cherokee Baseball, a total volunteer youth sports organization where approximately 500 boys and girls ages 3-17 are provided a safe, fun, and educational baseball experience. In addition to his service to the Board of Directors of East Cherokee Baseball, Mr. Fistel has volunteered as a youth baseball coach at the park. Mr. Fistel and his family are members of St. Peter Chanel Catholic Church in Roswell, Georgia.

W. SCOTT HOLLEMAN

Mr. Holleman is a partner at Johnson Fistel. In his mergers and acquisitions (M&A) litigation experience, Mr. Holleman has helped to secure additional monetary consideration for shareholders in multiple cases, and has also helped to bring about substantial modifications to merger agreements. In the shareholder derivative context, he has defended against excessive executive compensation practices at multiple large companies and has helped to instill better corporate governance in various instances. He also worked as an associate for co-lead counsel in the *E*Trade Financial Corp. Securities Litigation*, No. 07-cv-08538 (S.D.N.Y.), which challenged misrepresentations by E*Trade concerning its mortgage-backed securities and resulted in a \$79 million recovery for injured shareholders.

Mr. Holleman has also represented individuals and companies in antitrust, civil rights, consumer fraud, investment management, regulatory (SEC), and other complex matters. In one case, Mr. Holleman won a jury verdict of actual and punitive damages following a weeklong trial on behalf of a couple who had been sold a faulty insurance-based investment vehicle.

Areas of Practice: Mr. Holleman focuses his practice on mergers and acquisitions (M&A) litigation, shareholder derivative matters, and securities fraud class actions. He has prosecuted numerous actions in state and federal courts nationwide and has extensive experience with all phases of litigation, including pre-suit investigations, motion practice, discovery, trials, appeals, and mediation.

Professional Qualifications and Activities: Mr. Holleman was admitted to the State Bar of New York in 2008 and the State Bar of California in 2016. He is currently admitted in good standing with the following courts:

- All courts in the State of New York
- All courts in the State of California
- The United States District Courts for the Southern, Eastern, and Northern Districts of New York
- The United States District Court for the Northern District of California
- The United States Court of Appeals for the Sixth Circuit

Mr. Holleman is also a member of the following New York State Bar Association committees:

- Committee on Securities Litigation and Arbitration
- Committee on Federal Procedures
- Committee on Electronic Discovery

Education: Mr. Holleman received his Bachelor of Arts degree from the University of North Carolina in 2003, having studied Political Science and Journalism & Mass Communication. He received his Juris Doctor degree from St. John's University in New York in 2007.

ASSOCIATES

GARAM CHOE

Mr. Choe is an associate at Johnson Fistel. Prior to joining Johnson Fistel, Mr. Choe worked at Lowey Dannenberg, P.C. where he represented institutional investors in large-scale antitrust class actions in federal courts. While at Lowey Dannenberg, Mr. Choe assisted in securing multi-million dollar settlements from the largest international banks for their collusive manipulation of interest rates and commodities benchmarks.

While in law school, Mr. Choe was an intern at the Financial Industry Regulatory Authority, where he worked on enforcement actions against financial firms and their associated persons. Mr. Choe also served as an intern at the New York County District Attorney's Office where he assisted prosecuting cybercrime and identity thefts.

Prior to attending law school, Mr. Choe worked as a corporate investigator at Gryphon Strategies and as a legal assistant at the U.S. Department of Justice.

Areas of Practice: Mr. Choe focuses his practice on complex commercial litigation, including securities, shareholder, and antitrust class actions.

Professional Qualifications and Activities: Mr. Choe was admitted to the State Bar of New York in January 2017, and is currently admitted in good standing with the following courts:

- All trial and appellate courts in the State of New York
- The United States District Court for the Southern District of New York

Mr. Choe is also a member of the following professional organizations:

- New York State Bar Association
- New York City Bar Association (Antitrust and Trade Regulations Committee)
- New York County Lawyer's Association (Federal Courts Committee)

Education and Awards: Mr. Choe received his Bachelor of Business Administration degree from the Zicklin School of Business at Baruch College in 2011 and Juris Doctor degree from St. John's University School of Law in 2016. In law school, Mr. Choe was an active member of the Moot Court Honor Society, through which he was a Quarterfinalist in the Irving R. Kaufman Memorial Securities Law Moot Court Competition and the First Place Winner in the Hon. Elaine Jackson Stack Moot Court Competition. He also served as a staff member on the American Bankruptcy Institute Law Review and as President of the Corporate & Securities Law Society. Additionally, Mr. Choe was a recipient of the St. Thomas More Scholarship, a merit-based scholarship covering the full cost of tuition at St. John's Law.

Community and Volunteer Activities: Mr. Choe mentors law school students through St. John's Moot Court Honor Society, American Bankruptcy Institute Law Review, and Practicing Attorneys for Law Students, Inc.

KRISTEN L. O'CONNOR

Ms. O'Connor is an associate at Johnson Fistel and focuses on complex business and commercial litigation. Prior to joining Johnson Fistel, she served as Managing Counsel at clinivation, Inc., where she negotiated clinical trial agreements and provided market clearance submission development and support to global medtech and pharmaceutical industry clients, led budget and contract negotiation with leading clinical research institutions, and drafted client clinical standard operating procedures.

Professional Qualifications and Activities: Ms. O'Connor was admitted to the State Bar of California in 2015, and is currently admitted in good standing with the following courts:

- All courts in the State of California
- The United States District Courts for the Southern and Central Districts of California

Ms. O'Connor is also a member of the following professional organizations:

- American Bar Association
- San Diego County Bar Association,
- American Inns of Court—J. Clifford Wallace Chapter
- Lawyers Club of San Diego

Education and Awards: Ms. O'Connor graduated summa cum laude and third in her class from the Thomas Jefferson School of Law, where she received the CALI Award for Excellence in Legal Writing I, Legal Writing II, Civil Practice, Contracts I, Property II, Entertainment Law Transactions, and Wills and Trusts. She received the Jefferson Medal for Mediation and Negotiation, and was a teaching assistant for Property. She served as an editor for the Thomas Jefferson Law Review, where her work in intellectual property was published. Ms. O'Connor received a Bachelor of Arts degree in Theatre from California Lutheran University, where she received academic scholarships. During her senior year, she was a visiting student at Charles University in Prague, Czech Republic, where she studied Eastern European history and the Czech language. Ms. O'Connor is currently pursuing an LL.M. in Securities and Financial Regulation at Georgetown University Law Center.

CECILIA E. RUTHERFORD

Before joining Johnson Fistel, Ms. Rutherford practiced shareholder derivative litigation with the law firm of Kahn Swick & Foti, LLC in Louisiana. Prior to that, she was a juvenile public defender in New Orleans, Louisiana for two years. Ms. Rutherford also practiced transactional law as a capital markets and structured finance associate with the law firms of Cadwalader, Wickersham & Taft LLP and Alston & Bird LLP, in New York and North Carolina.

Areas of Practice: Ms. Rutherford practices in complex civil litigation, including securities and consumer fraud class action litigation and shareholder derivative actions. Ms. Rutherford has litigated cases in both state and federal courts and has experience with all aspects of trial practice, including motion practice, discovery, trial preparation, and appeals.

Professional Qualifications: Ms. Rutherford was admitted to the State Bar of California in 2013, and is currently admitted in good standing with the following courts:

- All courts in the State of California
- All courts in the State of New York
- All courts in the State of North Carolina
- All courts in the State of Louisiana
- The United States District Court for the Southern District of New York
- The United States District Court for the Western District of North Carolina

Education: Ms. Rutherford received her Juris Doctor degree from Boston University School of Law in 2000, and served on the American Journal of Law & Medicine. During law school, she studied for a term at St. Catherine's College, Oxford University, and completed courses focusing on European Union law and international intellectual property. Prior to law school, she was a staff assistant for the U.S. Senate Foreign Relations Committee in Washington, D.C. She received her Bachelor of Arts degree from Carleton College in Northfield, Minnesota.

Community and Volunteer Activities: For the past few years, Ms. Rutherford has served as a CASA volunteer with Voices for Children, advocating for the best interests of three children in foster care. She is also a mentor with the Crawford High School Law Academy program, and meets monthly with high school students from underprivileged backgrounds to encourage them to pursue higher education. She also volunteers as a pro bono attorney with the San Diego Volunteer Lawyer Program and Casa Cornelia, handling cases involving guardianship, education rights, and special immigrant juvenile status. Ms. Rutherford also teaches a weekly English class to refugees seeking asylum through Catholic Charities.

CHASE M. STERN

Mr. Stern is an associate at Johnson Fistel and focuses on complex business and commercial litigation. Prior to joining Johnson Fistel, Mr. Stern worked at a boutique civil litigation firm in San Diego where his practice included complex business and class action litigation, business tort and contract matters, insurance bad faith disputes, and employment matters. In recent years, Mr. Stern served as trial counsel and prevailed on behalf of a corporate client involving fraud and related tort claims, resulting in a jury award of compensatory and punitive damages. Mr. Stern has also secured multi-million dollar settlements from some of the nation's largest healthcare providers for their concealment of the risks of injury associated with use of medical rehabilitation devices and services as well as from California employers for their systematic underpayment of employee wages.

Areas of Practice: Mr. Stern represents both plaintiffs and defendants and focuses his practice on complex business and commercial litigation, including

shareholder derivative claims as well as securities, consumer, and employment class actions.

Professional Qualifications and Activities: Mr. Stern was admitted to the State Bar of California in 2013, and is admitted in good standing with the following courts:

- All courts in the State of California
- The United States District Courts for the Southern and Central Districts of California

Mr. Stern is also a member of the following professional organizations:

- American Bar Association
- San Diego County Bar Association
- Consumer Attorneys of San Diego

Mr. Stern is also a certified contract advisor/agent with the National Football League.

Education and Awards: Mr. Stern earned his Juris Doctor degree from California Western School of Law graduating with honors in 2012. During law school, Mr. Stern received the American Jurisprudence Award in Employee Benefits Law & ERISA. Mr. Stern's passion and dedication to protecting the rights of individuals dates back to his experience as a law clerk in law school for a preeminent class action litigation firm in La Jolla, California. Mr. Stern earned his Bachelor of Science degree in Finance and Entrepreneurship & Emerging Enterprises from Syracuse University graduating with honors in 2008.

PHONG L. TRAN

Mr. Tran is a senior associate at Johnson Fistel. Prior to joining Johnson Fistel, Mr. Tran worked at the preeminent plaintiff class action firm of Robbins Geller Rudman & Dowd LLP and the well-respected boutique litigation firm of Coughlan, Semmer & Lipman, LLP. In addition, he previously served as a prosecutor, first as a Special Assistant United States Attorney for the Southern District of California and then as a Deputy City Attorney with the San Diego City Attorney's Office.

Notable matters in which Mr. Tran served as counsel of record include, among others: *Dahl v. Bain Capital Partners* (D. Mass.) (largest class action antitrust settlement ever in which no civil or criminal government action was taken); *In re Midland National Life Ins. Annuity Sales Practices Litig.* (C.D. Cal.); *Negrete v. Fidelity and Guaranty Life Ins. Co.* (C.D. Cal.); *In re Conseco Ins. Co.*

Annuity Marketing & Sales Practices Litig. (N.D. Cal.); *IBEW Local 697 Pension Fund v. Int'l Game Tech.* (D. Nev.); *In re Groupon Marketing and Sales Practices Litig.* (S.D. Cal.); *In re LivingSocial Marketing and Sales Practices Litig.* (D.D.C.); *In re Pacific Biosciences Sec. Litig.* (Cal. Super. Ct., San Mateo Cnty.); and *Matin v. Nestlé Purina PetCare Co.* (D. Ill.).

Areas of Practice: Mr. Tran focuses his practice on complex securities, mergers and acquisitions (M&A), and consumer class action litigation. He has litigated numerous class actions in state and federal courts around the country, and has helped recover hundreds of millions of dollars for injured investors and consumers.

Professional Qualifications and Activities: Mr. Tran was admitted to the State Bar of California in 1999, and is currently admitted in good standing with the following courts:

- All courts in the State of California
- The United States Court of Appeals for the Ninth Circuit
- The United States District Courts for the Southern, Central, and Northern Districts of California
- The United States District Court for the Eastern District of Michigan

Mr. Tran is also a member of the following professional organizations:

- American Bar Association
- San Diego County Bar Association
- Association of Business Trial Lawyers
- American Inns of Court—Louis M. Welsh Chapter
- Consumer Attorneys of California
- Lawyers Club of San Diego
- Pan Asian Lawyers of San Diego

Education: Mr. Tran earned his Juris Doctor degree from the UCLA School of Law. During law school, Mr. Tran served as a judicial extern for United States District Court Judge Richard A. Paez, who now sits on the Ninth Circuit Court of Appeals. Mr. Tran graduated *summa cum laude* from the University of San Diego with a Bachelor of Business Administration degree in Business Economics.

DAVID A. WEISZ

Mr. Weisz is an associate at Johnson Fistel with substantial and diverse litigation experience. Prior to joining Johnson Fistel, Mr. Weisz worked at the esteemed Atlanta litigation boutique of Parks, Chesin & Walbert, P.C., where he

represented clients in all aspects of litigation in a variety of matters, in both state and federal court, with a focus on employment, business, and civil litigation. In addition, he previously clerked with the highly regarded litigation firms of Mitchell & Shapiro LLP in Atlanta, Georgia, and Barrett, Fasig & Brooks in Tallahassee, Florida. Mr. Weisz also served as a summer associate at Burr & Forman LLP in Orlando, Florida.

Areas of Practice: Mr. Weisz focuses his practice on complex commercial litigation, including securities, shareholder derivative, and consumer class actions, as well as wage & hour and employment litigation.

Professional Qualifications and Activities: Mr. Weisz was admitted to the State Bar of Georgia in November 2014, and is currently admitted in good standing with the following courts:

- The United States Court of Appeals for the Eleventh Circuit
- The United States District Courts for the Northern and Middle Districts of Georgia
- All trial and appellate courts in the State of Georgia, including the Supreme Court and Court of Appeals

Mr. Weisz is also a member of the following professional organizations:

- The Atlanta Bar Association (Litigation Section, Labor & Employment Law Section, and Atlanta Council of Younger Lawyers Section)
- The Georgia Trial Lawyers Association
- The National Employment Lawyers Association

Education and Awards: Mr. Weisz graduated *magna cum laude* from Florida State University in Tallahassee, Florida, earning a Bachelor degree in Sport Management. He then obtained his Juris Doctor degree, graduating *magna cum laude* from the Florida State University College of Law in May 2014. While in law school, Mr. Weisz received the book award in Property Law, as well as Legal Writing and Research I and II. He also served as a Senior Member of the Law Review, a Member of the Chester Bedell Memorial Mock Trial Team, an Associate Justice to the FSU Student Supreme Court, Treasurer of the Cuban American Bar Association, and was awarded the Richard M. Davis Scholarship for Outstanding Academic Merit and Service to the Law School. Upon graduation, Mr. Weisz was inducted into the Florida State University Chapter of the Order of the Coif.

Community and Volunteer Activities: Mr. Weisz enjoys helping to enhance the Atlanta community by serving as a judge for local high school mock trial competitions, as well as through his contributions to the Atlanta-based non-profit organization CURE Childhood Cancer, and the Atlanta Humane Society.

OF COUNSEL

RICHARD A. NERVIG

Mr. Nervig is a tenacious litigator with practical securities industry experience obtained from working as both a Dean Witter stockbroker prior to attending law school and as a compliance attorney after graduation. Mr. Nervig has successfully recovered in excess of \$20 million dollars on behalf of his clients.

Areas of Practice: For over 23 years, Mr. Nervig's practice has focused primarily upon the representation of investors in securities litigation matters in FINRA arbitration proceedings, as well as matters in both state and federal court. Mr. Nervig is experienced handling all manner of securities sales practice claims ranging from suitability violations, churning, unauthorized trading, and fraud. Mr. Nervig is particularly adept at pursuing secondary liability claims arising from Ponzi schemes, unregistered securities sales, and anti-money laundering violations. Mr. Nervig also routinely represents creditors in bankruptcy adversary proceedings involving securities violation discharge avoidance matters pursuant to §523(a)(19) of the Bankruptcy Code.

Professional Qualifications and Activities: Mr. Nervig is currently admitted in good standing with the following courts:

- All courts in the State of Arizona (1997)
- All courts in the State of California (2003)
- All courts in the State of Colorado (1993)
- The United States District Court for the District of Arizona
- The United States District Courts for the Southern and Central Districts of California
- The United States District Court for the District of Colorado
- The United States Court of Appeals for the Tenth Circuit

Mr. Nervig is also a member of the following organizations:

- American Bar Association (Member Sections of Business Law and Litigation)
- Denver Bar Association
- San Diego County Bar Association
- San Diego North County Bar Association
- Southwest Riverside County Bar Association

- Public Investors Arbitration Bar Association
- Arbitrator, Financial Industry Regulatory Authority (FINRA) and San Diego County Bar Association Fee Arbitration Committee
- Former Member New York Stock Exchange and National Association of Securities Dealers

Education: Mr. Nervig received his Juris Doctor degree from the Claude W. Petit College of Law at Ohio Northern University in 1992. He received a Bachelor of Arts degree in 1988 from the Metropolitan State University of Denver.

WILLIAM W. STONE

Mr. Stone has been instrumental in securing significant recoveries and sweeping reforms from numerous publicly-traded companies and other large institutions. Prior to joining Johnson Fistel, Mr. Stone practiced complex civil litigation with two Atlanta-based litigation boutique firms, representing individuals and businesses in shareholder and consumer class action litigation and shareholder derivative litigation.

Areas of Practice: Mr. Stone practices complex civil litigation with a focus on securities and consumer fraud class action litigation and shareholder derivative litigation. He has litigated cases in both federal and state courts throughout the country, and has experience with all aspects of trial practice and discovery, including trial preparation and appeals.

Professional Qualifications: Mr. Stone was admitted to the State Bar of Georgia in 2007. He is currently admitted to practice before the following courts:

- All courts in the State of Georgia
- The United States District Courts for the Middle and Northern Districts of Georgia

Education and Awards: Mr. Stone received his Juris Doctor degree from the Georgia State University College of Law in 2007. During law school, he received CALI Awards for Excellence in Trial Practice in Research, Writing, Advocacy, and Criminal Law, interned with a judge, and studied for a term at Johannes Kepler University in Linz, Austria, completing courses focusing on arbitration. Prior to law school, he was a legal assistant for a large law firm in Atlanta during breaks from college. He received his Bachelor of Arts degree with Honors from the University of Georgia's Honors Program in Athens, Georgia, where he published an honors thesis on American and European antitrust law.

REPRESENTATIVE MATTERS

Johnson Fistel aggressively pursues complex litigation matters for both plaintiffs and defendants on an hourly or contingency fee basis depending upon the circumstances of the matter. Below are just a few of the cases the firm has undertaken. To respect the privacy of some of the firm's clients who prefer we do not mention their names involved in litigation, their matters are described below without identifying the parties' names.

Business and Commercial Litigation

- *International Real Estate PLC v. Oaktree Capital Management, LLC*, Case No. BC 324973 (Cal. Super. Ct. Los Angeles Cnty.). International Real Estate (a public company with shares listed on the London Stock Exchange) retained Johnson & Fistel to pursue claims for breach of fiduciary duty against former directors of a joint venture company. That case involved alleged damages of approximately \$20 million, and after years of aggressive litigation and a mediation, ultimately settled on favorable terms to International Real Estate. *See* testimonial from the firm's client below.
- *Doe Shipping Company v. John Doe* (Cal. Super. Ct. San Diego Cnty.). A national shipping company retained Johnson Fistel after a former employee left the company with customer lists, other employees, and other confidential information. Johnson Fistel filed a complaint alleging claims for fraud, breach of contract, and misappropriation of trade secrets, among others. After a series of depositions and the threat of putting the defendants out of business, Johnson Fistel assisted the company in obtaining a resolution that restricted the former employee from doing business with certain of the company's clients, protected the company's trade secrets, and provided for a significant monetary payment to the company.
- *Liebsohn, et al. v. Augme Technologies, Inc., et al.*, Case No. 13-2-40007-3 SEA (Wash. Super. Ct. King Cnty.). Johnson Fistel represented a group of 47 high net worth investors who were defrauded into trading their stock in a privately-held company for stock in a publicly-traded company. After defeating several motions to dismiss and a petition for discretionary review by the Washington Court of Appeals, Johnson Fistel obtained a highly-favorable confidential settlement from the defendants' insurance carrier on February 2, 2016.

- *John Doe v. Doe Hedge Fund* (Cal. Super. Ct. San Diego Cnty.). Johnson Fistel defended one of the world's most successful hedge funds and its manager against meritless claims of fraud. After aggressively defending the matter, the plaintiff accepted a nuisance value settlement that was less than the cost of defense.

Trials & Arbitrations

- *Healthy Life Marketing, LLC, et al. v. Jaime Brenkus' Sound Body, Inc.*, Case No. GIC822927 (Cal. Super. Ct. San Diego Cnty.). On behalf of a marketing firm, Johnson Fistel pursued claims for breach of contract and fraud against the manufacturer of a weight loss product. After a week-long jury trial, the jury returned a seven-figure verdict in favor of J Johnson Fistel's client, including actual and punitive damages. See testimonial from the firm's client below.
- *DCI Solutions v. Urban Outfitters*, (S.D. Cal). Johnson Fistel represented a small local consulting firm in a case against one of the nation's largest clothing retailers in a matter that would have forced the company into bankruptcy if it lost. Following a week-long trial in federal court, the jury returned a verdict rejecting the retailer's \$1.5 million damage claim in its entirety. Johnson Fistel also prevailed on all of Urban Outfitter's post-trial motions.
- *Timeshare Resale Alliance v. Fleming, et al.*, (San Diego Cnty. Arbitration). Johnson Fistel successfully defended a real-estate broker accused of stealing her former employer's alleged trade secrets. Following a week-long arbitration, the arbitrator issued an order completely exonerating Johnson Fistel's client.
- *Mary Joe v. Jane Doe* (Cal. Super. Ct. San Diego Cnty.). Johnson Fistel represented the minority shareholder of a small family corporation to pursue claims against the other shareholders who wasted millions of dollars of corporate assets by using those assets to pay for their personal expenses. The client retained Johnson Fistel to substitute into the case just two months before trial. On day four of a five day trial, defendants agreed to settle the case.

Shareholder Derivative Actions

- *In re Motorola, Inc. Derivative Litigation*, Case No. 07CH23297 (Ill. Cir. Ct. Cook County). Johnson Fistel was appointed Co-Lead Counsel in a shareholder derivative action filed against current and former officers and directors of Motorola, Inc. The derivative claims charged certain officers with making misrepresentations about the company's financial statements and prospects of success in order to artificially inflate the company's stock price while they personally sold shares and while causing the company to simultaneously purchase shares on the open market. After six years of hard fought litigation, the action settled on terms that required the implementation of significant corporate therapeutic changes throughout the company—changes that were valued by one expert at over \$1 billion.
- *In re Powerwave Technologies, Inc.*, Case No. 13-10134 (MFW) (Bankr. D. Del.). On behalf of a shareholder client, Johnson Fistel filed a shareholder derivative action in a California Superior Court alleging that certain of Powerwave's officers and directors had affirmatively engaged in improper accounting to conceal the company's true financial condition. Shortly after filing this action, Powerwave filed for bankruptcy and the United States Bankruptcy Court appointed a Chapter 7 Trustee. The Bankruptcy Court appointed Johnson Fistel as special counsel to represent the Trustee to prosecute these claims as assets of the estate. After nearly two years of litigation, Johnson Fistel secured a settlement that included payment of \$5.5 million for the benefit of the estate in bankruptcy.
- *Rubin v. Reinhard*, Case No. 37-2008-00091039-CU-NP-CTL (Cal. Super. Ct. San Diego Cnty.). Johnson Fistel was sole lead counsel in this derivative lawsuit. After the company filed a petition for relief under Chapter 7 of the Bankruptcy Code, the Bankruptcy Trustee retained Johnson Fistel as special litigation counsel to prosecute claims for breach of fiduciary duty against certain officers and directors. After several years of hard fought litigation, the Estate in Bankruptcy settled recovering \$3 million. In approving the settlement, the Bankruptcy Court judge remarked: "The Court thanks [Johnson Fistel] for its outstanding work on behalf of the Chapter 7 Trustee and the Estate."

Corporate Takeover Litigation

- *Azar v. Blount International, Inc.*, No. 3:16-CV-00483-SI (D. Or.). Johnson Fistel was appointed as Co-Lead counsel in a case arising out of the 2016 acquisition of Blount International Inc. by a group comprised of a private equity firm, Blount's largest stockholder, and two Blount insiders. The plaintiffs allege, among other things, that the proxy statement Blount disseminated in connection with the deal failed to disclose a set of financial projections that best reflected Blount's long-term prospects and, instead, disclosed only later, artificially reduced projections. The plaintiffs allege that misleading proxy statement tainted the stockholder approval of the merger, and they are seeking an unspecified amount of monetary damages. This matter is pending.

Securities Class Actions

- *Desrocher v. Covisint Corporation, et al.*, Case No. 1:14-CV-03878-AKH (S.D.N.Y.). In a case alleging violations of §§11 and 15 of the Securities Act of 1933, the Court appointed Johnson Fistel Co-Lead Counsel and certified the firm as Co-Lead Class Counsel. The class action complaint alleged that there were misrepresentations or omissions in documents filed with the SEC in connection with the company's IPO. Under the settlement, defendants agreed to create an \$8 million common fund to compensate Covisint stockholders who were harmed by the alleged misrepresentations or omissions, which amount represented a substantial percentage of the maximum potential recovery. The Court approved the settlement in its entirety on December 13, 2016.
- *Gerneth v. Chiasma, Inc., et al.*, Case No. 1:16-cv-11082-DJC (D. Mass.). In a securities class action case alleging violations of §§11 and 15 of the Securities Act of 1933 and §§10(b) and 20(a) of the Securities Exchange Act of 1934, Johnson Fistel's client was appointed Lead Plaintiff and the firm was appointed Co-Lead Counsel under the Private Securities Litigation Reform Act of 1995. The complaint filed in the action alleges that defendants made false and misleading statements in connection with the Company's IPO and following the IPO regarding the Company's business and the prospects for approval of a pharmaceutical drug. As a result of these false and misleading statements, Chiasma stock traded at artificially inflated prices during the Class Period. This matter is currently pending.

Consumer Class Actions

- *Baker v. Visa International Corp.*, Case No. 06cv0376 (Cal. Super. Ct. San Diego Cnty.). Johnson Fistel was appointed Co-Lead Counsel for this nationwide consumer class action that was filed in 2006 against Visa International Corp. for wrongfully assessing undisclosed fees on consumers by manipulating the currency conversion rates when consumers used their Visa Card for purchases in other countries. This matter was removed to federal court, and transferred by the Judicial Panel on Multidistrict Litigation to the United States District Court for the Southern District of New York to be coordinated with the *In re Currency Conversion Fee Antitrust Litigation*. The Court approved a settlement that provided for \$336 million for the class members. While the *Baker* case was not the driving force leading to the \$336 million for the class members, it was coordinated with that matter and the firm played a material role in the ultimate settlement.

NOTEWORTHY SUCCESS STORIES

Johnson Fistel aggressively pursues complex litigation matters for both hourly paying clients and for contingency fee clients. While not an exhaustive list, below are a few of the cases for which the firm has achieved noteworthy successful results for its clients.

A Happy Client Following Trial

On behalf of a marketing firm, Johnson Fistel pursued claims for breach of contract and fraud against the manufacturer of a weight loss product. After a week-long jury trial, the jury returned a seven-figure verdict in favor of Johnson Fistel's client, including actual and punitive damages. *See* testimonial from the firm's client. *Healthy Life Marketing, LLC, et al. v. Jaime Brenkus' Sound Body, Inc.*, Case No. GIC822927 (Cal. Super. Ct. San Diego Cnty.).

Record Setting Class Action Settlement in Washington

In what is believed to be the largest recovery ever obtained in a class action challenging the price of a merger or acquisition of a public company in a Washington court, on January 20, 2017, the court approved a \$12.75 million settlement for the benefit of former Flow shareholders. Specifically, the case challenged the fairness of the price shareholders received from the 2014 acquisition of Flow by American Industrial Partners. Johnson Fistel served as court-appointed Co-Lead Class Counsel.

After three years of hard-fought litigation, which included 26 depositions taken throughout the country, defeating defendants' motions to dismiss, defeating defendants' motion for summary judgment, and obtaining an order certifying the class, the parties reached an agreement to settle the case just before trial. "I am proud to be part of a settlement that achieved what is now a rarity, more money for the shareholders in a merger case," said Frank Johnson, one of the founding partners of Johnson Fistel. Cornerstone Research recently published a report regarding M&A shareholder suits in 2015 and the first half of 2016, reporting that amongst the hundreds of merger-related lawsuits identified, only six of those cases resulted in any monetary recovery for shareholders. The report concluded that in merger-related litigation, "monetary consideration paid to shareholders has remained relatively rare."

Mr. Johnson and Mr. Holleman were the attorneys at the firm responsible for helping obtain this settlement for shareholders. *Englehart v. Brown*, Case No. 13-2-33726-6-KNT (Wash. Super. Ct. King Cnty.).

One of the Largest Recoveries in a Derivative Case in Tennessee

Johnson Fistel was appointed sole Lead Counsel in this shareholder derivative action against certain current and former officers and directors of HCA Holdings, Inc., the largest private hospital chain in the country. The derivative claims related to similar facts that resulted in the company paying \$215 million to settle a class action lawsuit filed by shareholders who alleged the company used false and misleading information to sell stock during its 2011 initial public offering.

The parties litigated the action for more than four years and attended multiple mediations, after which Johnson Fistel secured an extremely favorable settlement for HCA and its shareholders, including a payment of \$19 million to HCA (believed to be among the largest recoveries in a derivative case in the State of Tennessee), the appointment of a new independent director, and implementation of significant corporate therapeutics. *Bagot v. Bracken, et al.*, Case No. 11C5133 (Tenn. Cir. Ct., 6th Cir.).

Helped Secure \$24 million for the Company

Johnson Fistel was initially appointed Co-Lead Counsel in state court in one of the highest-profile cases in the country challenging the award of backdated stock options by executive officers of Brocade. For years, Brocade's insiders engaged in a secret stock option backdating scheme designed to reward executives and recruit engineers with stock options priced below their fair market value as of

the date of the grants. The U.S. Government pursued and ultimately won criminal convictions against the responsible executives.

On behalf of its client, Johnson Fistel helped prevent an inadequate settlement of a related federal action from being approved, which would have released the officers, directors, and agents of the company responsible for the criminal backdating scheme resulting in no money to the company and only a payment of attorney's fees for the lawyers. Brocade then formed a Special Litigation Committee and retained Johnson Fistel as co-counsel to Brocade to help litigate claims against ten former officers and directors of the company. After years of litigation, over \$24 million was recovered for Brocade. *In re Brocade Communications, Systems, Inc. Derivative Litigation*, Case No. 1:05cv41683 (Cal. Super. Ct. Santa Clara Cnty.).

Helped Secure \$29 Million for Shareholders

Johnson Fistel was appointed Co-Lead Counsel in a derivative lawsuit that involved claims against the officers and directors of Titan Corporation for breach of fiduciary duty. During the pendency of the litigation, Titan announced that it would be acquired, threatening to cause the shareholders in the derivative action to lose standing. Johnson Fistel then coordinated with counsel in a related derivative action pending in Delaware to negotiate a settlement that resulted in \$29 million in increased consideration to Titan's shareholders in the all-cash merger acquisition. *In re the Titan Corp. Derivative Litigation*, Case No. GIC 832018 (Cal. Super. Ct. San Diego Cnty.).

TESTIMONIALS

“There’s no question in my mind that this settlement is in the best interest of this Estate. So I’m prepared to approve it. . . . But I want to compliment Mr. Johnson, and I want to compliment on the successful recovery for the Estate. The creditors thank you, and I thank you.” *In re Artes Medical, Inc.*, (Bankr. S.D. Cal., Case No. 08-12317-LT7) (approving a \$3 million settlement recovered for the estate of a bankrupt public company after the Chapter 7 Trustee retained Johnson Fistel to pursue claims for breach of fiduciary against the directors). In approving the final award of attorneys’ fees, Judge Taylor further stated: “The Court thanks [Johnson Fistel] for its outstanding work on behalf of the Chapter 7 Trustee and the Estate.”

The Honorable Laura S. Taylor
United States Bankruptcy Court Judge
Southern District of California

“The quality of representation by the Derivative Plaintiffs’ Counsel was witnessed first hand by this Court through their articulate, high quality, and successful pleadings. Moreover, as shown by their excellent efforts in this case, Derivative Plaintiffs’ Counsel are dedicated to vindicating the rights of shareholders.” *In re Heelys, Inc. Derivative Litigation*, Case No. 3:07-CV-1682 (N.D. Tex.) (granting final approval of a settlement agreement that required the company to implement sweeping improvements to its governance).

The Honorable Ed Kinkeade
United States District Court Judge
Northern District of Texas

Johnson Fistel’s predecessor firm, Johnson & Weaver (“J&W”), has “demonstrated that they are qualified and experienced and are capable of acting as lead counsel.” “The Court is favorably impressed by J&W’s presentation and knowledge” and “J&W’s experience litigating shareholder derivative actions gives it a certain amount of pre-existing expertise.” *In re Oclaro, Inc. Derivative Litigation*, Case No. C-11-3176 EMC (N.D. Cal.) (appointing Johnson & Weaver, lead counsel in a complex shareholder derivative litigation in which three separate lawsuits were filed).

The Honorable Edward M. Chen
United States District Court Judge
Northern District of California

Johnson Fistel's predecessor firm, Johnson Law Firm, is "exceptionally qualified and experienced." *Greenmeadows Partners LLP v. Tomkinson, et al.*, Case No. SACV 06-91 CJC (C.D. Cal.) (appointing Johnson Law Firm lead counsel in a complex shareholder derivative litigation in which six separate lawsuits were filed).

The Honorable Cormac J. Carney
United States District Court Judge
Central District of California

"As chairman of the board of a public company, my company was represented by Mr. Johnson to pursue claims for breach of fiduciary duty for millions of dollars against former directors of a company formed in England. I have retained law firms throughout the world and found Mr. Johnson's services to be superb. He was very responsive and grasped complex corporate matters involving international real estate transactions. His firm aggressively litigated my company's claims against several defendants who were represented by one of the largest law firms in the world. This case was very complex and complicated and involved three jurisdictions (U.S., Europe, and Sweden). Mr. Johnson's firm played an instrumental role in bringing the whole case to a successful settlement out of court. We ultimately reached a resolution short of trial with which I was very pleased."

Rolf L. Nordström
Chairman of the Board
International Real Estate PLC

"While I was the Executive Vice President and Chief Financial Officer for a publicly traded company, I consulted Frank Johnson on various legal issues. As CFO I was responsible for SEC reporting requirements and compliance with GAAP. In addition, I successfully completed the public offering of the company's stock which was a consistent top performer on the NASDAQ from 1998 to 1999. During the ten years I've known him, I've been very impressed with Mr. Johnson's integrity, business acumen, and understanding of complex securities issues. Based upon these factors, I retained Mr. Johnson to represent me in matters where it appeared that a public company's officers or directors engaged in fraudulent conduct to the detriment of the company's shareholders (of which I was one). As a former CFO for a public company and as a shareholder, I can say with confidence that this firm has proven to be aggressive and astute in identifying claims for fraudulent conduct in connection with the sale of publicly traded securities."

James Baker
Chief Cost Reduction Officer
DCI Solutions

“While I was assistant general counsel for GNC Corporation, a publicly traded company at the time, I had the good fortune of working with Frank Johnson as GNC’s lawyer. While he was at Sheppard Mullin, he successfully defended GNC in several matters, including a consumer class action and various business litigation matters. I have since left GNC Corporation and am now a partner at one of the largest law firms in the country. I have worked with Mr. Johnson on various matters, including a jury trial in San Diego, California. Mr. Johnson proved to be an exceptional trial lawyer who assisted my firm in obtaining an outstanding verdict in our client's favor. I have recommended his services without reservation to both clients and lawyers who need highly skilled and effective representation.”

Gerald J. Stubenhofer, Esq.
Partner
McGuire Woods LLP

“In 2004, Axeus, Inc. was using Sheppard Mullin, a large law firm, for nearly all of its legal matters. When Frank Johnson, who was then a partner at Sheppard Mullin, announced that he was departing to start his own law firm, I did not hesitate in my decision to send all of Axeus’s litigation work to Mr. Johnson. At the time, Axeus was embroiled in a huge legal battle involving more than 20,000 pages of evidence and millions of dollars. Mr. Johnson helped Axeus successfully resolve that matter and has since handled several litigation matters for Axeus, all with outstanding results. I have worked with many different law firms over the years and I can say with confidence that Mr. Johnson is one of the best lawyers I’ve worked with. He understands what is important to his clients: excellent legal work and value. While other firms may be less expensive, Johnson Fistel provides value for its fees.”

Sean H. Mallean
President & CEO
Axeus, Inc.

“Frank Johnson was Awesome! He was professional, organized and as evidenced by juror testimonials following a one-week jury trial... extremely effective. On claims for breach of contract and fraud, the firm helped me win a 7 figure verdict for me and my company and I will forever be grateful. You never realize how important it is to have a good attorney until you need one!”

Ronald T. Fricke
President
Healthy Life Marketing, LLC

“I am the owner of Natural Energy, which was established in 1977 and is the largest solar energy company in the western United States. Although we have an exceptional reputation, as with any large company, legal disputes are sometimes inevitable. After using a number of law firms, for the past several years Natural Energy has used Frank Johnson’s law firm for all of its business litigation matters, from general business disputes to successfully getting a baseless class action dismissed. Mr. Johnson is aggressive, has a strong work ethic and, of utmost importance to me, has unquestionable integrity. I have the utmost faith and confidence in Mr. Johnson.”

Ted Mount
Owner
Natural Energy

“I first retained Johnson Fistel when my husband and I became concerned with what I thought looked like wrongful conduct by executive management at one of the publicly traded companies in which we had invested. Mr. Johnson always clearly communicated his strategy and the underlying legal reasons why it needed to be done that particular way. Most importantly, he always responded to any questions or concerns in a timely manner and consistently updated us without overwhelming us with complicated details. We were very happy with the outcome of the securities case. When I needed a lawyer again to help me with employment matters, I retained the firm again. They demonstrated that they were well informed and helped me get a settlement with which I was very pleased. I highly recommend Johnson Fistel and I would not hesitate to use them again.”

Jean Marie Cinotto
Private Investor

EXHIBIT 5

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

PRAKASH MOHANTY, Individually and on)	Case No. 1:16-cv-12336-IT
Behalf of All Others Similarly Situated,)	
)	
Plaintiff,)	
vs.)	CLASS ACTION
)	
AVID TECHNOLOGY, INC., LOUIS)	
HERNANDEZ, JR., and ILAN SIDI,)	
)	
Defendants.)	
_____)	

**DECLARATION OF THEODORE M. HESS-MAHAN, ESQ., OF COUNSEL
TO HUTCHINGS BARSAMIAN MANDEL CORN, LLP, IN SUPPORT OF
LEAD COUNSEL’S MOTION FOR AN AWARD OF ATTORNEYS’ FEES,
PAYMENT OF EXPENSES, AND AN AWARD TO LEAD PLAINTIFF
PURSUANT TO 15 U.S.C. §78u-4(a)(4)**

I, THEODORE M. HESS-MAHAN, ESQ., declare as follows:

1. I am an attorney licensed to practice in the Commonwealth of Massachusetts and am Of Counsel to Hutchings Barsamian Mandelcorn, LLP (“Hutchings Barsamian”). I am Liaison Counsel to the Class and local counsel for Plaintiff Prakash Mohanty and Lead Plaintiff David Wayne Hammond in the above-referenced action (the “Action”). I submit this declaration in support of Lead Counsel’s Motion for An Award of Attorneys’ Fees, Payment of Expenses, and An Award to Lead Plaintiff Pursuant to pursuant to 15 U.S.C. §78u-4(a)(4). I have personal knowledge of the facts set forth herein and if called as a witness could and would competently testify thereto.

2. Hutchings Barsamian has actively engaged in the prosecution of this Action on behalf of Plaintiffs and the Class, and has performed or in some manner has been involved with some or all of the following tasks, consistent with the leadership structure, and management of workload to avoid duplication: preparation, review and filing of the pleadings and motion papers

in this Action; court appearances; consultation with Lead Counsel for the Class regarding litigation strategy; communications with opposing counsel and the clerk's office; and review of the draft Stipulation and Agreement of Settlement and exhibits thereto.

3. The information in this declaration regarding the firm's time and expenses is taken from time and expense printouts and supporting documentation prepared and/or maintained by the firm in the ordinary course of business. Based on my familiarity with the Action, I reviewed the entries to confirm the reasonableness of the time and expenses committed to the Action, and in an abundance of caution, I deleted entries whenever I had doubts about the utility of the task or reasonableness of the time billed. To assure the accuracy of the hours entered on all cases, the firm has a regular business practice and policy of maintaining contemporaneous time records which are checked for accuracy on a monthly basis.

4. As a result of this review and the adjustments made, I believe that the time reflected in the firm's lodestar calculation and the expenses for which payment is sought as set forth in this declaration are reasonable in amount and were necessary for the effective and efficient prosecution and resolution of the litigation. In addition, I believe that the expenses are all of a type that would normally be charged to a fee-paying client in the private legal marketplace.

5. After the reductions referred to above, the total number of hours spent on this action by Hutchings Barsamian is 40.2. The total lodestar amount for attorney and paralegal time based on the firm's current hourly rates, including cases for which clients pay us by the hour, is \$20,100.00. Attached hereto as **Exhibit A** is a schedule of the hours performed by professional members of Hutchings Barsamian in connection with the Action. The hourly rates shown in Exhibit A are the usual and customary rates set by the firm for each individual.

6. Attached hereto as **Exhibit B** is a chart of expenses. Hutchings Barsamian seeks a total of \$287.32 in expenses in connection with the prosecution of this Action. These expenses are reflected in the books and records of Hutchings Barsamian, were prepared consistent with Hutchings Barsamian's regular billing practices, include expense receipts and check records, and are an accurate reflection of the expenses.

7. Hutchings Barsamian has made every effort to limit expenses and to use the most efficient means available for accomplishing tasks for which expenses were incurred. Hutchings Barsamian is seeking only its unreimbursed out-of-pocket expenses for court filing fees, service of process, parking fees, and highway tolls.

8. I respectfully submit that the time and expenses incurred by Hutchings Barsamian in the prosecution of the Action are reasonable under the circumstances and were necessary to achieve the Settlement reached in this case.

9. Hutchings Barsamian undertook this Action without any guarantee of payment knowing it would be facing some heavily-financed and well-respected individuals who would hire prestigious defense firms. Therefore, Hutchings Barsamian undertook this representation at great risk to the firm and is entitled to at least its lodestar based on this assumption of risk. This is especially so given the reasonableness of the hourly rates of the attorneys and professionals at Hutchings Barsamian. The hourly rates have been approved by state and federal courts in Massachusetts in other fee applications by firms of comparable size and experience in representative matters. The average hourly billing rate for Hutchings Barsamian's attorneys and professionals who worked on this litigation is \$500.00. I was the sole attorney at Hutchings Barsamian who spent time on this matter.

10. Attached hereto as **Exhibit C** is a true and correct copy of Hutchings Barsamian's firm résumé setting forth the qualifications of its attorneys and professionals.

11. As demonstrated in its firm résumé, the attorneys at Hutchings Barsamian who worked on this matter are experienced and skilled practitioners in the field of securities class action work. They are responsible for significant settlements as well as legal decisions that enable litigation such as the Action to be successfully prosecuted. As a result of the firm's experience in these types of cases, the attorneys have unique insights into the factual and legal issues presented.

I declare under penalty of perjury under the laws of the Commonwealth of Massachusetts that the foregoing is true and correct.

Executed this 16th day of February, 2018 At Wellesley Hills, Massachusetts.

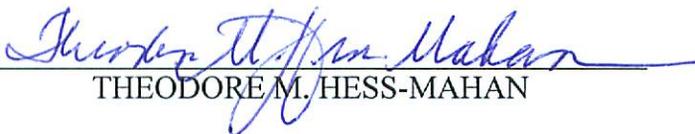

THEODORE M. HESS-MAHAN

EXHIBIT A

Hutchings Barsamian Mandelcorn, LLP

EXHIBIT A
SUMMARY OF HOURS BY PROFESSIONAL

<i>NAME</i>	<i>POSITION¹</i>	<i>HOURS</i>	<i>RATE</i>	<i>LODESTAR</i>
Theodore M. Hess-Mahar	OC	40.2	\$500.00	\$22,100.00
<i>TOTAL</i>		40.2		\$22,100.00

¹ P=Partner, A=Associate, OC = Of Counsel, PL=Paralegal, FA=Financial Analyst, LA= Legal Assistant

EXHIBIT B

Hutchings Barsamian Mandelcorn, LLP

EXHIBIT B
SUMMARY OF EXPENSES

<i>CATEGORY</i>	<i>AMOUNT</i>
Travel Costs to Attend Hearings and Depositions	\$39.40
Filing Fees, Service Fees, and Federal Express	\$247.92
TOTAL	\$287.32

EXHIBIT C

HUTCHINGS BARSAMIAN

HUTCHINGS BARSAMIAN MANDELKORN, LLP

110 CEDAR STREET, SUITE 250 WELLESLEY HILLS, MASSACHUSETTS 02481

781-431-2231 • FAX: 781-431-8726 • www.hutchingsbarsamian.com

FIRM RESUME

Hutchings Barsamian Mandelcorn, LLP, is a law firm based in Wellesley, Massachusetts, that represents individuals and businesses in litigation, corporate, trusts & estates, probate, family law, immigration, employment, health care and other matters.

Theodore M. Hess-Mahan

Theodore M. Hess-Mahan joined the firm as Of Counsel in 2007, where he has focused in the practice areas of complex civil litigation, shareholder and consumer fraud, unfair business practice claims, and class and derivative actions.

Mr. Hess-Mahan received his B.A. from Tufts University and a J.D. from Suffolk University Law School, where he was lead articles editor of the law review and director of the Honorable Frank J. Donahue Lecture Series. He has been admitted to practice in Massachusetts, the U.S. District Court for the District of Massachusetts, the U.S. Court of Appeals for the First Circuit and the U.S. Supreme Court.

He has over twenty-five years of experience as an attorney in private practice. Prior to joining the firm, Mr. Hess-Mahan was a law clerk for an associate justice of the Massachusetts Supreme Judicial Court, a civil litigator at Ropes & Gray LLP, representing individuals, businesses, insurers, governmental agencies, and non-profit institutions in state and federal trial and appellate courts and administrative proceedings, and a plaintiff's attorney at Shapiro Haber & Urmy LLP, representing consumers, shareholders, businesses and institutional investors in class, derivative and individual actions involving claims under state and federal antitrust, civil rights, consumer protection, environmental, securities and unfair business practice laws.

Mr. Hess-Mahan has litigated and negotiated settlements in a variety of cases including the following:

- \$12 million settlement on behalf of shareholders in securities fraud class action alleging improper revenue recognition based on undisclosed side agreements
- \$11 million total settlements on behalf of shareholders in securities fraud class actions alleging that research analysts issued false and misleading reports regarding publicly traded companies
- \$9.9 million settlement on behalf of shareholders in securities fraud class action alleging material overstatement of financial results based on fraudulent lending practices
- \$6 million settlement on behalf of shareholders in securities fraud class action alleging improper revenue recognition in registration statement relating to initial public offering
- Represented liability insurer in one-week bench trial of \$100 million insurance coverage dispute in federal court
- Represented Rhode Island State Treasurer in lawsuit involving constitutional challenge to state pension reform legislation
- Represented teaching hospital in three-week jury trial involving antitrust claims in federal court
- Represented hospitals in guardianship and civil commitment hearings and medical records privacy cases; obtained injunctive relief in case involving patient's "right-to-die"
- Successfully defended world-class academic medical center in bid protest filed with United States General Accounting Office involving award of \$5 million government contract for medical research

Mr. Hess-Mahan has also been appointed to serve as lead counsel or liaison counsel in a number of securities class actions filed in the United States District Court for the District of Massachusetts, including:

In re Polymedica Corp. Securities Litigation, No. 1:00-cv-12426-WGY

In re PerkinElmer, Inc., No. 1:02-cv-11314-GAO

In re Sepracor, Inc. Securities Litigation, No. 1:02-cv-12338-MEL

Sands Point Partners v Transkaryotic Therapies Corp., No. 1:03-cv-10165-RWZ

Abearn v. Credit Suisse First Boston LLC, No. 1:03-cv-10956-JLT

Wilson v Microfinancial Inc., No. 1:03-cv-11883-RGS

In re Biopure Corporation Securities Litigation, No. 1:03-cv-12628-NG

In re Ibis Technology Securities Litigation, No. 1:04-cv-10383-DPW

Aspen Technology, Inc. Securities Litigation, No. 1:04-cv-12375-JLT

Casula v. Athenabhealth, Inc. et al., No. 1:10-cv-10477-GAO

Jerry L. & Mena M. Morelos Revocable Trust v. Termeer et al., No. 1:10-cv-11356-JLT

Washtenaw County Employees' Retirement System v. The Princeton Review, Inc. et al.,
No. 1:11-cv-11359-RGS

In re Avid Techonologies, Inc. Securities Litigation, No. 1:13-cv-10686-WGY

Geneth v. Chiasma, Inc. et al., No. 1:16-cv-11082-DJC

Mohanty v. Avid Technology, Inc. et al., No. 1:16-cv-12336-IT

Maboney v. Foundation Medicine, Inc. et al., No. 1:17-cv-11394-LTS

Branen v. J. Jill, Inc. et al., No. 1:17-cv-11980-LTS

He is a former co-chair of the Boston Bar Association Class Action Committee and a former member of the BBA Litigation Section Steering Committee, has lectured at legal seminars and published articles on class actions, securities, special education, and medical records privacy laws, and has been a guest lecturer on voting rights at the New England School of Law. Among other things, he has served as faculty at seminars entitled "Trends in Massachusetts Class Actions," and "Life Cycle of a Class Action," sponsored by the Boston Bar Association Litigation Section. Most recently, he authored a chapter on "Depositions in Class Actions," published in the Massachusetts Deposition Practice Manual (MCLE 3d ed. 2013).

Biographies of the firm's other attorneys are as follows:

Anthony Barsamian

Anthony Barsamian is the firm's managing partner. His practice areas include business and commercial transactions, business succession planning, estate and trusts, estate administration, real estate, and immigration.

Mr. Barsamian received his B.A. from the University of Massachusetts (Amherst), and his J.D. from Suffolk University School of Law. He is admitted to the Massachusetts and the U.S. District Court, District of Massachusetts and a member of the Massachusetts and American Bar Associations and the Armenian Bar Association. He has served on the boards of national non-profit organizations and has spoken extensively throughout the country on the topic of on-line dispute resolution. Mr. Barsamian currently serves as a Board Member of the National Council of Churches and the Armenian Assembly of America.

Howard M. Mandelcorn

Howard M. Mandelcorn is a partner whose practice areas include wealth transfer and wealth preservation, general estate planning, sophisticated estate tax planning, estate settlement, trust administration, charitable estate planning, private foundations, family limited partnerships, asset protection planning, and business continuation planning.

Mr. Mandelcorn received his B.A. degree, cum laude, with honors, from Brandeis University, his M.P.A. degree from the University of Pennsylvania, his B.C.L. and L.L.B. degrees from McGill University Ecole du Bareau (Quebec Bar School, 1992) and his L.L.M. degree from Boston University.

He is a contributing author to *Generations, Planning Your Legacy* (Quantum Press, 1999) and has spoken and written extensively on international estate planning issues. He is a lecturer at the Sloan School of Management at Massachusetts Institute of Technology (MIT) and has lectured extensively before estate planning attorneys, Certified Public Accountants and financial and insurance professionals. He is admitted to practice in Massachusetts and New York and is a member of the Massachusetts and New York Bar Associations and the Boston Estate Planning Council.

Lisa A. Sedrakian

Lisa A. Sedrakian is Of Counsel to the firm. Her practice areas include international tax, estate planning, and corporate tax.

Before coming to the firm, Ms. Sedrakian worked in the International Tax Group at Arthur Andersen, LLP. She received her Bachelor of Arts degree in Political Science from the University of California, Berkeley, her J. D. from the University of San Francisco and her Master of Laws in Taxation from New York University. She is admitted to practice in state and federal courts in the Commonwealth of Massachusetts and the State of California and is a member of the Massachusetts and Boston Bar Associations. Ms. Sedrakian is a lecturer in Accounting for Income Tax at Northeastern University.

Robert Feigin

Robert Feigin is Of Counsel to the firm. His practice areas include business law, real estate, employment, construction and home contractor disputes, defamation and appeals.

Mr. Feigin graduated from Wesleyan University in Middletown, Connecticut with a B.A. in 1989, and he received his JD from the Boston University School of Law in 1994. He is admitted to practice in Massachusetts state and federal courts and is a member of the Massachusetts Bar Association and the Boston Bar Association. In 2004 and 2005, Mr. Feigin served as a member of the MBTA Beyond Lechmere Northwest Corridor Advisory Committee. Mr. Feigin is a member of the Board of Directors of the Massachusetts Collaborative Law Council since 2004, recently as its Secretary.

Karen Argetsinger

Karen Argetsinger is Of Counsel to the Firm. She is a mediator and collaborative attorney concentrating her practice in family, probate, health, employment and elder Law.

Ms. Argetsinger has had over sixteen years of legal background which included law firm experience at Hale and Dorr, LLP (currently Wilmer Hale) and Warner & Stackpole, LLP (currently Kirpatrick & Lockhart, LLP) along with experience as a law clerk and independent consultant. She was a judicial intern for over a year with the United States District Court Magistrate Honorable Judith Dein. Karen received her Bachelor of Science at Tulane University in 1988 and her JD from Massachusetts School of Law in 2007. She is admitted to practice in Massachusetts and the U.S. District Court for the District of Massachusetts. She is a member of the Massachusetts Collaborative Law Council. She has a special interest in child advocacy and health policy and has worked to establish the John E. Lewy Foundation for Children's Health (subsidiary of American Society of Pediatric Nephrology) and assists the Department of Pediatrics at the University of Virginia Children's Hospital with health/legal issues and creating guidelines.

EXHIBIT 6

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

PRAKASH MOHANTY, Individually and on)	Case No. 1:16-cv-12336-IT
Behalf of All Others Similarly Situated,)	
)	
Plaintiff,)	CLASS ACTION
)	
vs.)	
)	
AVID TECHNOLOGY, INC., LOUIS)	
HERNANDEZ, JR., and ILAN SIDI,)	
)	
Defendants.)	
)	
_____)	

**DECLARATION OF DAVID WAYNE HAMMOND IN SUPPORT OF LEAD
PLAINTIFF’S MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT
AND FOR AN AWARD TO LEAD PLAINTIFF
PURSUANT TO 15 U.S.C. §78u-4(a)(4)**

I, David Wayne Hammond, hereby declare under penalty of perjury as follows:

1. I am the court-appointed lead plaintiff (“Lead Plaintiff”) in the above-captioned securities class action (the “Action”). I respectfully submit this declaration in support of final approval of the \$1,325,000 settlement (“the Settlement”), the plan of allocation, an award of attorneys’ fees of 33 1/3% of the Settlement Amount, and payment of counsel’s litigation expenses. I also submit this declaration in support of my request, pursuant to 15 U.S.C. §78u-4(a)(4), for an award of \$7,940.90 associated with the significant time I spent dedicated to the prosecution of the Action. I have personal knowledge of the statements herein, and, if called as a witness, could and would testify competently thereto, as I have been directly involved in overseeing the prosecution of the Action as well as the negotiations leading to the Settlement.

2. On February 7, 2017, the Court appointed me as Lead Plaintiff in this Action.

3. During my time as Lead Plaintiff, I worked diligently to fulfill my responsibilities to other members of the Class. As such, I actively participated in the prosecution of the Action. For example, I engaged in at least 50 telephonic conferences and other correspondence with Lead Counsel, which allowed me to be kept fully informed regarding case status. I also (a) personally conducted significant research on securities class actions and related topics relevant to my role as Lead Plaintiff; (b) participated in regular telephone conferences and meetings with Lead Counsel concerning the significant developments in the Action; (c) communicated frequently with, and received periodic status updates from, Lead Counsel regarding the status of the case; (d) participated in discussions with Lead Counsel concerning settlement negotiations with Defendants and the ultimate decision to agree to the Settlement to resolve the Action; and (e) carefully reviewed, considered, and ultimately approved the proposed Settlement.

4. I also reviewed all of the pleadings, briefs, and orders in the Action. These documents included: (a) the initial complaint filed in this Action; (b) briefing and submissions

relating to my motion for appointment as Lead Plaintiff in the Action, and the order appointing me as Lead Plaintiff in this Action; (c) the Corrected Amended Class Action Complaint for Violations of the Federal Securities Laws; (d) briefing related to Defendants' motion to dismiss; (e) mediation submissions; (f) drafts of the Stipulation and Agreement of Settlement, and exhibits thereto; and (g) the order granting the motion for preliminary approval of the Settlement of the Action. In connection with each of these documents, I communicated with Lead Counsel regarding their potential impact on the Action.

5. When the time came to discuss potential resolution, I provided input and direction regarding settlement strategy. Specifically, I consulted with Lead Counsel regarding mediating the dispute. Prior to the actual mediation session, I reviewed the mediation submissions and discussed the strengths and weaknesses of the Action with Lead Counsel. During these discussions, we further analyzed the issues regarding damages and the substance and validity of Defendants' arguments related thereto. Following my discussions with Lead Counsel, I provided them with settlement authority. During mediation, I spoke and conferred with Lead Counsel regarding the status and progress of negotiations. While the Action did not settle at the mediation, I was kept updated on the continuing settlement discussions, which eventually culminated in the Parties reaching an agreement in principle on October 13, 2017, to settle the Action for \$1,325,000.00.

6. Before authorizing Lead Counsel to accept the Settlement, however, I again reviewed, considered, and discussed with Lead Counsel the merits of this case and the risks and benefits of litigating as opposed to settling the Action. Ultimately, I felt the Settlement was an excellent resolution for the Class in light of the percentage of the total damages the proposal represented when compared to the potential risks of pursuing the Action further and the real

possibility that the class could recover nothing absent the Settlement. As such, I authorized counsel to accept the Settlement.

7. I believe that the Settlement represents an excellent recovery for the Class and a recovery that would not have been possible without the diligent efforts of Lead Counsel. I believe the Settlement represents a fair, reasonable, and adequate recovery on behalf of the Class, and that its approval is in the best interest of each Class Member.

8. While I recognize that any determination of fees is left to the Court, I have approved Lead Counsel's request for an award of attorney fees of 33 1/3%, and payment of counsel's requested litigation expenses in the amount of \$55,542.50, with interest on both amounts. In determining that the proposed fee and expense award was reasonable, I considered Lead Counsel's high-quality representation, responsiveness, high-quality work product, and diligence in prosecuting this Action, as well as the resulting recovery of \$1,325,000 for the Class in the face of the risk of no recovery at all.

9. Additionally, I understand that in cases such as this, the Court may make an award of reasonable costs and expenses (including lost wages) directly relating to the representation of the Class to any representative serving on behalf of the Class. As a consequence of the services I performed as court-appointed Lead Plaintiff, and in my representation of the Class in the role, I incurred expenses associated with my time dedicated to the Action that I otherwise could have spent on professional activities. This time included reviewing major pleadings and filings in this case, reviewing materials submitted in connection with mediation, and, as mentioned above, participating in at least 50 telephonic conferences and other correspondence with Lead Counsel. Based on my records, through February 20, 2018, I have spent a total of 101.65 hours dedicated to the prosecution of the Action as Lead Plaintiff. Based on my annual income as a Program Manager for a leading global security company in the

Boston-metro area, an appropriate hourly rate for my time is \$78.12. In accordance with this hourly rate, the unreimbursed expense for my time expended in the Action is \$7,940.90. This unreimbursed time was reasonably and necessarily incurred in connection with my services to all members of the Class in this Action as court-appointed Lead Plaintiff, was dedicated to the Action during which I could have otherwise spent on professional activities, and which I believe to be both fair and reasonable.

10. In conclusion, I was actively involved throughout the prosecution and settlement of the claims in the Action and strongly endorse the Settlement, Plan of Allocation, and Award of Attorneys' Fees and Expenses. In addition, I respectfully request reimbursement of the reasonable costs and expenses I incurred in prosecuting the Action on behalf of the Class in the amount of \$7,940.90.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 22nd day of February, 2018 at Atkinson, New Hampshire.

DocuSigned by:



DAVID WAYNE HAMMOND

EXHIBIT 7

DOW JONES, A NEWS CORP COMPANY

DJIA 25081.16 1.14% ▲

S&P 500 2724.61 0.86% ▲

Nasdaq 7256.27 0.53% ▲

U.S. 10 Yr 10/32 Yield 2.913% ▲

Crude Oil 63.01 2.16% ▲

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<http://www.wsj.com/articles/legal-fees-reach-new-pinnacle-1-500-an-hour-1454960708>

LAW

Legal Fees Cross New Mark: \$1,500 an Hour

Billing rates for partners at elite corporate law firms keep rising, despite low inflation, weak demand



Documents filed in chapter 11 bankruptcy cases offer a rare public glimpse at the mounting hourly fees of law partners at elite corporate law firms. Above, the U.S. Bankruptcy Court in New York. PHOTO: BRENDAN MCDERMID/REUTERS

By Sara Randazzo and Jacqueline Palank

Updated Feb. 9, 2016 10:11 a.m. ET

The day of the \$1,500-an-hour lawyer has arrived.

Partners at some of the nation’s top law firms are approaching—and, in a few cases, surpassing—that watershed billing rate, making the \$1,000-an-hour legal fees that once seemed so steep look quaint by comparison.

Despite low inflation and weak demand for legal services, rates at large corporate law firms have risen by 3% to 4% a year since the economic downturn, according to Citi Private Bank’s Law Firm Group.

“We just raise them every year,” said John Altorelli, a finance lawyer at DLA Piper LLP in New York, who says the firm has set his rate at more than \$1,500 an hour. Mr. Altorelli, who filed for personal bankruptcy in 2014 to halt a legal battle with the estate of his former law firm, Dewey & LeBoeuf LLP, cracked the \$1,000-an-hour mark a decade ago. His fees have risen steadily ever since.

To soften the blow to clients, Mr. Altorelli does more than half his work on some kind of fixed-fee basis. “Using hourly rates is really anachronistic, but we still do it,” he said.

Raising rates ensures that law firms keep up with the competition and helps them wrest more money from clients, who routinely demand discounts for all but the most sensitive work.

“If you think of the rules of supply and demand, how in the world can they keep raising their rates?” said Jeff Carr, a former general counsel of oil-and-gas services and equipment company FMC Technologies who for years has been an outspoken opponent of hourly legal rates.

The rate creep has boosted law firms' revenue at a time when many of them are under pressure from lower-cost legal-service providers and corporate clients that are keeping more legal work in-house. Revenue at law firms rose 4% last year, according to Wells Fargo Private Bank's Legal Specialty Group, though demand rose just 0.5%.

"Lots of law firms will charge whatever the market can bear," said the head of one of the nation's 200 largest law firms.

Documents filed in chapter 11 bankruptcy cases offer a rare public glimpse at mounting fees. These court filings show the rates of partners specializing in corporate restructuring, as well as those with specialties like tax, litigation and corporate law.

A review of filings over the past three months in about two dozen bankruptcy cases shows that senior partners routinely charge between \$1,200 and \$1,300 an hour, with top rates at several large law firms exceeding \$1,400.

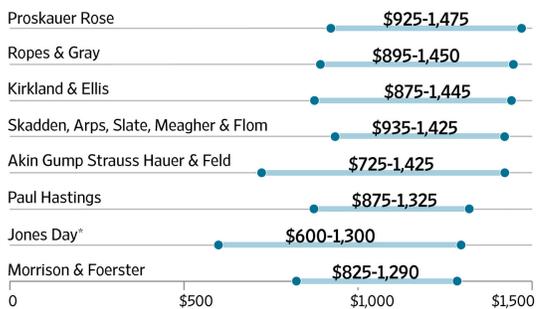
Proskauer Rose LLP's hourly partner billing rate has climbed as high as \$1,475, while Ropes & Gray LLP's tops out at \$1,450, court papers show.

Kirkland & Ellis LLP's top hourly billing rate is now \$1,445. And rates at two firms—Akin Gump Strauss Hauer & Feld LLP and Skadden, Arps, Slate, Meagher & Flom LLP—peak at \$1,425 an hour.

Representatives of the law firms declined to comment.

Top Billers

Hourly rates of partners at top U.S. law firms now approach \$1,500.



*Includes partners and of counsel
Source: Bankruptcy court filings

THE WALL STREET JOURNAL.

Martin Bienenstock, who leads Proskauer's restructuring practice, called the \$1,225 an hour he billed clients last year "a market rate similar to my peers at other firms," and said he charges the same rate for nonbankruptcy work.

"The clients have kept coming back and growing during my 38-year career," he said in an email, adding that clients generally prefer dealing directly with senior lawyers versus younger associates with lower rates.

In disclosing their firmwide rate increases, many firms tell the courts it is a standard way of keeping pace with "economic and other conditions." These include rising fixed costs, such as real estate and salaries.

In theory, a law-firm partner's pay rises and falls with the success of the firm. But, as competition for top talent increases, many firms feel the need to guarantee salaries or ensure a partner's pay doesn't fall, even in down years.

Still, only elite lawyers can charge \$1,400 an hour or more. Such rates are found almost exclusively in New York and other major markets, and only in the least price-sensitive fields like mergers and acquisitions, restructuring, tax, antitrust and high-stakes litigation and appeals.

For lawyers at the very top of those fields, hourly rates can hit \$1,800 or even \$1,950.

"You have a very few people at the very top where price is almost no object," said legal consultant Bruce MacEwen, who likens it to the way celebrities, sports stars and best-selling authors are paid. "It is a talent market."

Most lawyers in the U.S. fall well below those high marks. In a survey of in-house legal departments by BTI Consulting Group, the average highest rate paid for law-firm partners was \$875 an hour in 2015, up more than 27% from three years earlier. Of the respondents, 38% had paid more than \$1,000 an hour for a lawyer, and the highest rate those in the survey paid was \$1,600 an hour.

For many firms, the stated rate is simply a starting point in discussions with corporate law departments. As a result, said legal consultant Ward Bower of Altman Weil, "sophisticated" law firms tend to implement annual rate increases to offset clients' requests for discounts.

Such discounts are becoming more commonplace. A decade ago, law firms could typically get clients to pay around 92% of their stated rates, according to Thomson Reuters Peer Monitor. Last year, that fell to less than 83%.

Smaller companies can get squeezed the most on fees, because they don't send enough work to any one law firm to get the best deals.

Companies with \$4 billion or more in annual revenue were twice as likely as those with less than \$100 million in revenue to use some form of alternative fee, according to a survey from industry trade group the Association of Corporate Counsel.

Some industry watchers view the raise-and-discount approach with skepticism.

"If clients are pushing back on rates, the answer isn't to raise them" and then ask for a discount, Mr. MacEwen said. "The answer is to provide better total value."

Lawyers' Rising Hourly Fees

The hourly rates for many top attorneys in the U.S. rise annually, though client pressure often results in discounting. Below is a snapshot of hourly legal rates over \$1,200 at elite corporate law firms. The figures are gleaned from legal bills filed in recent bankruptcy cases. Listed lawyers didn't comment on their fees, except where noted.

Write to Sara Randazzo at sara.randazzo@wsj.com and Jacqueline Palank at jacqueline.palank@wsj.com

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NAME	FIRM	PRACTICE
Weise, Steven	Proskauer Rose LLP	Corporate
Rocap, Donald	Kirkland & Ellis LLP	Tax
Maynes, Todd	Kirkland & Ellis LLP	Tax
Wolkoff, Harvey	Ropes & Gray LLP	Litigation
Goffman, Jay	Skadden, Arps, Slate, Meagher & Flom LLP	Bankruptcy/restructu
Wessel, Paul	Weil, Gotshal & Manges LLP	Executive compensat

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