

EXHIBIT 1

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

IN RE K12 INC. SECURITIES
LITIGATION

Master File No. 4:16-cv-04069-PJH

CLASS ACTION

Honorable Phyllis J. Hamilton

**STIPULATION AND AGREEMENT OF
SETTLEMENT**

This Stipulation and Agreement of Settlement, dated as of November 26, 2018 (the “Stipulation”) is entered into between (a) Babulal Tarapara (“Lead Plaintiff”), on behalf of himself and the Settlement Class (defined below); and (b) K12 Inc. (“K12”) and the Individual Defendants (as defined below, and together with K12, the “Defendants”). This Stipulation embodies the terms and conditions of the settlement of the above-captioned action (the “Action”).¹ Subject to the approval of the Court, and the terms and conditions expressly provided herein, this Stipulation is intended to fully, finally, and forever compromise, settle, release, resolve, and dismiss with prejudice the Action and all claims asserted or that could have been asserted therein against Defendants’ Released Parties (as defined herein).

¹ All words and/or terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to those word and/or terms as set forth in ¶ 1 herein, under the heading “Definitions.”

1 **WHEREAS:**

2 A. On July 20 and September 15, 2016, respectively, two class action complaints were
3 filed in the United States District Court for the Northern District of California, styled *Tarapara v.*
4 *K12 Inc., et al.*, Case No. 4:16-cv-04069-PJH (the “*Tarapara Action*”) and *Tuinenburg v. K12*
5 *Inc., et al.*, Case No. 4:16-cv-05305-PJH (the “*Tuinenburg Action*”).

6 B. On October 6, 2016, the Court issued an Order: (1) consolidating the *Tarapara* and
7 *Tuinenburg* Actions, which were re-captioned as *In re K12 Inc. Sec. Litig.*, Master File No. 4:16-
8 cv-04069-PJH; (2) appointing Mr. Babulal Tarapara and Dr. Mark Beadle as lead plaintiffs
9 (collectively, “Plaintiffs”) for the consolidated action; and (3) approving Plaintiffs’ selection of
10 Glancy Prongay & Murray LLP as Lead Counsel for the proposed plaintiff class. Dkt. No. 30.

11 C. On October 12, 2016, the Court issued an Order providing for Plaintiffs to file an
12 amended complaint, which would then function as the operative complaint. Dkt. No. 32. On
13 December 2, 2016, Plaintiffs filed and served a Consolidated Amended Class Action Complaint
14 for Violations of the Federal Securities Laws (the “First Amended Complaint” or “FAC”),
15 asserting claims under (1) Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange
16 Act”) and Rule 10b-5 promulgated thereunder against Defendants, as well as Ronald Packard
17 (“Packard”) and Timothy Murray (“Murray”); and (2) Section 20(a) of the Exchange Act against
18 the Individual Defendants, Packard, and Murray (collectively, the “Original Defendants”). Dkt.
19 No. 33.

20 D. On January 30, 2017, the Original Defendants filed and served a motion to dismiss
21 the FAC, Dkt. No. 40, as well as a request for judicial notice. On March 1, 2017, Plaintiffs filed
22 and served their papers in opposition to the motion to dismiss, their response to the Original
23 Defendants’ request for judicial notice, as well as their own request for judicial notice. Dkt.
24 Nos. 44, 46, & 47. On March 31, 2017, the Original Defendants filed their reply briefs in support
25 of their motion to dismiss and request for judicial notice, Dkt. Nos. 48 & 50, and filed an
26 opposition to Plaintiffs’ request for judicial notice that same day, Dkt. No. 51. The Court heard
27 oral argument on the Original Defendants’ motion to dismiss on April 19, 2017, Dkt. No. 60, and,
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1 on August 30, 2017, the Court entered its Order that granted the motion in part, and denied it in
2 part, Dkt. No. 64.

3 E. On October 2, 2017, Plaintiffs and the Original Defendants filed a stipulation with
4 the Court in which Plaintiffs: (1) agreed to file a second amended complaint, containing
5 allegations pertaining solely to alleged statements and omissions regarding K12's contractual
6 relationship with the Agora Cyber Charter School ("Agora"); and (2) agreed to dismiss Packard
7 and Murray from the Action with prejudice. Dkt. No. 65. Defendants further agreed to answer the
8 second amended complaint within 45 days after it was filed. *Id.* The Court granted the Parties'
9 stipulation on October 4, 2017. Dkt. No. 67.

10 F. Pursuant to the Parties' stipulation, on October 2, 2017, Plaintiffs filed and served a
11 Consolidated Second Amended Class Action Complaint for Violations of the Federal Securities
12 Laws (the "SAC") against the Defendants. Dkt. No. 66. The SAC is the operative complaint in
13 this Action. The SAC asserted claims under (1) Section 10(b) of the Exchange Act and Rule 10b-
14 5 promulgated thereunder against the Defendants; and (2) Section 20(a) of the Exchange Act
15 against the Individual Defendants. On November 16, 2017, Defendants filed and served an
16 answer to the SAC. Dkt. No. 70.

17 G. With the automatic discovery stay imposed by the Private Securities Litigation
18 Reform Act of 1995 ("PSLRA") having been lifted following Defendants' filing and serving their
19 answer to the SAC, the Parties exchanged Initial Disclosures on December 14, 2017. On
20 December 28, 2017, as required under the local rules, the Parties filed a stipulation and ADR
21 certification in which they agreed to privately mediate with JAMS or a similar private mediation
22 provider on or before August 17, 2018, Dkt. Nos. 72 & 73, which proposed schedule the Court
23 approved on December 29, 2017, Dkt. No. 74.

24 H. On January 18, 2018, an initial case management conference was held, Dkt. No. 77,
25 with the Court entering the Case Management and Pretrial Order that same day, Dkt. No. 78, and
26 the Parties commenced fact discovery. Defendants served document requests and interrogatories
27 on Plaintiffs on January 22, 2018. Plaintiffs served their document requests on Defendants on
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1 January 29, 2018. Thereafter, the Parties filed a stipulated protocol for electronically-stored
2 information and a proposed protective order, Dkt. Nos. 79 & 80, both of which the Court approved
3 on February 22, 2018 and February 23, 2018, respectively, Dkt. Nos. 81 & 82.

4 I. Pursuant to Plaintiffs' requests for documents, Defendants produced approximately
5 79,000 pages of documents, which Plaintiffs' Lead Counsel reviewed and analyzed. Plaintiffs, in
6 response to Defendants' requests for documents, produced over 19,000 pages of documents.

7 J. On March 1, 2018, Plaintiffs filed and served a motion for class certification,
8 together with the declaration of Dr. Adam Werner regarding market efficiency. Dkt. Nos. 83 &
9 84. On April 30, 2018, Plaintiffs filed and served a motion to relieve Dr. Beadle of his duties to
10 serve as a Lead Plaintiff and withdraw his application to serve as a class representative, Dkt. No.
11 85, which the Court granted on May 29, 2018, Dkt. No. 92. Mr. Tarapara continued to serve as
12 the sole Lead Plaintiff in this Action.

13 K. Defendants deposed Dr. Werner and Lead Plaintiff Tarapara on May 10 and 11,
14 2018, respectively. On June 15, 2018, Defendants filed and served their Opposition to Motion for
15 Class Certification, Dkt. No. 93, and Lead Plaintiff Tarapara then filed and served, on August 8,
16 2018, his Reply in Support of the Motion for Class Certification, Dkt. No. 96.

17 L. On August 15, 2018, Lead Counsel and Defendants' Counsel met with Judge
18 Daniel Weinstein (Ret.), a highly experienced, neutral mediator, who presided over a full-day
19 mediation between the Parties at the JAMS Century City Resolution Center. The mediation was
20 part of an effort to explore possibilities for settlement of the Action. In advance of the August 15,
21 2018 mediation session, the Parties each submitted and exchanged detailed mediation statements
22 (and exhibits) outlining their respective analyses of the claims and defenses in this case. The
23 session ended without a settlement agreement.

24 M. Over the course of the next several weeks, Judge Weinstein conducted further
25 discussions with the Parties, which culminated in Judge Weinstein presenting a mediator's
26 proposal that both Parties accepted on September 4, 2018 (the "Accepted Proposal").
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1 N. The Accepted Proposal sets forth, among other things, the Parties' agreement to
2 settle and release all claims in return for a cash payment by or on behalf of Defendants in the
3 amount of \$3,500,000 for the benefit of the Settlement Class, subject to certain terms and
4 conditions and the execution of a customary "long-form" stipulation and agreement of settlement
5 and related papers—*i.e.*, the Stipulation herein.

6 O. This Stipulation (together with the exhibits hereto) reflects the final and binding
7 agreement between the Parties.

8 P. Lead Plaintiff, by and through Lead Counsel, has conducted a thorough
9 investigation relating to the claims and underlying events and transactions of the Action. Based
10 on their investigation, prosecution, and mediation of the Action, Lead Plaintiff and Lead Counsel
11 have concluded that the terms and conditions of this Stipulation are fair, reasonable, and adequate
12 to Lead Plaintiff and the other members of the Settlement Class and in their best interests. Based
13 on Lead Plaintiff's direct oversight of the prosecution of this matter and with the advice of his
14 counsel, Lead Plaintiff has agreed to settle and release the claims raised in the Action pursuant to
15 the terms and provisions of this Stipulation, after considering, among other things: (1) the
16 financial benefit that members of the Settlement Class will receive under the proposed Settlement;
17 and (2) the significant risks and costs of continued litigation and trial, including the risk that
18 Settlement Class members could receive a lesser amount than the Settlement confers, or even
19 nothing, if litigation of the Action were to continue. The factors that Lead Plaintiff considered in
20 agreeing to settle the litigation include, among other things, the following facts and risks:

21 i. The Court dismissed with prejudice Plaintiffs' claims regarding K12's
22 reporting of standardized Scantron tests administered to students at K12-supported schools,
23 concluding that none of the statements Plaintiffs challenged was materially false or
24 misleading.

25 ii. The Court also dismissed Plaintiffs' claims regarding a wide range of
26 statements related to the general quality and effectiveness of K12's academic offerings,
27 again concluding that none of K12's challenged statements was materially false or
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1 misleading. Plaintiffs determined that they did not have sufficient facts or evidence upon
2 which to attempt to re-plead those claims.

3 iii. Lead Plaintiff Tarapara’s sole remaining claim relates to the alleged
4 wrongful non-disclosure by K12 of a 2012 notice from Agora (the “Agora Notice”)
5 exercising its rights under the parties’ management contract to avoid the contract’s
6 automatic renewal. After discovery, Lead Plaintiff has determined that there are
7 significant obstacles to establishing Defendants’ liability and any damages. These
8 obstacles include, among other things:

9 a. that Lead Plaintiff may be unable to prove that the Agora Notice
10 constituted material information that K12 had a duty to disclose, and/or that any
11 Defendant acted with any intent to mislead investors;

12 b. that Lead Plaintiff may be unable to prove that some or all of the
13 Agora-related statements challenged in the operative complaint are actionable
14 under the federal securities laws, or that Lead Plaintiff Tarapara and members of
15 the Settlement Class were damaged by those alleged statements;

16 c. that the class proposed by Lead Plaintiff would not be certified,
17 and/or that it might only be certified for part of the class period for which
18 certification was sought; and

19 d. that Lead Plaintiff’s claims could be time-barred under the two-year
20 statute of limitations governing federal securities fraud claims.

21 Q. This Stipulation constitutes a compromise of matters that are in dispute between the
22 Parties. Defendants are entering into this Stipulation solely to eliminate the burden, expense,
23 uncertainty, distraction, and risk of further protracted litigation.

24 R. Defendants have denied and continue to deny each and all of Plaintiffs’ claims and
25 contentions alleged in the FAC and SAC. Defendants expressly have denied and continue to deny
26 all charges of wrongdoing or liability against them arising out of any of the conduct, statements,
27 acts, or omissions alleged, or that could have been alleged, in the Action. Defendants also have
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1 denied and continue to deny, *inter alia*, the allegations that Lead Plaintiff or the members of the
2 Settlement Class suffered damage, that the price of K12 common stock was artificially inflated by
3 reasons of alleged misrepresentations, non-disclosures or otherwise, and that Lead Plaintiff or the
4 Settlement Class were harmed by the conduct alleged in the FAC or SAC.

5 S. This Stipulation, whether or not consummated, as well as any proceedings relating
6 to any settlement, or any of the terms of any settlement, whether or not consummated, shall in no
7 event be construed as, or deemed to be evidence of, an admission or concession on the part of the
8 Defendants with respect to: (1) any claim of any liability or damage whatsoever; or (2) any
9 infirmity in any defense that the Defendants have or could have asserted.

10 **NOW THEREFORE**, it is hereby **STIPULATED AND AGREED**, by and among the
11 Parties to this Stipulation, by and through their respective undersigned attorneys, and subject to
12 the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in
13 consideration of the benefits flowing to the Parties from the Settlement, all Released Plaintiffs’
14 Claims as against the Defendants’ Released Parties, and all Released Defendants’ Claims as
15 against the Plaintiffs’ Released Parties, shall be compromised, settled, released, and dismissed
16 with prejudice, and without costs, upon and subject to the terms and conditions set forth below.

17 **DEFINITIONS**

18 1. As used in this Stipulation and any exhibits attached hereto and made a part hereof,
19 the follow capitalized terms shall have the following meanings:

20 a) “Action” means the consolidated securities class action styled *In re K12*
21 *Inc. Securities Litigation*, Case No. 4:16-cv-04069-PJH (N.D. Cal.), and includes all actions
22 consolidated therein.

23 b) “Alternate Judgment” means a form of final judgment that may be entered
24 by the Court herein but in a form other than the form of Judgment provided for in this Stipulation
25 and where none of the Parties hereto elect to terminate this Settlement by reason of such variance.

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1 c) “Authorized Claimant” or “Authorized Claimants” means any Settlement
2 Class Member who timely submits a Proof of Claim Form to the Claims Administrator that is
3 approved by the Court for payment from the Net Settlement Fund.

4 d) “Claim” or “Claims” means a Proof of Claim Form submitted to the Claims
5 Administrator.

6 e) “Claim Form” or “Proof of Claim Form” means the form, substantially in
7 the form attached hereto as Exhibit 2 to Exhibit A (the proposed Preliminary Approval Order),
8 that a Claimant or Settlement Class Member must complete and submit should that Claimant or
9 Settlement Class Member seek to share in a distribution of the Net Settlement Fund.

10 f) “Claimant” means a Person who submits a Proof of Claim Form to the
11 Claims Administrator.

12 g) “Claims Administrator” means Epiq Class Action & Mass Tort Solutions,
13 Inc., the firm retained by Lead Plaintiff and Lead Counsel, subject to the approval of the Court, to
14 provide all notices approved by the Court to potential Settlement Class Members and to administer
15 the Settlement.

16 h) “Class Distribution Order” means an order of the Court approving the
17 Claims Administrator’s administrative determinations concerning the acceptance and rejection of
18 the Claims submitted and approving any fees and expenses not previously paid, including the fees
19 and expenses of the Claims Administrator and, if the Effective Date has occurred, directing
20 payment of the Net Settlement Fund to Authorized Claimants.

21 i) “Court” means the United States District Court for the Northern District of
22 California, Oakland Division.

23 j) “Defendants” means, collectively, K12 and the Individual Defendants.

24 k) “Defendants’ Counsel” means the law firm of Latham & Watkins LLP.

25 l) “Defendants’ Released Parties” means K12 and its current and former
26 trustees, officers, directors, principals, employees, agents, partners, insurers, auditors, heirs,
27 attorneys, predecessors, successors or assigns, parents, subsidiaries, divisions, joint ventures,
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1 general or limited partners or partnerships, limited liability companies, and any trust of which
2 Nathaniel A. Davis and/or James J. Rhyu is the settlor or which is for the benefit of their
3 Immediate Family members.

4 m) “Effective Date” with respect to the Settlement means the first date by
5 which all of the events and conditions specified in ¶ 33 of this Stipulation have been met and have
6 occurred or have been waived.

7 n) “Escrow Account” means an account maintained at The Huntington
8 National Bank wherein the Settlement Amount shall be deposited and held in escrow under the
9 control of Lead Counsel.

10 o) “Escrow Agent” means The Huntington National Bank.

11 p) “Escrow Agreement” means the agreement between Lead Counsel and the
12 Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow
13 Account.

14 q) “Excluded Claim” or “Excluded Claims” means: (i) any claim(s) relating to
15 the enforcement of the Settlement; or (ii) the claim(s) of any Person who submits a request for
16 exclusion that is accepted by the Court.

17 r) “FAC” or “First Amended Complaint” means the Consolidated Amended
18 Class Action Complaint for Violations of the Federal Securities Laws filed by Plaintiffs in the
19 Action on December 2, 2016.

20 s) “Final,” with respect to the Judgment or, if applicable, the Alternate
21 Judgment, or any other court order, means when the last of the following shall occur: (i) if no
22 appeal is filed, the expiration date of the time provided for filing or noticing any appeal under the
23 Federal Rules of Appellate Procedure, *i.e.*, thirty (30) days after entry of the judgment or order; or
24 (ii) if there is an appeal from the judgment or order, (a) the date of final dismissal of all such
25 appeals, or the final dismissal of any proceeding on certiorari or otherwise, or (b) the date the
26 judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a
27 writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of
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1 review, and, if certiorari or other form of review is granted, the date of final affirmance following
2 review pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial
3 review pertaining solely to an order issued with respect to (i) attorneys' fees, costs or expenses, or
4 (ii) the plan of allocation of Settlement proceeds (as submitted or subsequently modified), shall
5 not in any way delay or preclude a judgment from becoming Final.

6 t) "Immediate Family" or "Immediate Families" means children, stepchildren,
7 parents, stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-
8 law, brothers-in-law, and sisters-in-law. As used in this paragraph, "spouse" shall mean a
9 husband, a wife, or a partner in a state-recognized domestic relationship or civil union.

10 u) "Individual Defendants" means Nathaniel A. Davis and James J. Rhyu.

11 v) "Judgment" means the proposed judgment, substantially in the form
12 attached hereto as Exhibit B, to be entered by the Court approving the Settlement.

13 w) "K12" means K12 Inc.

14 x) "K12 Securities" means K12 common stock publicly traded on the New
15 York Stock Exchange ("NYSE").

16 y) "Lead Counsel" means the law firm of Glancy Prongay & Murray LLP.

17 z) "Lead Plaintiff" means Babulal Tarapara.

18 aa) "Litigation Expenses" means costs and expenses incurred in connection
19 with commencing, prosecuting, and settling the Action, which may include the costs and expenses
20 of Lead Plaintiff directly related to his representation of the Settlement Class, for which Lead
21 Counsel intends to apply to the Court for reimbursement from the Settlement Fund.

22 bb) "Net Settlement Fund" means the Settlement Fund less: (i) any Taxes;
23 (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; and
24 (iv) any attorneys' fees awarded by the Court.

25 cc) "Notice" means the Notice of (i) Pendency of Class Action, Certification of
26 Settlement Class, and Proposed Settlement; (ii) Settlement Hearing; and (iii) Motion for an Award
27 of Attorneys' Fees and Reimbursement of Litigation Expenses, substantially in the form attached
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1 hereto as Exhibit 1 to Exhibit A, which, subject to approval by the Court, shall be made available
2 online at a website maintained by the Claims Administrator or mailed to Settlement Class
3 Members upon request.

4 dd) “Notice and Administration Costs” means the costs, fees, and expenses that
5 are incurred by the Claims Administrator and/or Lead Counsel in connection with: (i) providing
6 notices to the Settlement Class; and (ii) administering the Settlement, including but not limited to
7 the Claims process, as well as the costs, fees, and expenses incurred in connection with the Escrow
8 Account.

9 ee) “Officer” means any officer as that term is defined in Securities and
10 Exchange Act Rule 16a-1(f).

11 ff) “Original Defendants” means, collectively, K12, the Individual Defendants,
12 Mr. Ronald Packard, and Mr. Timothy Murray.

13 gg) “Parties” means Defendants and Lead Plaintiff, on behalf of himself and the
14 Settlement Class.

15 hh) “Person” or “Persons” means an individual, corporation (including all
16 divisions and subsidiaries), general or limited partnership, association, joint stock company, joint
17 venture, limited liability company, professional corporation, estate, legal representative, trust,
18 unincorporated association, government or any political subdivision or agency thereof, and any
19 other business or legal entity.

20 ii) “Plaintiffs” means Lead Plaintiff Tarapara and Dr. Mark Beadle.

21 jj) “Plaintiffs’ Released Parties” means Lead Plaintiff, his respective attorneys,
22 each and every Settlement Class Member, and their respective current and former officers,
23 directors, agents, parents, affiliates, subsidiaries, heirs, successors, predecessors, executors,
24 administrators, assigns, assignees, employees, and attorneys, in their capacities as such.

25 kk) “Plan of Allocation” means the proposed plan of allocation of the Net
26 Settlement Fund set forth in the Notice (attached hereto as Exhibit 1 to Exhibit A).

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1 ll) “Postcard Notice” means the Postcard Notice of: (i) Pendency of Class
2 Action, Certification of Settlement Class, and Proposed Settlement; (ii) Settlement Hearing; and
3 (iii) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses,
4 substantially in the form attached hereto as Exhibit 4 to Exhibit A, which is to be mailed to
5 Settlement Class Members.

6 mm) “Preliminary Approval Order” means the proposed order, substantially in
7 the form attached hereto as Exhibit A, to be entered by the Court preliminarily approving the
8 Settlement and directing that notice of the Settlement be provided to the Settlement Class.

9 nn) “PSLRA” means the Private Securities Litigation Reform Act of 1995, 15
10 U.S.C. § 78u-4, as amended.

11 oo) “Released Claims” means all Released Defendants’ Claims and all Released
12 Plaintiffs’ Claims.

13 pp) “Released Defendants’ Claims” means all claims and causes of action of
14 every nature and description, whether known or Unknown Claims (as defined below), whether
15 arising under federal, state, common, or foreign law, that arise out of or relate in any way to the
16 institution, prosecution, or settlement of this Action. Released Defendants’ Claims do not include
17 any claims relating to the enforcement of the Settlement or any claims against any person or entity
18 who or which submits a request for exclusion from the Settlement Class that is accepted by the
19 Court.

20 qq) “Released Plaintiffs’ Claims” means all claims, rights and causes of action,
21 duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements,
22 promises, damages, and liabilities of every nature and description, whether known or Unknown
23 Claims (as defined below), whether arising under federal, state, common, or foreign law, that Lead
24 Plaintiff or any other member of the Settlement Class: (i) asserted in this Action; or (ii) could have
25 asserted in any forum that arise out of or are based upon the allegations, transactions, facts,
26 matters or occurrences, representations or omissions involved, set forth, or referred to in the
27 complaints filed in this Action and that relate to the purchase of K12 Securities during the
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1 Settlement Class Period. Released Plaintiffs' Claims do not include: (i) claims to enforce the
2 Settlement; or (ii) claims of any Person that submits a request for exclusion that is accepted by the
3 Court.

4 rr) "Released Party" or "Released Parties" means each and any of the
5 Defendants' Released Parties and each and any of the Plaintiffs' Released Parties.

6 ss) "Releases" means the releases set forth in ¶¶ 5-6 of this Stipulation.

7 tt) "SAC" means the Consolidated Second Amended Complaint for Violations
8 of the Federal Securities Laws filed by Plaintiffs in the Action on October 2, 2017.

9 uu) "Settlement" means the resolution of the Action as against the Defendants
10 in accordance with the terms and conditions set forth in this Stipulation.

11 vv) "Settlement Amount" means the total principal amount of \$3,500,000 in
12 cash.

13 ww) "Settlement Class" means all Persons who or which purchased or otherwise
14 acquired K12 Securities between October 10, 2013 and October 27, 2015, inclusive (the
15 Settlement Class Period), and who or which were damaged thereby. Excluded from the
16 Settlement Class are: Defendants; the Officers and directors of K12 at all relevant times, as well as
17 members of their Immediate Families and their legal representatives, heirs, successors, or assigns;
18 any entity in which Defendants have or had a controlling interest; and any trust of which Nathaniel
19 A. Davis and/or James J. Rhyu is the settlor or which is for the benefit of their Immediate Family
20 members. Also excluded from the Settlement Class are any Persons who or which requests
21 exclusion from the Settlement Class, in accordance with the requirements set forth in the Notice,
22 which request is accepted by the Court.

23 xx) "Settlement Class Member" means each Person who or which falls within
24 the definition of "Settlement Class" set forth above in ¶ 1(ww).

25 yy) "Settlement Class Period" means the period between October 10, 2013 and
26 October 27, 2015, inclusive.

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1 zz) “Settlement Fund” means: (i) the Settlement Amount to be paid by or on
2 behalf of the Defendants into the Escrow Account; and (ii) any and all interest earned thereon.

3 aaa) “Settlement Hearing” means the hearing set by the Court under
4 Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider final approval of the Settlement.

5 bbb) “Stipulation” means this Stipulation and Agreement of Settlement.

6 ccc) “Summary Notice” means the Summary Notice of: (i) Pendency of Class
7 Action, Certification of Settlement Class, and Proposed Settlement; (ii) Settlement Hearing; and
8 (iii) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses,
9 substantially in the form attached hereto as Exhibit 3 to Exhibit A, to be published as set forth in
10 the Preliminary Approval Order.

11 ddd) “*Tarapara* Action” means the action styled *Tarapara v. K12 Inc., et al.*,
12 Case No. 4:16-cv-04069-PJH (N.D. Cal.).

13 eee) “*Tuinenburg* Action” means the action styled *Tuinenburg v. K12 Inc., et al.*,
14 Case No. 4:16-cv-05305-PJH (N.D. Cal.).

15 fff) “Taxes” means: (i) all federal, state and/or local taxes of any kind
16 (including any interest or penalties thereon) on any income earned by the Settlement Fund; (ii) the
17 expenses and costs incurred by Lead Counsel in connection with determining the amount of, and
18 paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of tax
19 attorneys and accountants); and (iii) all taxes imposed on payments by the Settlement Fund,
20 including withholding taxes.

21 ggg) “Unknown Claims” means any Released Plaintiffs’ Claims which any Lead
22 Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its
23 favor at the time of the release of the Defendants’ Released Parties, and any Released Defendants’
24 Claims which any Defendant or any other Defendants’ Released Party does not know or suspect to
25 exist in his, her, or its favor at the time of the release of Plaintiffs’ Released Parties, which, if
26 known by him, her or it, might have affected his, her or its decision(s) with respect to this
27 Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon
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1 the Effective Date of the Settlement, Lead Plaintiff and Defendants shall expressly waive, and
2 each of the other Settlement Class Members and each of the other Defendants’ Released Parties
3 shall be deemed to have waived, and by operation of the Judgment (or the Alternate Judgment, if
4 applicable) shall have expressly waived, any and all provisions, rights, and benefits conferred by
5 any law of any state or territory of the United States, or principle of common law or foreign law,
6 which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

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

10 Lead Plaintiff, the other Settlement Class Members, the other Plaintiffs’ Released Parties, the
11 Defendants, or the other Defendants’ Released Parties may hereafter discover facts in addition to
12 or different from those which he, she, or it now knows or believes to be true with respect to the
13 subject matter of the Released Claims, but Lead Plaintiff and the Defendants shall expressly, fully,
14 finally and forever settle and release, and each other Settlement Class Member and each other of
15 Plaintiffs’ Released Parties and Defendants’ Released Parties shall be deemed to have settled and
16 released, and upon the Effective Date and by operation of the Judgment or Alternate Judgment
17 shall have settled and released, fully, finally, and forever, any and all Released Claims as
18 applicable, without regard to the subsequent discovery or existence of such different or additional
19 facts. Lead Plaintiff and Defendants acknowledge, and each of the other Plaintiffs’ Released
20 Parties and Defendants’ Released Parties shall be deemed by operation of law to have
21 acknowledged, that the foregoing waiver was separately bargained for and a key element of the
22 Settlement.

23 **CLASS CERTIFICATION**

24 2. Solely for purposes of the Settlement and for no other purpose, Defendants
25 stipulate and agree to: (a) certification of the Action as a class action pursuant to Rules 23(a) and
26 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class, as defined
27 above in ¶ 1(wv); (b) certification of Lead Plaintiff as Class Representative for the Settlement
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1 Class; and (c) appointment of Lead Counsel as Class Counsel for the Settlement Class pursuant to
2 Rule 23(g) of the Federal Rules of Civil Procedure.

3 **PRELIMINARY APPROVAL OF SETTLEMENT**

4 3. Promptly upon execution of this Stipulation, Lead Plaintiff will move for
5 preliminary approval of the Settlement set forth in the Stipulation, approval for the mailing of the
6 Notice, approval of the publication of the Summary Notice, certification of the Settlement Class
7 for settlement purposes only, and the scheduling of the hearing for consideration of final approval
8 of the Settlement, which motion shall be unopposed by Defendants. Concurrently with the motion
9 for preliminary approval, Lead Plaintiff shall apply to the Court for, and Defendants shall agree to,
10 entry of the Preliminary Approval Order, substantially in the form attached hereto as Exhibit A.

11 **RELEASE OF CLAIMS**

12 4. The obligations incurred pursuant to this Stipulation are, subject to approval by the
13 Court and such approval becoming final, in consideration of: (a) the full and final disposition of
14 the Action with respect to Defendants' Released Parties and any and all Released Claims; and (b)
15 the Releases provided for herein.

16 5. Pursuant to the Judgment (or the Alternate Judgment, if applicable), without further
17 action by anyone, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other
18 Settlement Class Members, on behalf of themselves and all other Plaintiffs' Released Parties, shall
19 be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and
20 forever compromised, settled, released, resolved, relinquished, waived, discharged, and dismissed
21 each and every Released Plaintiffs' Claim against the Defendants and the other Defendants'
22 Released Parties, and shall forever be barred and enjoined from prosecuting any or all of the
23 Released Plaintiffs' Claims against any of the Defendants' Released Parties. This release shall not
24 apply to any Excluded Claim.

25 6. Pursuant to the Judgment (or the Alternate Judgment, if applicable), without further
26 action by anyone, upon the Effective Date of the Settlement, Defendants, on behalf of themselves
27 and all other Defendants' Released Parties, shall be deemed to have, and by operation of law and
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1 of the judgment shall have, fully, finally and forever compromised, settled, released, resolved,
2 relinquished, waived and discharged each and every Released Defendants' Claims against Lead
3 Plaintiff and the other Plaintiffs' Released Parties, and shall forever be barred and enjoined from
4 prosecuting any or all of the Released Defendants' Claims against any of the Plaintiffs' Released
5 Parties. This release shall not apply to any Excluded Claim.

6 7. Notwithstanding ¶¶ 5-6 above, nothing in the Judgment (or the Alternate Judgment,
7 if applicable), shall bar any action by any of the Parties to enforce or effectuate the terms of this
8 Stipulation or the Judgment (or Alternate Judgment, if applicable).

9 **THE SETTLEMENT CONSIDERATION**

10 8. In consideration of the settlement of the Released Plaintiffs' Claims against
11 Defendants and the other Defendants' Released Parties, Defendants shall pay or cause to be paid
12 the Settlement Amount into the Escrow Account within fifteen (15) calendar days after the later
13 of: (a) the date of entry by the Court of an order preliminarily approving this Settlement; or
14 (b) Defendants' Counsel's receipt from Lead Counsel of the information necessary to effectuate a
15 transfer of funds to the Escrow Account, including wiring instructions that include the bank name
16 and ABA routing number, account name and number, and a signed W-9 form reflecting a valid
17 taxpayer identification number for the qualified settlement fund in which the Settlement Amount
18 is to be deposited.

19 9. With the sole exception of the Defendants' obligation to cause the payment(s) into
20 the Escrow Account as provided for in ¶ 8, the Defendants, Defendants' Released Parties, and
21 Defendants' Counsel shall have no responsibility or liability with respect to the Escrow Account
22 or the monies maintained in the Escrow Account, including, without limitation, any responsibility
23 or liability related to any fees, Taxes, investment decisions, maintenance, supervision, or
24 distributions of any portion of the Settlement Amount.

25 **USE OF SETTLEMENT FUND**

26 10. The Settlement Fund shall be used to pay: (a) any Taxes; (b) any Notice and
27 Administration Costs; (c) any Litigation Expenses awarded by the Court; and (d) any attorneys'
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1 fees awarded by the Court. The balance remaining in the Settlement Fund, that is, the Net
2 Settlement Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 20-31 below.

3 11. Except as provided herein, or pursuant to orders of the Court, the Net Settlement
4 Fund shall remain in the Escrow Account prior to the Effective Date. All funds held by the
5 Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the
6 jurisdiction of the Court until such time as the funds shall be distributed or returned pursuant to the
7 terms of this Stipulation and/or further order of the Court. The Escrow Agent shall invest any
8 funds in the Escrow Account exclusively in United States Treasury Bills (or a mutual fund
9 invested solely in such instruments) and shall collect and reinvest all interest accrued thereon,
10 except that any residual cash balances up to the amount that is insured by the FDIC may be
11 deposited in any account that is fully insured by the FDIC. In the event that the yield on United
12 States Treasury Bills is negative, in lieu of purchasing such Treasury Bills, all or any portion of
13 the funds held by the Escrow Agent may be deposited in any account that is fully insured by the
14 FDIC or backed by the full faith and credit of the United States. Additionally, if short-term
15 placement of the funds is necessary, all or any portion of the funds held by the Escrow Agent may
16 be deposited in any account that is fully insured by the FDIC or backed by the full faith and credit
17 of the United States. Defendants, Defendants' Released Parties, and Defendants' Counsel shall
18 have no responsibility for, interest in, or liability whatsoever with respect to investment decisions
19 or the actions of the Escrow Agent, or any transaction executed by the Escrow Agent.

20 12. The Parties agree to treat the Settlement Fund as a "qualified settlement fund"
21 within the meaning of Treasury Regulation § 1.468B-1. In addition, the Parties agree to treat Lead
22 Counsel as administrator of the Settlement Fund within the meaning of Treasury Regulation
23 § 1.468B-2(k)(3), and Lead Counsel shall be solely responsible for filing or causing to be filed all
24 informational and other tax returns as may be necessary or appropriate (including, without
25 limitation, the returns described in Treasury Regulation § 1.468B-2(k)) for the Settlement Fund.
26 Lead Counsel shall also be responsible for causing payment to be made from the Settlement Fund
27 of any Taxes owed with respect to the Settlement Fund. The Defendants' Released Parties shall
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1 not have any liability or responsibility for any such Taxes. Upon written request, Defendants will
2 provide to Lead Counsel the statement described in Treasury Regulation § 1.468B-3(e). Lead
3 Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation §
4 1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this
5 paragraph, including, as necessary, making a “relation back election,” as described in Treasury
6 Regulation § 1.468B-1(j), to cause the Qualified Settlement Fund to come into existence at the
7 earliest allowable date, and shall take or cause to be taken all actions as may be necessary or
8 appropriate in connection therewith.

9 13. All Taxes shall be paid out of the Settlement Fund, and shall be timely paid by the
10 Escrow Agent pursuant to the disbursement instructions to be set forth in the Escrow Agreement,
11 and without further order of the Court. Any tax returns prepared for the Settlement Fund (as well
12 as the election set forth therein) shall be consistent with the previous paragraph and in all events
13 shall reflect that all Taxes on the income earned by the Settlement Fund shall be paid out of the
14 Settlement Fund as provided herein. In the event any Taxes are owed by any of the Defendants’
15 Released Parties on any interest earned on the funds on deposit in the Escrow Account, such
16 amounts shall also be paid out of the Escrow Account. The Defendants’ Released Parties and
17 Defendants’ Counsel shall have no responsibility or liability for the acts or omissions of Lead
18 Counsel or its agents with respect to the payment of Taxes, as described herein.

19 14. The Settlement is not a claims-made settlement. Upon the occurrence of the
20 Effective Date, no Defendant, Defendants’ Released Party, or any other Persons who or which
21 paid any portion of the Settlement Amount shall have any right to the return of the Settlement
22 Fund or any portion thereof for any reason whatsoever, including without limitation, the number
23 of Claim Forms submitted, the collective amount of Recognized Claims of Authorized Claimants,
24 the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the
25 Net Settlement Fund.

26 15. Notwithstanding the fact that the Effective Date of the Settlement has not yet
27 occurred, Lead Counsel may pay from the Settlement without further approval from Defendants or
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1 further order of the Court, all Notice and Administration Costs actually incurred and paid or
2 payable. Such costs and expenses shall include, without limitation, the actual costs of printing and
3 mailing the Postcard Notice, publishing the Summary Notice, reimbursements to nominee owners
4 for forwarding the Postcard Notice to their beneficial owners, the administrative expenses incurred
5 and fees charged by the Claims Administrator in connection with providing notice, administering
6 the Settlement (including processing the submitted Claims), and the fees, if any, of the Escrow
7 Agent. In the event that the Settlement is terminated pursuant to the terms of this Stipulation, all
8 Notice and Administration Costs paid or incurred, including any related fees, shall not be returned
9 or repaid to Defendants, any of the other Defendants' Released Parties, or any other Persons who
10 or which paid any portion of the Settlement Amount on their behalf.

11 **ATTORNEYS' FEES AND LITIGATION EXPENSES**

12 16. Lead Counsel will apply to the Court for an award of attorneys' fees to be paid
13 from (and out of) the Settlement Fund. Lead Counsel also will apply to the Court for
14 reimbursement of Litigation Expenses, which may include a request for reimbursement of Lead
15 Plaintiff's costs and expenses directly related to his representation of the Settlement Class, to be
16 paid from (and out of) the Settlement Fund. Lead Counsel's application for an award of attorneys'
17 fees and/or Litigation Expenses is not the subject of any agreement between Defendants and Lead
18 Plaintiff, and Defendants will take no position on the fee and expense application. The amount of
19 attorneys' fees and expenses awarded by the Court is within the sole discretion of the Court.

20 17. Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be
21 paid from the Settlement Fund to Lead Counsel immediately upon award, notwithstanding the
22 existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral
23 attack on the Settlement or any part thereof, subject to Lead Counsel's obligation to make
24 appropriate refunds or repayments to the Settlement Fund, plus accrued interest at the same net
25 rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of
26 this Stipulation or if, as a result of any appeal or further proceedings on remand, or successful
27 collateral attack, the award of attorneys' fees and/or Litigation Expenses is reduced or reversed
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1 and such order reducing or reversing the award has become Final. Lead Counsel shall make the
2 appropriate refund or repayment in full no later than thirty (30) days after: (a) receiving from
3 Defendants' Counsel notice of the termination of the Settlement; or (b) any order reducing or
4 reversing the award of attorneys' fees and/or Litigation Expenses has become Final.

5 18. The procedure for and the allowance or disallowance by the Court of any fee and
6 expense application are not part of the Settlement set forth in this Stipulation, and are separate
7 from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set
8 forth in the Stipulation. An award of attorneys' fees and/or Litigation Expenses is not a necessary
9 term of this Stipulation and is not a condition of the Settlement embodied herein. Any order or
10 proceeding relating to any fee and expense application, including an award of attorneys' fees in an
11 amount less than the amount requested by Lead Counsel, or any appeal from any order relating
12 thereto or reversal or modification thereof, shall not operate to terminate or cancel the Stipulation,
13 or affect or delay the finality of the Judgment or Alternate Judgment approving the Stipulation and
14 the Settlement set forth herein, including, but not limited to, the release, discharge, and
15 relinquishment of the Released Claims against the Defendants' Released Parties.

16 19. With the sole exception of the Defendants making payment into the Escrow
17 Account as provided for in ¶ 8, neither Defendants nor any of the Defendants' Released Parties
18 shall have any responsibility for or liability with respect to any payment to Lead Counsel that may
19 occur at any time.

20 **NOTICE AND SETTLEMENT ADMINISTRATION**

21 20. As part of the Preliminary Approval Order, Lead Plaintiff shall seek appointment of
22 a Claims Administrator. The Claims Administrator shall administer the Settlement, including but
23 not limited to the process of receiving, reviewing, and approving or denying Claims, under Lead
24 Counsel's supervision and subject to the jurisdiction of the Court. Other than K12's obligation to
25 provide its securities holders records as provided in ¶ 21 below, none of the Defendants, nor any
26 other Defendants' Released Parties, shall have any involvement in or any responsibility, authority,
27 or liability whatsoever for the selection of the Claims Administrator, the Plan of Allocation, the
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1 administration of the Settlement, the Claims process, or disbursement of the Net Settlement Fund,
2 and shall have no liability whatsoever to any Person, including, but not limited to, Lead Plaintiff,
3 any other Settlement Class Members, or Lead Counsel in connection with the foregoing.

4 21. In accordance with the terms of the Preliminary Approval Order to be entered by
5 the Court, Lead Counsel shall cause the Claims Administrator to mail the Postcard Notice to those
6 members of the Settlement Class as may be identified through reasonable effort. Lead Counsel
7 shall also cause the Claims Administrator to: (a) post downloadable copies of the Notice and
8 Claim Form online at www.K12SecuritiesLitigation.com; and (b) have the Summary Notice
9 published in accordance with the terms of the Preliminary Approval Order to be entered by the
10 Court. K12 shall provide or cause to be provided to Lead Counsel or the Claims Administrator, at
11 no cost, a list in electronic searchable form of the names and last known addresses of the Persons
12 who purchased or otherwise acquired K12 Securities during the Settlement Class Period within
13 fifteen (15) calendar days after entry of a Court order preliminary approving the Settlement.
14 Except for the Company's obligations arising under this paragraph, the Defendants' Released
15 Parties and Defendants' Counsel shall have no liability, obligation, or responsibility for the
16 administration of the Settlement, the allocation of the Net Settlement Fund, or reviewing or
17 challenging of claims of members of the Settlement Class. Lead Counsel shall be solely
18 responsible for designating the Claims Administrator, subject to approval by the Court.

19 22. The Claims Administrator shall receive Claims and determine first, whether the
20 Claim is a valid Claim, in whole or part, and second, each Authorized Claimant's *pro rata* share of
21 the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim compared to
22 the total Recognized Claims of all Authorized Claimants (as set forth in the Plan of Allocation set
23 forth in the Notice attached hereto as Exhibit 1 to Exhibit A, or in such other plan of allocation as
24 the Court approves).

25 23. The Plan of Allocation proposed in the Notice is not a necessary term of the
26 Settlement or of this Stipulation and it is not a condition of the Settlement or of this Stipulation
27 that any particular plan of allocation be approved by the Court. Lead Plaintiff and Lead Counsel
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1 may not cancel or terminate the Settlement (or this Stipulation) based on this Court's or any
2 appellate court's ruling with respect to the Plan of Allocation or any other plan of allocation in this
3 Action. Defendants and the other Defendants' Released Parties shall not object in any way to the
4 Plan of Allocation or any other plan of allocation in this Action. No Defendant, nor any other
5 Defendants' Released Parties, shall have any involvement with or liability, obligation or
6 responsibility whatsoever for the application of the Court-approved Plan of Allocation.

7 24. Any Settlement Class Member who does not submit a valid Claim Form will not be
8 entitled to receive any distribution from the Net Settlement Fund, but will otherwise be bound by
9 all of the terms of this Stipulation and Settlement, including the terms of the Judgment or, the
10 Alternate Judgment, if applicable, to be entered in the Action and the releases provided for herein
11 and therein, and will be permanently barred and enjoined from bringing any action, claim, or other
12 proceeding of any kind against the Defendants' Released Parties with respect to the Released
13 Plaintiffs' Claims in the event that the Effective Date occurs with respect to the Settlement.

14 25. Lead Counsel shall be responsible for supervising the administration of the
15 Settlement and the disbursement of the Net Settlement Fund subject to Court approval. No
16 Defendant, or any other Defendants' Released Parties, shall be permitted to review, contest, or
17 object to any Claim Form, or any decision of the Claims Administrator or Lead Counsel with
18 respect to accepting or rejecting any Claim for payment by a Settlement Class Member. Lead
19 Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive
20 what Lead Counsel deems to be formal or technical defects in any Claim Forms submitted in the
21 interests of achieving substantial justice.

22 26. For purposes of determining the extent, if any, to which a Settlement Class Member
23 shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

24 a) Each Settlement Class Member shall be required to submit a Claim Form,
25 substantially in the form attached hereto as Exhibit 2 to Exhibit A, supported by such documents
26 as are designated therein, including proof of the Claimant's loss, or such other documents or proof
27 as the Claims Administrator or Lead Counsel, in their discretion, may deem acceptable;

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1 b) All Claim Forms must be submitted by the date set by the Court in the
2 Preliminary Approval Order and specified in the Notice. Any Settlement Class Member who fails
3 to submit a Claim Form by such date may be forever barred from receiving any distribution from
4 the Net Settlement Fund or payment pursuant to this Stipulation (unless by Order of the Court
5 such Settlement Class Member's Claim Form is accepted), but shall in all other respects be bound
6 by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or
7 Alternate Judgment, if applicable, and the Releases provided for herein and therein, and will be
8 permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind
9 against any Defendants' Released Parties with respect to any Released Plaintiffs' Claim. Provided
10 that it is mailed by the claim-submission deadline, a Claim Form shall be deemed to be submitted
11 when postmarked, if received with a postmark indicated on the envelope and if mailed by first-
12 class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim
13 Form shall be deemed to have been submitted on the date when actually received by the Claims
14 Administrator;

15 c) Each Claim Form shall be submitted to and reviewed by the Claims
16 Administrator who shall determine in accordance with this Stipulation and the plan of allocation
17 the extent, if any, to which each Claim shall be allowed, subject to review by the Court pursuant to
18 subparagraph (e) below as necessary;

19 d) Claim Forms that do not meet the submission requirements may be rejected.
20 Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with
21 the Claimant in writing, to give the Claimant the chance to remedy any curable deficiencies in the
22 Claim Form submitted. The Claims Administrator shall notify, in a timely fashion and in writing,
23 all Claimants whose Claim the Claims Administrator proposes to reject in whole or in part, setting
24 forth the reasons therefor, and shall indicate in such notice that the Claimant whose Claim is to be
25 rejected has the right to a review by the Court if the Claimant so desires and complies with the
26 requirements of subparagraph (e) below; and

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1 e) If any Claimant whose Claim has been rejected in whole or in part desires
2 to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of
3 the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and
4 statement of reasons indicating the Claimant's grounds for contesting the rejection along with any
5 supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a
6 Claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review
7 to the Court.

8 27. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court
9 with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery
10 under the Federal Rules of Civil Procedure, provided, however, that such investigation and
11 discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity
12 and amount of the Claimant's Claim. No discovery shall be allowed on the merits of this Action
13 or of the Settlement in connection with the processing of Claim Forms.

14 28. Lead Counsel will apply to the Court, on notice to Defendants' Counsel, for a Class
15 Distribution Order: (a) approving the Claims Administrator's administrative determinations
16 concerning the acceptance and rejection of the Claims submitted; (b) approving payment of any
17 administration fees and expenses associated with the administration of the Settlement from the
18 Escrow Account; and (c) if the Effective Date has occurred, directing payment of the Net
19 Settlement Fund to Authorized Claimants from the Escrow Account.

20 29. Payment pursuant to the Class Distribution Order shall be final and conclusive
21 against all Settlement Class Members. All Settlement Class Members whose Claims are not
22 approved by the Court for payment shall be barred from participating in distributions from the Net
23 Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the
24 Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, to be entered
25 in this Action and the Releases provided for herein and therein, and will be permanently barred
26 and enjoined from bringing any action against any and all Defendants' Released Parties with
27 respect to any and all of the Released Plaintiffs' Claims.

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1 30. No Person shall have any claim against Lead Plaintiff, Lead Counsel, the Claims
2 Administrator or any other agent designated by Lead Counsel, or the Defendants' Released Parties
3 and/or their respective counsel, arising from distributions made substantially in accordance with
4 the Stipulation, the plan of allocation approved by the Court, or any order of the Court. Lead
5 Plaintiff and Defendants, and their respective counsel, and Lead Plaintiff's damages expert and all
6 other Released Parties shall have no liability whatsoever for the investment or distribution of the
7 Settlement Fund or the Net Settlement Fund, the plan of allocation, or the determination,
8 administration, calculation, or payment of any claim or nonperformance of the Claims
9 Administrator, the payment or withholding of taxes (including interest and penalties) owed by the
10 Settlement Fund, or any losses incurred in connection therewith.

11 31. All proceedings with respect to the administration, processing and determination of
12 Claims and the determination of all controversies relating thereto, including disputed questions of
13 law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the Court.
14 All Settlement Class Members and Parties to this Settlement expressly waive trial by jury (to the
15 extent any such right may exist) and any right of appeal or review with respect to such
16 determinations.

17 **TERMS OF THE JUDGMENT**

18 32. If the Settlement contemplated by this Stipulation is approved by the Court, Lead
19 Counsel and Defendants' Counsel shall request that the Court enter a Judgment, substantially in
20 the form attached hereto as Exhibit B.

21 **CONDITIONS OF SETTLEMENT AND EFFECT OF DISAPPROVAL,**
22 **CANCELLATION, OR TERMINATION**

23 33. The Effective Date of the Settlement shall be deemed to occur on the occurrence or
24 waiver of all of the following events:

- 25 a) the Court has entered the Preliminary Approval Order, substantially in the
26 form set forth in Exhibit A attached hereto, as required by ¶ 3 above;

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1 b) the Settlement Amount has been deposited into the Escrow Account in
2 accordance with the provisions of ¶ 8 above;

3 c) Defendants have not exercised their option to terminate the Settlement
4 pursuant to the provisions of this Stipulation (including the Supplemental Agreement described in
5 ¶ 37 below), and the time to do so has expired;

6 d) Lead Plaintiff has not exercised his option to terminate the Settlement
7 pursuant to the provisions of this Stipulation, and the time to do so has expired; and

8 e) the Court has approved the Settlement as described herein, following notice
9 to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil
10 Procedure, and entered the Judgment and the Judgment has become Final, or the Court has entered
11 an Alternate Judgment and none of the Parties seek to terminate the Settlement and the Alternate
12 Judgment has become Final.

13 34. Upon the Effective Date of the Settlement, any and all remaining interest or right of
14 Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished and
15 the Releases herein shall be effective.

16 35. Except as otherwise provided herein, in the event the Settlement is terminated or
17 fails to become effective for any reason, then:

18 a) The Settlement and the relevant portions of this Stipulation shall be
19 canceled and terminated.

20 b) Lead Plaintiff and Defendants shall revert to their respective litigation
21 positions in the Action as of September 10, 2018, and the Parties shall proceed in all respects as if
22 this Stipulation and any related orders had not been entered.

23 c) The terms and provisions of this Stipulation, with the exception of this ¶ 35
24 and ¶¶ 15, 17, 38 and 59, shall have no further force and effect with respect to the Parties and shall
25 not be used in the Action or in any other proceeding for any purpose, and any Judgment (or
26 Alternate Judgment, if applicable), or order entered by the Court in accordance with the terms of
27 this Stipulation shall be treated as vacated, *nunc pro tunc*.

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1 d) Within five (5) business days after joint written notification of termination
2 is sent by Defendants' Counsel and Lead Counsel to the Escrow Agent, the Settlement Fund
3 (including accrued interest thereon and any funds received by Lead Counsel consistent with ¶ 17
4 above), less any Notice and Administration Costs actually incurred, paid or payable, and less any
5 Taxes paid, due or owing with respect to accrued interest, shall be refunded by the Escrow Agent
6 to Defendants (or such other Persons as Defendants may direct). In the event that the funds
7 received by Lead Counsel consistent with ¶ 17 above have not been refunded to the Settlement
8 Fund within the five (5) business days specified in this paragraph, those funds shall be refunded by
9 the Escrow Agent to Defendants (or such other Persons as Defendants may direct) immediately
10 upon their deposit into the Escrow Account consistent with ¶ 17 above.

11 36. Lead Plaintiff and Defendants shall each have the right to terminate the Settlement
12 and this Stipulation by providing written notice of their election to do so ("Termination Notice"),
13 through counsel, to all other Parties to this Stipulation within thirty (30) calendar days of: (a) the
14 Court's final refusal to enter the Preliminary Approval Order in any material respect; (b) the
15 Court's final refusal to approve this Stipulation or any material part of it; (c) the Court's final
16 refusal to enter the Judgment in any material respect as to the Settlement; (d) the date upon which
17 the Judgment is modified or reversed in any material respect by the United States Court of
18 Appeals for the Ninth Circuit or the United States Supreme Court; or (e) the date upon which an
19 Alternate Judgment is modified or reversed in any material respect by the United States Court of
20 Appeals for the Ninth Circuit or the United States Supreme Court, and the provisions of ¶ 35
21 above shall apply. However, any decision or proceeding, whether in this Court or any appellate
22 court, with respect to an application for attorneys' fees or reimbursement of Litigation Expenses or
23 with respect to any plan of allocation shall not be considered material to the Settlement, shall not
24 affect the finality of any Judgment or Alternate Judgment, if applicable, and shall not be grounds
25 for termination of the Settlement.

26 37. Simultaneously herewith, Defendants' Counsel and Lead Counsel are executing a
27 Supplemental Agreement regarding requests for exclusion ("Supplemental Agreement"). In
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1 addition to the grounds set forth in ¶ 36 above, the Supplemental Agreement sets forth certain
2 conditions under which each of the Defendants shall have the unilateral option to terminate the
3 Settlement and render this Stipulation null and void in the event that requests for exclusion from
4 the Settlement Class exceed certain agreed-upon criteria (the “Opt-Out Threshold”). The Parties
5 agree to maintain the confidentiality of the Supplemental Agreement, which shall not be filed with
6 the Court and its terms shall not be disclosed in any other manner (other than the statements herein
7 and in the Notice, to the extent necessary, or as otherwise provided in the Supplemental
8 Agreement) unless and until the Court otherwise directs or a dispute arises between Lead Plaintiffs
9 and Defendants concerning its interpretation or application, in which event the Parties shall submit
10 the Supplemental Agreement to the Court in camera and request that the Court afford it
11 confidential treatment.

12 **NO ADMISSION OF WRONGDOING**

13 38. Neither this Stipulation (whether or not consummated), including the exhibits
14 hereto and the Plan of Allocation contained herein (or any other plan of allocation that may be
15 approved by the Court), nor the negotiations leading to the execution of this Stipulation, nor any
16 proceedings taken pursuant to or in connection with this Stipulation and/or approval of the
17 Settlement (including any arguments proffered in connection therewith):

18 a) shall be offered against any of the Defendants’ Released Parties as evidence
19 of, or construed as or deemed to be evidence of, any presumption, concession, or admission by
20 any of the Defendants’ Released Parties with respect to the truth of any fact alleged by Lead
21 Plaintiff or any other of Plaintiffs’ Released Parties, or the validity of any claim that was or could
22 have been asserted against any of the Defendants’ Released Parties, or the deficiency of any
23 defense that has been or could have been asserted in this Action or in any other litigation, or of any
24 liability, negligence, fault, or other wrongdoing of any kind with respect to any of the Defendants’
25 Released Parties, or in any way referred to for any other reason as against any of the Defendants’
26 Released Parties, in any civil, criminal, or administrative action or proceeding, other than such
27 proceedings as may be necessary to effectuate the provisions of this Stipulation;

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1 41. In the event of the entry of a final order of a court of competent jurisdiction
2 determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of
3 Defendants to be a preference, voidable transfer, fraudulent transfer, or similar transaction and any
4 portion thereof is required to be returned, and such amount is not promptly deposited into the
5 Settlement Fund by others, then, at the election of Lead Plaintiff, Lead Plaintiff and Defendants
6 shall jointly move the Court to vacate and set aside the Releases given and the Judgment or
7 Alternate Judgment entered in favor of Defendants and the other Released Parties pursuant to this
8 Stipulation, in which event the releases and Judgment, or Alternate Judgment, if applicable, shall
9 be null and void, and the Parties shall be restored to their respective positions in the litigation as
10 provided in ¶ 35 above and any cash amounts in the Settlement Fund (less any Taxes paid, due or
11 owing with respect to the Settlement Fund and less any Notice and Administration Costs actually
12 incurred, paid or payable) shall be returned as provided in ¶ 35.

13 42. The Parties intend this Stipulation and the Settlement to be a final and complete
14 resolution of all disputes asserted or which could be asserted by Lead Plaintiff and any other
15 Settlement Class Members against the Defendants' Released Parties with respect to the Released
16 Plaintiffs' Claims. Accordingly, Lead Plaintiff and his counsel and Defendants and their counsel
17 agree not to assert in any forum that this Action was brought by Lead Plaintiff or defended by
18 Defendants in bad faith or without a reasonable basis. No Party shall assert any claims of any
19 violation of Rule 11 of the Federal Rules of Civil Procedure relating to the institution, prosecution,
20 defense, or settlement of this Action. The Parties agree that the amount paid and the other terms
21 of the Settlement were negotiated at arm's-length and in good faith by the Parties, including
22 through a mediation process supervised by Judge Weinstein, and reflect a settlement that was
23 reached voluntarily after extensive negotiations and consultation with experienced legal counsel,
24 who were fully competent to assess the strengths and weaknesses of their respective clients'
25 claims or defenses.

26 43. While retaining their right to declare or deny that the claims asserted in the Action
27 were meritorious, Lead Plaintiff and Defendants and their respective counsel, in any statement
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1 made to any media representative (whether or not for attribution) shall not deny that the Action
2 was commenced, defended, and prosecuted in good faith, and is being settled voluntarily after
3 consultation with competent legal counsel. Lead Plaintiff and Defendants and their respective
4 counsel further shall refrain from any accusations of wrongful or actionable conduct by either
5 Party concerning the prosecution, defense, and resolution of the Action, and shall not otherwise
6 suggest that the Settlement constitutes an admission of any wrongdoing, claim, or defense alleged.

7 44. The terms of the Settlement, as reflected in this Stipulation, may not be modified or
8 amended, nor may any of its provisions be waived except by a writing signed on behalf of both
9 Lead Plaintiff and Defendants (or their successors-in-interest).

10 45. The headings herein are used for the purpose of convenience only and are not
11 meant to have legal effect.

12 46. The administration and consummation of the Settlement as embodied in this
13 Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the
14 purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses and
15 enforcing the terms of this Stipulation, including the Plan of Allocation (or such other plan of
16 allocation as may be approved by the Court) and the distribution of the Net Settlement Fund to
17 Settlement Class Members.

18 47. The waiver by one Party of any breach of this Stipulation by any other Party shall
19 not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

20 48. This Stipulation and its exhibits and the Supplemental Agreement constitute the
21 entire agreement among Lead Plaintiff and Defendants concerning the Settlement. All Parties
22 acknowledge that no other agreements, representations, warranties, or inducements have been
23 made by any Party hereto concerning this Stipulation, its exhibits or the Supplemental Agreement
24 other than those contained and memorialized in such documents.

25 49. This Stipulation may be executed in one or more counterparts, including by
26 signature transmitted via facsimile, or by a .pdf/.tif image of the signature transmitted via email.
27 All executed counterparts and each of them shall be deemed to be one and the same instrument.
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1 50. This Stipulation shall be binding upon and inure to the benefit of the successors and
2 assigns of the Parties, including any and all Released Parties and any corporation, partnership, or
3 other entity into or with which any Party hereto may merge, consolidate, or reorganize.

4 51. The construction, interpretation, operation, effect and validity of this Stipulation,
5 the Supplemental Agreement and all documents necessary to effectuate it shall be governed by the
6 internal laws of the State of California without regard to conflicts of laws, except to the extent that
7 federal law requires that federal law govern.

8 52. Any action arising under or to enforce this Stipulation or any portion thereof shall
9 be commenced and maintained only in the Court.

10 53. This Stipulation shall not be construed more strictly against one Party than another
11 merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of
12 the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties
13 and all Parties have contributed substantially and materially to the preparation of this Stipulation.

14 54. Lead Counsel, on behalf of the Settlement Class Members, warrants and represents
15 that it is expressly authorized by Lead Plaintiff to take all appropriate action required or permitted
16 to be taken by the Settlement Class Members pursuant to the Stipulation to effectuate its terms and
17 also is expressly authorized by Lead Plaintiff to enter into any modifications or amendments to the
18 Stipulation on behalf of the Settlement Class Members that it deems appropriate

19 55. All counsel and any other person executing this Stipulation and any of the exhibits
20 hereto, or any related Settlement documents, warrant and represent that they have the full authority
21 to do so and that they have the authority to take appropriate action required or permitted to be
22 taken pursuant to the Stipulation to effectuate its terms.

23 56. Lead Counsel and Defendants' Counsel agree to cooperate fully with one another
24 in seeking Court approval of the Preliminary Approval Order and the Settlement, as embodied in
25 this Stipulation, and to use best efforts to promptly agree upon and execute all such other
26 documentation as may be reasonably required to obtain final approval by the Court of the
27 Settlement.

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1 57. If any Party is required to give notice to another Party under this Stipulation, such
2 notice shall be in writing and shall be deemed to have been duly given upon receipt of hand
3 delivery or facsimile or email transmission, with confirmation of receipt. Notice shall be provided
4 as follows:

5	If to Lead Plaintiff or Lead Counsel:	Glancy Prongay & Murray LLP
6		Attn: Kara M. Wolke, Esq.
7		1925 Century Park East, Suite 2100
8		Los Angeles, CA 90067
		Telephone: (310) 201-9150
		Facsimile: (310) 201-9160
9		Email: kwolke@glancylaw.com

10	If to Defendants:	Latham & Watkins LLP
11		Attn: Peter A. Wald, Esq.
12		505 Montgomery Street, Suite 2000
13		San Francisco, CA 94111-6538
		Telephone: (415) 391-0600
		Facsimile: (415) 395-8095
14		Email: peter.wald@lw.com

15 58. Except as otherwise provided herein, each Party shall bear its own costs.

16 59. All agreements made and orders entered during the course of this Action relating to
17 the confidentiality of information, including the confidentiality of documents and information
18 produced in discovery, shall survive this Settlement.

19 60. Nothing in the Stipulation, or the negotiations relating thereto, is intended to or
20 shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without
21 limitation, attorney-client privilege, joint defense privilege, or work product protection.

22 61. This Stipulation shall be binding when signed, but the Settlement shall be effective
23 only on the condition that the Effective Date occurs.


24 62. No opinion or advice concerning the tax consequences of the proposed Settlement
25 to individual Settlement Class Members is being given or will be given by the Parties or their
26 counsel; nor is any representation or warranty in this regard made by virtue of this Stipulation.
27 Each Settlement Class Member's tax obligations, and the determination thereof, are the sole
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1 responsibility of the Settlement Class Member, and it is understood that the tax consequences may
2 vary depending on the particular circumstances of each individual Settlement Class Member.

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IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed,
by their duly authorized attorneys, as of November 26, 2018.

GLANCY PRONGAY & MURRAY LLP

By: 
Kara M. Wolke
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
Telephone: (310) 201-9150
Facsimile: (310) 201-9160

*Lead Counsel for Lead Plaintiff
and the Settlement Class*

LATHAM & WATKINS LLP

By: 
Peter A. Wald
505 Montgomery Street, Suite 2000
San Francisco, CA 94111-6538
Telephone: (415) 391-0600
Facsimile: (415) 395-8095

Counsel for Defendants

Exhibit A

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND JUDICIAL DIVISION

In re K12 INC. SECURITIES
LITIGATION

Master File No. 4:16-cv-04069-PJH

Honorable Phyllis J. Hamilton

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

WHEREAS, a consolidated class action is pending in this Court entitled *In re K12 Inc. Sec. Litig.*, Master File No. 4:16-cv-04069-PJH (the “Action”);

WHEREAS, (a) Lead Plaintiff Babulal Tarapara, on behalf of himself and the Settlement Class (defined below), and (b) Defendant K12 Inc. (“K12”), along with Defendants Nathaniel A. Davis (“Davis”) and James J. Rhyu (“Rhyu”) (the “Individual Defendants” and, together with K12, the “Defendants”; and, together with Lead Plaintiff, the “Parties”) have determined to settle all claims asserted or that could have been asserted against Defendants in this Action with prejudice on the terms and conditions set forth in the Stipulation and Agreement of Settlement dated November 26, 2018 (the “Stipulation”) subject to approval of this Court (the “Settlement”);

WHEREAS, Lead Plaintiff has made an application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order preliminarily approving the Settlement in accordance with the Stipulation, certifying the Settlement Class for purposes of the Settlement only, and allowing notice to Settlement Class Members as more fully described herein;

WHEREAS, the Court has read and considered: (a) Lead Plaintiff’s motion for

preliminary approval of the Settlement, and the papers filed and arguments made in connection therewith; and (b) the Stipulation and the exhibits attached thereto; and

WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall have the same meanings as they have in the Stipulation;

NOW THEREFORE, IT IS HEREBY ORDERED:

1. **Class Certification for Settlement Purposes** – Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Court certifies, solely for purposes of effectuating the proposed Settlement, a Settlement Class consisting of all Persons¹ who or which purchased or otherwise acquired K12 Securities² between October 10, 2013 and October 27, 2015, inclusive (the “Settlement Class Period”), and were damaged thereby. Excluded from the Settlement Class are K12, Nathaniel A. Davis, James J. Rhyu, the Officers and directors of K12 at all relevant times, member of their Immediate Families and their legal representatives, heirs, successors, or assigns; any entity in which Defendants have or had a controlling interest; any trust of which Nathaniel A. Davis and/or James J. Rhyu is the settlor or which is for the benefit of their Immediate Family members; and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Settlement Class are any Persons who or which exclude themselves by submitting a request for exclusion that is accepted by the Court.

¹ “Person” or “Persons” means an individual, corporation (including all divisions and subsidiaries), general or limited partnership, association, joint stock company, joint venture, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity.

² “K12 Securities” means K12 common stock publicly traded on the New York Stock Exchange (“NYSE”).

2. **Class Findings** – Solely for purposes of the proposed Settlement of this Action, the Court finds that each element required for certification of the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Class are so numerous that their joinder in the Action would be impracticable; (b) there are questions of law and fact common to the Settlement Class which predominate over any individual questions; (c) the claims of Lead Plaintiff in the Action are typical of the claims of the Settlement Class; (d) Lead Plaintiff and Lead Counsel have and will fairly and adequately represent and protect the interests of the Settlement Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the Action.

3. The Court hereby finds and concludes that, pursuant to Rule 23 of the Federal Rules of Civil Procedure and for the purposes of the Settlement only, Lead Plaintiff Babulal Tarapara is an adequate class representative and certifies him as Class Representative for the Settlement Class. The Court also appoints Lead Counsel as Class Counsel for the Settlement Class, pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

4. **Preliminary Approval of the Settlement** – The Court hereby preliminarily approves the Settlement, as embodied in the Stipulation, as being fair, reasonable, and adequate to the Settlement Class, subject to further consideration at the Settlement Hearing to be conducted as described below.

5. **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement Hearing”) on _____, 2019 at __:__ .m. in Courtroom 3, 3rd Floor, Ronald V. Dellums Federal Building & United States Courthouse, 1301 Clay Street, Oakland, CA 94612, for the following purposes: (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Settlement

Class, and should be approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation should be entered dismissing the Action with prejudice against Defendants; (c) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved; (d) to determine whether the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved; and (e) to consider any other matters that may properly be brought before the Court in connection with the Settlement. Notice of the Settlement and the Settlement Hearing shall be given to Settlement Class Members as set forth in paragraph 7 of this Order.

6. The Court may adjourn the Settlement Hearing without further notice to the Settlement Class, and may approve the proposed Settlement with such modifications as the Parties may agree to, if appropriate, without further notice to the Settlement Class.

7. **Retention of Claims Administrator and Manner of Giving Notice** – Lead Counsel is hereby authorized to retain Epiq Class Action & Mass Tort Solutions, Inc. (the “Claims Administrator”) to supervise and administer the notice procedure in connection with the proposed Settlement as well as the processing of Claims as more fully set forth below. Notice of the Settlement and the Settlement Hearing shall be given by Lead Counsel as follows:

a. not later than fifteen (15) calendar days after entry of this Order, K12 shall provide or cause to be provided to Lead Counsel or the Claims Administrator in electronic, searchable format (at no cost to the Settlement Fund, Lead Counsel, or the Claims Administrator) a list of the names and last known addresses of the Persons who purchased or otherwise acquired K12 Securities during the Settlement Class Period;

b. not later than twenty (20) business days after the date of entry of this Order (the “Notice Date”), the Claims Administrator shall cause a copy of the Postcard Notice, substantially in the form attached hereto as Exhibit 4, to be mailed by first-class mail to potential Settlement Class Members at the addresses set forth in the records provided by K12 or in the records which K12 caused to be provided, or who otherwise may be identified through further reasonable effort;

c. contemporaneously with the mailing of the Postcard Notice, the Claims Administrator shall cause copies of the Notice and the Claim Form to be posted on a website to be developed for the Settlement, from which copies of the Notice and Claim Form can be downloaded;

d. not later than ten (10) business days after the Notice Date, the Claims Administrator shall cause the Summary Notice, substantially in the form attached hereto as Exhibit 3, to be published once in Investor’s Business Daily and to be transmitted once over the PR Newswire; and

e. not later than seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall serve on Defendants’ Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publication.

8. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and content, the Notice, the Claim Form, the Summary Notice, and the Postcard Notice attached hereto as Exhibits 1, 2, 3, and 4, respectively, and (b) finds that the mailing and distribution of the Postcard Notice, the posting of the Notice and Claim Form online, and the publication of the Summary Notice in the manner and form set forth in paragraph 7 of this Order (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated,

under the circumstances, to apprise Settlement Class Members of the pendency of the Action, of the effect of the proposed Settlement (including the Releases to be provided thereunder), of Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, of their right to object to the Settlement, the Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses, of their right to exclude themselves from the Settlement Class, and of their right to appear at the Settlement Hearing; (iii) constitutes due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable law and rules. The date and time of the Settlement Hearing shall be included in the Postcard Notice, Notice, and Summary Notice before they are mailed, posted online, and published, respectively.

9. **Nominee Procedures** – Brokers and other nominees who purchased or otherwise acquired K12 Securities during the Settlement Class Period for the benefit of another Person shall (a) within seven (7) calendar days of receipt of the Postcard Notice, request from the Claims Administrator sufficient copies of the Postcard Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Postcard Notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Postcard Notice, send a list of the names and addresses of all such beneficial owners to the Claims Administrator in which event the Claims Administrator shall promptly mail the Postcard Notice to such beneficial owners. Upon full compliance with this Order, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order, up to

a maximum of \$0.15 per notice, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid from the Settlement Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to review by the Court.

10. **Participation in the Settlement** – Settlement Class Members who wish to participate in the Settlement and to be eligible to receive a distribution from the Net Settlement Fund must complete and submit a Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim Forms must be delivered or postmarked no later than one hundred twenty (120) calendar days after the Notice Date. Notwithstanding the foregoing, Lead Counsel may, at its discretion, advise the Claims Administrator to accept for processing late Claims provided such acceptance does not delay the distribution of the Net Settlement Fund to the Settlement Class. By submitting a Claim, a Person shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim and the subject matter of the Settlement.

11. Each Claim Form submitted must satisfy the following conditions: (a) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding paragraph; (b) it must be accompanied by adequate supporting documentation for the transactions and holdings reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional and holding information found in a broker confirmation slip or account statement, or such other documentation as is deemed adequate by Lead Counsel or the Claims Administrator; (c) if the Person executing the Claim Form is acting in a representative capacity, a certification of that

Person's current authority to act on behalf of the Settlement Class Member must be included in the Claim Form to the satisfaction of Lead Counsel or the Claims Administrator; and (d) the Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

12. Any Settlement Class Member that does not timely and validly submit a Claim Form or whose Claim is not otherwise approved by the Court: (a) shall be deemed to have waived his, her, or its right to share in the Net Settlement Fund; (b) shall be forever barred from participating in any distributions therefrom; (c) shall be bound by the provisions of the Stipulation and the Settlement and all proceedings, determinations, orders, and judgments in the Action relating thereto, including, without limitation, the Judgment or Alternate Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining, or prosecuting any of the Released Plaintiffs' Claims against each and all of the Defendants' Released Parties, as more fully described in the Stipulation and Notice. Notwithstanding the foregoing, late Claim Forms may be accepted for processing as set forth in paragraph 10 above.

13. **Exclusion From the Settlement Class** – Any member of the Settlement Class who wishes to exclude himself, herself or itself from the Settlement Class must request exclusion in writing within the time and in the manner set forth in the Notice, which shall provide that: (a) any such request for exclusion from the Settlement Class must be mailed or delivered such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, to: *K12 Securities Litigation*, EXCLUSIONS, c/o Epiq Class Action & Mass Tort Solutions, Inc., P.O. Box 2312, Portland, OR 97208-2312 and (b) each request for exclusion must (i) state the name, address, and telephone number of the Person requesting exclusion, and in the case of

entities, the name and telephone number of the appropriate contact person; (ii) state that such Person “requests exclusion from the Settlement Class in *In re K12 Securities Litigation*, Master File No. 4:16-cv-04069-PJH”; (iii) state the number of K12 Securities that the Person requesting exclusion purchased/acquired and/or sold during the Settlement Class Period, as well as the dates and prices of each such purchase/acquisition and sale; and (iv) be signed by the Person requesting exclusion or an authorized representative. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court.

14. Any Person who or which timely and validly requests exclusion in compliance with the terms stated in this Order and is excluded from the Settlement Class shall not be a Settlement Class Member, shall not be bound by the terms of the Settlement or any orders or judgments in the Action, and shall not receive any payment out of the Net Settlement Fund.

15. Any Settlement Class Member who or which does not timely and validly request exclusion from the Settlement Class in the manner stated in this Order: (a) shall be deemed to have waived his, her, or its right to be excluded from the Settlement Class; (b) shall be forever barred from requesting exclusion from the Settlement Class in this or any other proceeding; (c) shall be bound by the provisions of the Stipulation and Settlement and all proceedings, determinations, orders, and judgments in the Action, including, but not limited to, the Judgment or Alternate Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining, or prosecuting any of the Released Plaintiffs’ Claims against any of the Defendants’ Released Parties, as more fully described in the Stipulation and Notice.

16. **Appearance and Objections at Settlement Hearing** – Any Settlement Class Member who does not request exclusion from the Settlement Class may enter an appearance in the Action, at his, her, or its own expense, individually or through counsel of his, her, or its own choice, by filing with the Clerk of Court a notice of appearance such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, or as the Court may otherwise direct. Any Settlement Class Member who does not request exclusion from the Settlement Class and does not enter an appearance will be represented by Lead Counsel.

17. Any Settlement Class Member who does not request exclusion from the Settlement Class may file a written objection to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and appear and show cause, if he, she, or it has any cause, why the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses should not be approved; *provided, however*, that no Settlement Class Member shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, the proposed Plan of Allocation, and/or the motion for attorneys' fees and reimbursement of Litigation Expenses unless that Person has filed a written objection with the Court such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing.

18. Any objections, filings, and other submissions by a Settlement Class Member in accordance with Paragraph 17 must: (a) state the name, address, and telephone number of the Person objecting and must be signed by the objector; (b) clearly identify the case name and number (*In re K12 Inc. Securities Litigation*, Master File No. 4:16-cv-04069-PJH); (c) provide a statement of the Settlement Class Member's objection or objections, and the specific reasons for

each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (d) provide documents sufficient to prove membership in the Settlement Class, including the number of K12 Securities that the objecting Settlement Class Member purchased, acquired, and/or sold during the Settlement Class Period, as well as the dates and prices of each such purchase, acquisition, and/or sale. Objectors who enter an appearance and desire to present evidence at the Settlement Hearing in support of their objection must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the hearing.

19. Any Settlement Class Member who neither requests exclusion from the Settlement Class nor makes his, her, or its objection in the manner provided herein shall be deemed to have waived his, her, or its right to object to any aspect of the proposed Settlement, the proposed Plan of Allocation, and Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and shall be forever barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the Settlement, the Plan of Allocation, or the requested attorneys' fees and Litigation Expenses, or from otherwise being heard concerning the Settlement, the Plan of Allocation, or the requested attorneys' fees and Litigation Expenses in this or any other proceeding.

20. **Stay and Temporary Injunction** – Until otherwise ordered by the Court, the Court stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlement should be approved, the Court bars and enjoins Lead Plaintiff, and all other members of the Settlement Class, from commencing or prosecuting any and all of the Released Plaintiffs' Claims against each and all of the Defendants' Released Parties.

21. **Settlement Administration Fees and Expenses** – All reasonable costs incurred in identifying Settlement Class Members and notifying them of the Settlement, as well as in administering the Settlement, shall be paid as set forth in the Stipulation without further order of the Court.

22. **Settlement Fund** – The contents of the Settlement Fund held by The Huntington National Bank (which the Court approves as the Escrow Agent), shall be deemed and considered to be *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as they shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

23. **Taxes** – Lead Counsel is authorized and directed to prepare any tax returns and any other tax reporting form for or in respect to the Settlement Fund, to pay from the Settlement Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof without further order of the Court in a manner consistent with the provisions of the Stipulation.

24. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation, the Settlement is not approved, or the Effective Date of the Settlement otherwise fails to occur, this Order shall be vacated, rendered null and void, and be of no further force and effect, except as otherwise provided by the Stipulation, and this Order shall be without prejudice to the rights of Lead Plaintiff, the other Settlement Class Members, and Defendants, and the Parties shall revert to their respective positions in the Action as of September 10, 2018, as provided in the Stipulation.

25. **Use of this Order** – Neither this Order, the Stipulation (whether or not consummated), including the exhibits thereto, and the Plan of Allocation contained therein (or

any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Stipulation, nor any proceedings taken pursuant to or in connection with the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith): (a) shall be offered against any of the Defendants' Released Parties as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Released Parties with respect to the truth of any fact alleged by Lead Plaintiff or any other of Plaintiffs' Released Parties, or the validity of any claim that was or could have been asserted against any of the Defendants' Released Parties, or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind with respect to any of the Defendants' Released Parties, or in any way referred to for any other reason as against any of the Defendants' Released Parties, in any civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; (b) shall be offered against any of the Plaintiffs' Released Parties, as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Plaintiffs' Released Parties that any of their claims are without merit, that any of the Defendants' Released Parties had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault, or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Released Parties, in any civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; or (c) shall be construed against any of the Released Parties as an admission, concession, or presumption that the consideration to be given under the Settlement represents the amount which

could be or would have been recovered after trial; *provided, however*, that if the Stipulation is approved by the Court, the Parties and the Released Parties and their respective counsel may refer to it to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the Settlement.

26. **Supporting Papers** – Lead Counsel shall file and serve the opening papers in support of the proposed Settlement, the Plan of Allocation, and Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses no later than thirty-five (35) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and served no later than seven (7) calendar days prior to the Settlement Hearing.

27. The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

SO ORDERED this _____ day of _____, 201_.

The Honorable Phyllis J. Hamilton
United States District Judge

Exhibit A-1

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

IN RE K12 INC. SECURITIES
LITIGATION

Master File No. 4:16-cv-04069-PJH

Honorable Phyllis J. Hamilton

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT;
(II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”) pending in the United States District Court for the Northern District of California, Oakland Division (the “Court”), if, during the period between October 10, 2013 and October 27, 2015, inclusive (the “Settlement Class Period”), you purchased or otherwise acquired K12 Securities,¹ and you were injured thereby.²

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff, Babulal Tarapara (“Lead Plaintiff”), on behalf of himself and the Settlement Class (as defined in ¶ 25 below), have reached a proposed settlement of the Action for \$3,500,000 in cash that, if approved, will resolve all claims, whether known or unknown, in the Action (the “Settlement”).

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact K12, any other Defendants in the Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 86 below).

¹ K12 Securities” means K12 Inc.’s common stock publicly traded on the New York Stock Exchange (“NYSE”).

² All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated November 26, 2018 (the “Stipulation”), which is available at www.K12SecuritiesLitigation.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN _____, 2019.	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 34 below) that you have against Defendants and the other Defendants' Released Parties (defined in ¶ 35 below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN _____, 2019.	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants' Released Parties concerning the Released Plaintiffs' Claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN _____, 2019.	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.
GO TO A HEARING ON _____, 2019 AT ____:____.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN _____, 2019.	Filing a written objection and notice of intention to appear by _____, 2019 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING.	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among

other things, that Defendants K12 Inc. (“K12”), Nathaniel A. Davis (“Davis”), and James J. Rhyu (“Rhyu”) (collectively, the “Defendants”)³ violated the federal securities laws by making false and misleading statements and omissions regarding K12. A more detailed description of the Action is set forth in paragraphs 11-24 below. The proposed Settlement, if approved by the Court, will settle all claims, both known and unknown, of the Settlement Class, as defined in ¶ 25 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of himself and the Settlement Class, has agreed to settle the Action in exchange for a settlement payment of \$3,500,000 in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, and (d) any attorneys’ fees awarded by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth on pages ___-___ below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff’s damages expert’s estimates of the number of shares K12 of common stock publicly traded on the NYSE purchased during the Settlement Class Period that may have been affected by the conduct at issue in the Action and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) per eligible security is \$0.15. Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, (a) the number of Settlement Class Members who file claims, (b) the number of shares of K12 common stock Settlement Class Members purchased/acquired and sold during the Settlement Class Period, and (c) when and at what prices they purchased/acquired or sold shares of K12 common stock during the Class Period. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* pages ___-___ below) or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys’ Fees and Expenses Sought:** Lead Counsel, which have been prosecuting the Action on a wholly contingent basis since its inception in 2016, have not received any payment of attorneys’ fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Lead Counsel, Glancy Prongay & Murray LLP, will apply to the Court for an award of attorneys’ fees in an

³ Defendants Davis and Rhyu are collectively referred to herein as the “Individual Defendants.”

amount not to exceed 33% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$225,000, which may include an application for reimbursement of the reasonable costs and expenses (including lost wages) incurred by Lead Plaintiff directly related to his representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. Estimates of the average cost per affected share of K12, if the Court approves Lead Counsel's fee and expense application, is \$0.06 per eligible share.

6. **Identification of Attorneys' Representatives:** Lead Plaintiff and the Settlement Class are represented by Kara M. Wolke, Esq. of Glancy Prongay & Murray LLP, 1925 Century Park East, Suite 2100, Los Angeles, CA 90067, (888) 773-9224, settlements@glancylaw.com.

7. **Reasons for the Settlement:** Lead Plaintiff's principal reason for entering into the Settlement is the immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Moreover, the cash benefit provided 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, a trial of the Action, and the likely appeals that would follow a trial. The factors that Lead Plaintiff considered in agreeing to settle the litigation include, among other things, the following facts and risks:

- i. The Court dismissed with prejudice Plaintiffs' claims regarding K12's reporting of standardized Scantron tests administered to students at K12-supported schools, concluding that none of the statements Plaintiffs challenged was materially false or misleading.
- ii. The Court also dismissed Plaintiffs' claims regarding a wide range of statements related to the general quality and effectiveness of K12's academic offerings, again concluding that none of K12's challenged statements was materially false or misleading. Plaintiffs determined that they did not have sufficient facts or evidence upon which to attempt to re-plead those claims.
- iii. Lead Plaintiff Tarapara's sole remaining claim relates to the alleged wrongful non-disclosure by K12 of a 2012 notice from the Agora Cyber Charter School (the "Agora Notice") exercising its rights under the parties' management contract to avoid the contract's automatic renewal. After discovery, Lead Plaintiff has determined that there are significant obstacles to establishing Defendants' liability and any damages. These obstacles include, among other things:
 - a. that Lead Plaintiff may be unable to prove that the Agora Notice constituted material information that K12 had a duty to disclose, and/or that any Defendant acted with any intent to mislead investors;
 - b. that Lead Plaintiff may be unable to prove that some or all of the Agora-related statements challenged in the operative complaint are actionable under the federal securities laws, or that Lead Plaintiff Tarapara and members of the Settlement Class were damaged by those alleged statements;

- c. that the class proposed by Lead Plaintiff would not be certified, and/or that it might only be certified for part of the class period for which certification was sought; and
- d. that Lead Plaintiff’s claims could be time-barred under the two-year statute of limitations governing federal securities fraud claims.

Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

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WHY DID I GET THE POSTCARD NOTICE?

8. The Court directed that the Postcard Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired K12 Securities during the Settlement Class Period. The Court also directed that this Notice be posted online at www.K12SecuritiesLitigation.com and mailed to you upon request to the Claims Administrator. The Court has directed us to disseminate these notices because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). See paragraph 75 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

11. K12 is a technology-based education company that offers proprietary and third party curriculum, software systems, and educational services designed to facilitate individualized learning for students primarily in kindergarten through 12th grade.

12. Two class action complaints were filed in the United States District Court for the Northern District of California, which by Order dated October 6, 2016, were consolidated and recaptioned as *In re K12 Inc. Securities Litigation*, 4:16-cv-05305-PJH and Lead Plaintiff, along with plaintiff Dr. Mark Beadle (together, "Plaintiffs"), and Lead Counsel were approved and appointed by the Court.

13. On January 31, 2011, Plaintiffs filed and served their Consolidated Amended Class Action Complaint (the "FAC") asserting claims against all Defendants, along with Ronald Packard and Timothy Murray under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and against the Individual Defendants, along with Ronald Packard and Timothy Murray under Section 20(a) of the Exchange Act. Among other things, the FAC alleged that Defendants failed to disclose that K12 received a notice concerning the automatic renewal of its management contract with the Agora Cyber Charter School ("Agora"). The FAC further alleged that the prices of K12's publicly traded securities were artificially inflated as a result of Defendants' allegedly false and misleading statements and omissions and declined when the truth was revealed.

14. On January 30, 2017, Defendants served a motion to dismiss the FAC as well as a request for judicial notice. The motion to dismiss was fully briefed and oral argument on the motion was held on April 19, 2017. On August 30, 2017, the Court entered its Order that granted in part and denied in part Defendants' motion to dismiss the FAC.

15. On October 2, 2017, the Parties filed a stipulation with the Court in which Plaintiffs agreed to file a second amended complaint but omit allegations unrelated to Agora. Plaintiffs also agreed to dismiss Defendants Packard and Murray with prejudice. Defendants agreed to answer the second amended complaint within 45 days after it was filed. The Court granted the Parties' stipulation on October 4, 2017.

16. Pursuant to the Parties' stipulation, on October 2, 2017, Plaintiffs filed and served a

Consolidated Second Amended Complaint for violations of the Federal Securities Laws (the “SAC”). The SAC removed Packard and Murray as named defendants in the Action and again named K12, Davis, and Rhyu as Defendants. The SAC asserted claims under Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder against all Defendants and against the Individual Defendants under Section 20(a) of the Exchange Act. The SAC alleged claims substantially similar to those alleged in the FAC relating to misstatements and omissions regarding K12’s contractual relationship with Agora.

17. On November 16, 2017, Defendants filed and served an answer to the SAC.

18. With the automatic discovery stay imposed by the Private Securities Litigation Reform Act of 1995 (“PSLRA”) having been lifted, the Parties exchanged Initial Disclosures on December 14, 2017. On January 18, 2018, the Parties commenced fact discovery.

19. On March 1, 2018, Plaintiffs filed and served their motion for class certification, together with the declaration of Dr. Adam Werner regarding market efficiency. Defendants opposed class certification, and the motion for class certification was fully brief on August 8, 2018.

20. During this time, Lead Plaintiff continued his investigation into the claims asserted but he also recognized that the Court’s decision on the motion to dismiss underscored the risks attendant to this litigation. As required by the local court rules, the Parties submitted to a private mediation process to see whether a settlement could be reached. While the Parties believe in the merits of their respective positions, they also recognized the benefits that would accrue if they could reach an agreement to resolve the Action. The Parties selected former California Superior and Supreme Court Judge Daniel Weinstein as mediator. The Parties exchanged detailed mediation statements and exhibits that addressed, among other things, issues related to class certification, liability, and damages which were submitted to Judge Weinstein in advance of a full-day mediation session that occurred on August 15, 2018. The session ended without any agreement being reached.

21. Over the course of the next several weeks, Judge Weinstein conducted further discussions with the Parties which culminated in the Parties agreeing to accept Judge Weinstein’s recommendation that the Action be settled for \$3,500,000.

22. Based upon their investigation, prosecution, and mediation of the case, and the review of documents produced by Defendants and by relevant third-parties, Lead Plaintiff and Lead Counsel have concluded that the terms and conditions of the Settlement are fair, reasonable, and adequate to Lead Plaintiff and the other members of the Settlement Class, and in their best interests. Based on the investigation and mediation of the case and Lead Plaintiff’s direct oversight of the prosecution of this matter and with the advice of his counsel, Lead Plaintiff has agreed to settle and release the claims raised in the Action pursuant to the terms and provisions of the Stipulation, after considering, among other things, (a) the substantial financial benefit that Lead Plaintiff and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

23. Defendants are entering into the Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Defendants denies any wrongdoing or liability, and the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Defendants’ Released Parties (defined in ¶ 35 below), with respect to any claim or allegation of any fault or

liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Lead Plaintiff or Plaintiffs' Released Parties of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

24. On _____, 20__, the Court preliminarily approved the Settlement, authorized the Postcard Notice to be mailed to potential Settlement Class Members and this Notice to be posted online and mailed to potential Settlement Class Members upon request, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

25. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

all Persons⁴ who or which purchased or otherwise acquired K12 Securities between October 10, 2013 and October 27, 2015, inclusive (the "Settlement Class Period") and were damaged thereby.

Excluded from the Settlement Class are Defendants; the Officers and/or directors of K12 at all relevant times; members of their Immediate Families and their legal representatives, heirs, successors, or assigns; and any entity in which Defendants have or had a controlling interest; and any trust of which Nathaniel A. Davis and/or James J. Rhyu is the settlor or which is for the benefit of their Immediate Family members. Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself," on page [__] below.

PLEASE NOTE: RECEIPT OF THE POSTCARD NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.

If you are a Settlement Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Claim Form that is available online at www.K12SecuritiesLitigation.com or which can be mailed to you upon request to the Claims Administrator, and the required supporting documentation as set forth therein, postmarked no later than _____, 2019.

⁴ "Person" or "Persons" means an individual, corporation (including all divisions and subsidiaries), general or limited partnership, association, joint stock company, joint venture, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity.

WHAT ARE LEAD PLAINTIFF’S REASONS FOR THE SETTLEMENT?

26. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue the claims against the remaining Defendants through trial and appeals, as well as the very substantial obstacles they would face in establishing liability and damages. The Court’s decision on the motion to dismiss left only statements made regarding K12’s relationship with Agora. Moreover, as to the remaining claims, Lead Plaintiff and Lead Counsel recognized that Defendants had numerous avenues of attack that could preclude a recovery as to those challenged statements. For example, they would assert that none of their alleged misstatements was materially false or misleading and that they did not make any materially misleading omissions, let alone with the requisite state of mind to support the securities fraud claim alleged. Even if the hurdles to establishing liability were overcome, the amount of damages that could be attributed to the allegedly false statements would be hotly contested because Defendants would argue that the public was made aware of the fact that K12’s “turnkey” management contract with Agora by June 2014, more than a full year prior to the end of the proposed Class Period. Lead Plaintiff would have to prevail at several stages – motions for summary judgment, trial, and even if he was to prevail at those phases, then Lead Plaintiff would also have to prevail on the appeals that would likely follow. Thus, Lead Plaintiff faced very significant risks attendant to the continued prosecution of the Action.

27. In light of these risks, the amount of the Settlement and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$3,500,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future.

28. Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement is not and may not be construed as an admission of any wrongdoing, fault, or liability on the part of the Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

29. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of his claims against Defendants, neither Lead Plaintiff nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

30. As a Settlement Class Member, you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” on page ___ below.

31. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?,” on page ___ below.

32. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

33. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiffs’ Claim (as defined in ¶ 34 below) against the Defendants and the other Defendants’ Released Parties (as defined in ¶ 35 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs’ Claims against any of the Defendants’ Released Parties.

34. “Released Plaintiffs’ Claims” means all claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every nature and description, whether known or Unknown Claims, whether arising under federal, state, common, or foreign law, that Lead Plaintiff or any other member of the Settlement Class: (i) asserted in this Action; or (ii) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the complaints filed in this Action and that relate to the purchase of K12 Securities during the Settlement Class Period. Released Plaintiffs’ Claims do not include: (i) claims to enforce the Settlement; or (ii) claims of any Person that submits a request for exclusion that is accepted by the Court.

35. “Defendants’ Released Parties” means K12 and its current and former trustees, officers, directors, principals, employees, agents, partners, insurers, auditors, heirs, attorneys, predecessors, successors or assigns, parents, subsidiaries, divisions, joint ventures, general or limited partners or partnerships, limited liability companies, and any trust of which Nathaniel A. Davis and/or James J. Rhyu is the settlor or which is for the benefit of their Immediate Family members.

36. “Unknown Claims” means any Released Plaintiffs’ Claims which any Lead Plaintiff or

any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Defendants' Released Parties, and any Released Defendants' Claims which any Defendant or any other Defendants' Released Party does not know or suspect to exist in his, her, or its favor at the time of the release of Plaintiffs' Released Parties, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiff and Defendants shall expressly waive, and each of the other Settlement Class Members and each of the other Defendants' Released Parties shall be deemed to have waived, and by operation of the Judgment (or the Alternate Judgment, if applicable) 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 or foreign law, which is similar, comparable, or equivalent to 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.

Lead Plaintiff, the other Settlement Class Members, the other Plaintiffs' Released Parties, the Defendants, or the other Defendants' Released Parties 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, but Lead Plaintiff and the Defendants shall expressly, fully, finally and forever settle and release, and each other Settlement Class Member and each other of Plaintiffs' Released Parties and Defendants' Released Parties shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternate Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff and Defendants acknowledge, and each of the other Plaintiffs' Released Parties and Defendants' Released Parties shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

37. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim (as defined in ¶ 38 below) against Lead Plaintiff and the other Plaintiffs' Released Parties (as defined in ¶ 39 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Plaintiffs' Released Parties.

38. "Released Defendants' Claims" means all claims and causes of action of every nature and description, whether known or Unknown Claims, whether arising under federal, state, common, or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of this Action. Released Defendants' Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a

request for exclusion from the Settlement Class that is accepted by the Court.

39. “Plaintiffs’ Released Parties” means Lead Plaintiff, his respective attorneys, each and every Settlement Class Member, and their respective current and former officers, directors, agents, parents, affiliates, subsidiaries, heirs, successors, predecessors, executors, administrators, assigns, assignees, employees, and attorneys, in their capacities as such.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

40. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than _____, 2019**. A Claim Form is available on the website maintained by the Claims Administrator for the Settlement, www.K12SecuritiesLitigation.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-888-278-8021. Please retain all records of your ownership of and transactions in K12 common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

41. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

42. Pursuant to the Settlement, Defendants have agreed to pay or caused to be paid three million five hundred thousand dollars (\$3,500,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

43. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

44. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the plan of allocation.

45. Approval of the Settlement is independent from approval of a plan of allocation. Any

determination with respect to a plan of allocation will not affect the Settlement, if approved.

46. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before _____, 2019 shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiffs' Claims (as defined in ¶ 34 above) against the Defendants' Released Parties (as defined in ¶ 35 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs' Claims against any of the Defendants' Released Parties whether or not such Settlement Class Member submits a Claim Form.

47. Participants in, and beneficiaries of, a plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in K12 Securities held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan's purchases or acquisitions of K12 Securities during the Settlement Class Period may be made by the plan's trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the ERISA Plan.

48. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

49. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

50. Only Settlement Class Members, *i.e.*, persons and entities who purchased or otherwise acquired K12 Securities during the Settlement Class Period and were damaged as a result of such purchases or acquisitions will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. The only securities that are included in the Settlement are K12 common stock publicly traded on the NYSE.

PROPOSED PLAN OF ALLOCATION

51. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged violations of the federal securities laws, as opposed to losses caused by market, industry, or Company-specific factors or factors unrelated to the alleged violations of law. The Plan of Allocation is not a formal damage analysis, and the calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or 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, in a fair and equitable manner, the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

52. The Plan of Allocation generally measures the amount of loss that a Settlement Class Member can claim for purposes of making *pro rata* allocations of the cash in the Net Settlement Fund to Authorized Claimants. The Plan of Allocation is not a formal damage analysis. Recognized Loss Amounts are based primarily on the price declines observed over the period which Lead Plaintiff alleges corrective information was entering the market place. In this case, Lead Plaintiff alleges that Defendants made false statements and omitted material facts between October 10, 2013 through and including October 27, 2015, which had the effect of artificially inflating the price of K12 common stock.

53. In order to have recoverable damages, disclosure of the alleged misrepresentations must be the cause of the decline in the price of K12 common stock. Artificial inflation was removed from the price of K12 common stock as the result of the alleged corrective disclosures that occurred on June 27, 2014, August 14, 2014, October 9, 2014, and October 27, 2015.⁵

54. To the extent a Claimant does not satisfy one of the conditions set forth in the preceding paragraph, his, her, or its Recognized Loss Amount for those transactions will be zero.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

55. Based on the formulas set forth below, a “Recognized Loss Amount” shall be calculated for each purchase or acquisition of K12 common stock publicly traded on the NYSE during the Settlement Class Period that is listed in the Proof of Claim Form and for which adequate documentation is provided. In the calculations below, if a Recognized Loss Amount calculates to a negative number or zero, that Recognized Loss Amount shall be zero.

56. For each share of K12 publicly traded common stock purchased or otherwise acquired during any of the periods shown below in Table-1, and:

(a) Sold within the same period, the Recognized Loss Amount per share is zero.

(b) Sold in a subsequent period, the Recognized Loss Amount per share is the lesser of: (i) the per share decline shown in Table-1; or (ii) the purchase price per share less the sales price per share.

(c) Retained at the end of October 27, 2015 and sold before January 22, 2016 the claim per share shall be the lesser of: (i) the per share decline shown in Table-1; (ii) the difference between the purchase price and the sale price; and (iii) the difference between the purchase price and the average closing price up to the date of sale as set forth in Table-2 below.

(d) Held as of the close of trading on January 22, 2016, or sold thereafter, the claim per share shall be the lesser of (i) the per share decline shown in Table-1; (ii) the

⁵Any transactions in K12 common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

difference between the purchase price and the sale price; and (iii) the difference between the purchase price and \$9.24 per share.⁶

TABLE-1

Purchase Date	Sale Date				Sold On or Retained Beyond 10/27/2015
	10/10/2013-6/26/2014	6/27/2014-8/13/2014	8/14/2014-10/8/2014	10/9/2014-10/26/2015	
10/10/2013-6/26/2014	\$0.00	\$1.30	\$4.28	\$5.40	\$7.33
6/27/2014-8/13/2014		\$0.00	\$2.98	\$4.10	\$6.03
8/14/2014-10/8/2014			\$0.00	\$1.12	\$3.05
10/9/2014-10/27/2015				\$0.00	\$1.93

⁶ Under Section 21(D)(e)(1) of the Exchange Act, “in any private action arising under this Act in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of K12 common stock during the 90-day look-back period. The mean (average) closing price for K12 common stock during this 90-day look-back period was \$9.24 as shown in Table-2.

TABLE-2**K12 Closing Price and Average Closing Price
October 27, 2015 – January 22, 2016**

Date	Closing Price	Average Closing Price	Date	Closing Price	Average Closing Price
10/27/2015	\$10.25	\$10.25	12/9/2015	\$9.01	\$9.89
10/28/2015	\$10.32	\$10.29	12/10/2015	\$9.03	\$9.86
10/29/2015	\$9.95	\$10.17	12/11/2015	\$9.05	\$9.84
10/30/2015	\$9.71	\$10.06	12/14/2015	\$8.95	\$9.81
11/2/2015	\$10.50	\$10.15	12/15/2015	\$9.26	\$9.79
11/3/2015	\$11.00	\$10.29	12/16/2015	\$9.39	\$9.78
11/4/2015	\$10.65	\$10.34	12/17/2015	\$9.27	\$9.77
11/5/2015	\$10.76	\$10.39	12/18/2015	\$9.03	\$9.75
11/6/2015	\$10.91	\$10.45	12/21/2015	\$9.31	\$9.74
11/9/2015	\$10.48	\$10.45	12/22/2015	\$9.35	\$9.73
11/10/2015	\$10.22	\$10.43	12/23/2015	\$9.23	\$9.72
11/11/2015	\$9.86	\$10.38	12/24/2015	\$9.40	\$9.71
11/12/2015	\$9.26	\$10.30	12/28/2015	\$9.28	\$9.70
11/13/2015	\$9.27	\$10.22	12/29/2015	\$9.06	\$9.68
11/16/2015	\$9.44	\$10.17	12/30/2015	\$8.88	\$9.67
11/17/2015	\$9.31	\$10.12	12/31/2015	\$8.80	\$9.65
11/18/2015	\$9.59	\$10.09	1/4/2016	\$8.55	\$9.62
11/19/2015	\$9.50	\$10.05	1/5/2016	\$8.30	\$9.60
11/20/2015	\$9.57	\$10.03	1/6/2016	\$8.16	\$9.57
11/23/2015	\$9.65	\$10.01	1/7/2016	\$7.87	\$9.53
11/24/2015	\$9.64	\$9.99	1/8/2016	\$8.12	\$9.51
11/25/2015	\$10.08	\$10.00	1/11/2016	\$7.85	\$9.47
11/27/2015	\$9.72	\$9.98	1/12/2016	\$8.08	\$9.45
11/30/2015	\$10.14	\$9.99	1/13/2016	\$7.32	\$9.41
12/1/2015	\$10.29	\$10.00	1/14/2016	\$7.80	\$9.38
12/2/2015	\$9.75	\$9.99	1/15/2016	\$7.57	\$9.35
12/3/2015	\$9.66	\$9.98	1/19/2016	\$7.50	\$9.31
12/4/2015	\$9.43	\$9.96	1/20/2016	\$7.59	\$9.28
12/7/2015	\$9.39	\$9.94	1/21/2016	\$7.74	\$9.26
12/8/2015	\$9.18	\$9.92	1/22/2016	\$8.07	\$9.24

ADDITIONAL PROVISIONS

57. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in paragraph 60 below) is \$10.00 or greater.

58. If a Settlement Class Member has more than one purchase/acquisition or sale of a K12 Security, all purchases/acquisitions and sales of the like security shall be matched on a First In, First Out (“FIFO”) basis. Settlement Class Period sales will be matched first against any holdings at the beginning of the Settlement Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Settlement Class Period.

59. 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 K12 Securities.

60. 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.

61. Purchases or acquisitions and sales of K12 common stock publicly traded on the NYSE 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 K12 common stock during the Settlement Class Period shall not be deemed a purchase, acquisition or sale of K12 Securities 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 K12 common stock unless (i) the donor or decedent purchased or otherwise acquired such K12 common stock during the Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such K12 common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

62. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the K12 common stock. The date of a “short sale” is deemed to be the date of sale of the K12 common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has an opening short position in shares of K12 common stock, the earliest Settlement Class Period purchases or acquisitions of that security shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

63. Option contracts are not securities eligible to participate in the Settlement. With respect to K12 common stock publicly traded on the NYSE purchased or sold through the exercise of an option, the purchase/sale date of the K12 common stock is the exercise date of the option and the purchase/sale price of the K12 common stock is the exercise price of the option.

64. To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in K12 common stock publicly traded on the NYSE during the Settlement Class

Period, the value of the Claimant's Recognized Claim shall be zero. Such Claimants shall in any event be bound by the Settlement. To the extent that a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in K12 common stock publicly traded on the NYSE during the Settlement Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant's Recognized Claim shall be limited to the amount of the actual market loss.

65. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions in K12 common stock publicly traded on the NYSE during the Settlement Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount⁷ and (ii) the sum of the Total Sales Proceeds⁸ and Total Holding Value.⁹ This difference shall be deemed a Claimant's market gain or loss with respect to his, her, or its overall transactions in K12 common stock publicly traded on the NYSE during the Settlement Class Period.

66. After the initial distribution of the Net Settlement Fund, the Claims Administrator shall make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator shall conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to the National Association of Special Education Teachers, to be recommended by

⁷ The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions and other charges) for all K12 common stock publicly traded on the NYSE purchased or acquired during the Settlement Class Period.

⁸ The Claims Administrator shall match any sales of common stock publicly traded on the NYSE during the Settlement Class Period, first against the Claimant's opening position in the like security (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 the remaining sales of K12 common stock publicly traded on the NYSE sold during the Settlement Class Period shall be the "Total Sales Proceeds."

⁹ The Claims Administrator shall ascribe a holding value to K12 common stock publicly traded on the NYSE purchased or acquired during the Settlement Class Period and still held as of the close of trading on October 27, 2015, which shall be the October 28, 2015 Closing Price set forth on Table-2. The total calculated holding values for all K12 common stock publicly traded on the NYSE shall be the Claimant's "Total Holding Value."

Lead Counsel and approved by the Court.

67. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Lead Counsel, Lead Plaintiff's damages expert, Defendants, Defendants' Counsel, or any of the other Released Parties, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiff, Defendants and their respective counsel, and all other Defendants' Released Parties, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

68. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiff after consultation with their damages expert. 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.K12SecuritiesLitigation.com.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

69. Lead Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have Lead Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for Lead Counsel in an amount not to exceed 33% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$225,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to his representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?
HOW DO I EXCLUDE MYSELF?**

70. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *In re K12 Inc. Securities Litigation*, EXCLUSIONS, c/o Epiq Class Action & Mass Tort Solutions, Inc., P.O. Box 2312, Portland, OR 97208-2312. The exclusion request must be *received* no later than _____, 2019. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone

number of the appropriate contact person; (b) state that such person or entity “requests exclusion from the Settlement Class in *In re K12 Inc. Securities Litigation*, Master File No. 4:16-cv-04069-PJH”; (c) identify and state the number of K12 common shares that the person or entity requesting exclusion purchased/acquired and/or sold during the Settlement Class Period (*i.e.*, between October 10, 2013 and October 27, 2015, inclusive), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

71. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs’ Claim against any of the Defendants’ Released Parties.

72. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

73. Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiff and Defendants.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE
SETTLEMENT? DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?**

74. Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.

75. The Settlement Hearing will be held on _____, 2019 at __:__ .m., before the Honorable Phyllis J. Hamilton at the United States District Court for the Northern District of California, Ronald V. Dellums Federal Building & United States Courthouse, Courtroom 3 – 3rd Floor, 1301 Clay Street, Oakland, CA 94612. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

76. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses.

77. The Court can only approve or deny the settlement, not change its terms. You can ask the Court to deny approval by filing an objection.

78. Objections must be in writing to the Court. You must file any written objection, together with copies of all other papers and briefs supporting the objection, either (a) in person at any location of the United States District Court for the Northern District of California; or (b) by mail, to the Class Action Clerk’s Office at the United States District Court for the Northern District of

California at the address set forth below on or before _____, 2019.

Clerk's Office

Class Action Clerk

United States District Court for the Northern District of California

Oakland Division

Ronald V. Dellums Federal Building & United States Courthouse

1301 Clay Street

Oakland, California 94612

79. Any objection: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) clearly identify the case name and number (*In re K12 Inc. Securities Litigation*, Master File No. 4:16-cv-04069-PJH); (c) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (d) must include documents sufficient to prove membership in the Settlement Class, including the number of K12 common stock publicly traded on the NYSE that the objecting Settlement Class Member purchased/acquired and/or sold during the Settlement Class Period (*i.e.*, between October 10, 2013 and October 27, 2015, inclusive), as well as the dates and prices of each such purchase/acquisition and sale. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

80. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

81. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office at the addresses set forth above so that it is ***received on or before*** _____, **2019**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

82. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court at the addresses set forth in ¶ 78 above so that the notice is ***received on or*** _____, **2019**.

83. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

84. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and

shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

85. If you purchased or otherwise acquired K12 Securities between October 10, 2013 and October 27, 2015, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either: (a) within seven (7) calendar days of receipt of the Postcard Notice, request from the Claims Administrator sufficient copies of the Postcard Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Postcard Notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Postcard Notice, provide a list of the names and addresses of all such beneficial owners to *In re K12 Inc. Securities Litigation*, c/o Epiq Class Action & Mass Tort Solutions, Inc., P.O. Box 2312, Portland, OR 97208-2312. If you choose the second option, the Claims Administrator will send a copy of the Postcard Notice to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, up to a maximum of \$0.15 per notice, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Any dispute concerning the reasonableness of reimbursement costs shall be resolved by the Court. Copies of this Notice and the Claim Form may be obtained from the website maintained by the Claims Administrator, www.K12SecuritiesLitigation.com, or by calling the Claims Administrator toll-free at 1-888-278-8021.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

86. This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at www.K12SecuritiesLitigation.com, by contacting Lead Counsel at (888) 773-9224 or settlements@glancylaw.com, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the Office of the Clerk, United States District Court for the Northern District of California, Oakland Division, Ronald V. Dellums Federal Building & United States Courthouse, 1301 Clay Street, Oakland, CA 94612, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. The Settlement Agreement and other relevant documents also are available on the Settlement website, at www.K12SecuritiesLitigation.com.

All inquiries concerning this Notice and the Claim Form should be directed to the Claims Administrator or Lead Counsel at:

In re K12 Inc. Securities Litigation
Epiq Class Action & Mass Tort Solutions, Inc.
P.O. Box 2312
Portland, OR 97208-2312
(888) 278-8021
www.K12SecuritiesLitigation.com

and/or

Kara M. Wolke, Esq.
GLANCY PRONGAY & MURRAY
LLP
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
(888) 773-9224

info@K12SecuritiesLitigation.com

settlements@glancylaw.com

**PLEASE DO NOT CALL OR WRITE THE COURT, THE OFFICE OF
THE CLERK OF THE COURT, DEFENDANTS OR THEIR COUNSEL
REGARDING THIS NOTICE.**

Dated: _____, 201__

By Order of the Court
United States District Court
Northern District of California

K12 Securities Litigation
c/o Epiq Class Action & Mass Tort Solutions, Inc.
P.O. Box 2312
Portland, OR 97208-2312
Toll-Free Number: (888) 278-8021
Email: info@K12SecuritiesLitigation.com
Settlement Website: www.K12SecuritiesLitigation.com

PROOF OF CLAIM AND RELEASE FORM

To be eligible to receive a share of the Net Settlement Fund in connection with the Settlement of this Action, you must complete and sign this Proof of Claim and Release Form (“Claim Form”) and mail it by first-class mail to the above address, **postmarked no later than _____, 2019.**

Failure to submit your Claim Form 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 Claim Form to the Court, the parties to the Action, or their counsel. Submit your Claim Form only to the Claims Administrator at the address set forth above.

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PART I – CLAIMANT INFORMATION

The Claims Administrator will use this information for all communications regarding this Claim Form. If this information changes, you **MUST** notify the Claims Administrator in writing at the address above.

Claimant Names(s) (as the name(s) should appear on check, if eligible for payment; if the shares are jointly owned, the names of all beneficial owners must be provided):

Name of Person the Claims Administrator Should Contact Regarding this Claim Form (Must Be Provided):

Mailing Address – Line 1: Street Address/P.O. Box:

Mailing Address – Line 2 (If Applicable): Apartment/Suite/Floor Number:

City:

State/Province:

Zip Code:

Country:

Last 4 digits of Claimant Social Security/Taxpayer Identification Number:¹

Daytime Telephone Number:

Evening Telephone Number:

Email address (E-mail address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.):

¹ The last four digits of the taxpayer identification number (TIN), consisting of a valid Social Security Number (SSN) for individuals or Employer Identification Number (EIN) for business entities, trusts, estates, etc., and the telephone number of the beneficial owner(s) may be used in verifying this claim.

PART II – GENERAL INSTRUCTIONS

1. It is important that you completely read and understand the Notice of (I) Pendency of Class Action and Certification of Settlement Class; (II) Proposed Settlement with Individual Defendants; (III) Settlement Hearing; and (IV) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (the “Notice”) that accompanies this Claim Form, including the Plan of Allocation of the Net Settlement Fund set forth in the Notice. The Notice describes the proposed Settlement, how Settlement Class Members are affected by the Settlement, and the manner in which the Net Settlement Fund will be distributed if the Settlement and Plan of Allocation are approved by the Court. The Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, you will be certifying that you have read and that you understand the Notice, including the terms of the releases described therein and provided for herein.

2. By submitting this Claim Form, you will be making a request to share in the proceeds of the Settlement described in the Notice. **IF YOU ARE NOT A SETTLEMENT CLASS MEMBER** (see the definition of the Settlement Class on page __ of the Notice, which sets forth who is included in and who is excluded from the Settlement Class), **OR IF YOU, OR SOMEONE ACTING ON YOUR BEHALF, SUBMITTED A REQUEST FOR EXCLUSION FROM THE SETTLEMENT CLASS, DO NOT SUBMIT A CLAIM FORM. YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT IF YOU ARE NOT A SETTLEMENT CLASS MEMBER.** **THUS, IF YOU ARE EXCLUDED FROM THE SETTLEMENT CLASS, ANY CLAIM FORM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED.**

3. **Submission of this Claim Form does not guarantee that you will share in the proceeds of the Settlement. The distribution of the Net Settlement Fund will be governed by the Plan of Allocation set forth in the Notice, if it is approved by the Court, or by such other plan of allocation as the Court approves.**

4. Use the Schedule of Transactions in Part III of this Claim Form to supply all required details of your transaction(s) (including free transfers and deliveries) in and holdings of K12 common stock. On this schedule, please provide all of the requested information with respect to your holdings, purchases, acquisitions, and sales of K12 common stock, whether such transactions resulted in a profit or a loss. **Failure to report all transaction and holding information during the requested time period may result in the rejection of your claim.**

5. Please note: Only K12 common stock purchased during the Settlement Class Period (*i.e.*, from October 10, 2013 and October 27, 2015, inclusive) is eligible under the Settlement. However, under the “90-day look-back period” (described in the Plan of Allocation set forth in the Notice), your sales of K12 common stock during the period from October 10, 2013 through January 22, 2016, inclusive, will be used for purposes of calculating your claim under the Plan of Allocation. Therefore, in order for the Claims Administrator to be able to balance your claim, the requested purchase information during the 90-day look-back period must also be provided.

6. You are required to submit genuine and sufficient documentation for all of your transactions in and holdings of K12 common stock set forth in the Schedule of Transactions in Part III of this Claim Form. Documentation may consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from your broker containing the transactional and holding information found in a

broker confirmation slip or account statement. The Settling Parties, K12, and the Claims Administrator do not independently have information about your investments in K12 common stock. IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN THE REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. **Please keep a copy of all documents that you send to the Claims Administrator. Also, please do not highlight any portion of the Claim Form or any supporting documents.**

7. Separate Claim Forms should be submitted for each separate legal entity (*e.g.*, a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made solely in the individual's name). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity on one Claim Form, no matter how many separate accounts that entity has (*e.g.*, a corporation with multiple brokerage accounts should include all transactions made in all accounts on one Claim Form).

8. All joint beneficial owners must each sign this Claim Form and their names must appear as "Claimants" in Part I of this Claim Form. If you purchased K12 common stock during the Settlement Class Period and held the shares in your name, you are the beneficial owner as well as the record owner and you must sign this Claim Form to participate in the Settlement. If, however, you purchased K12 common stock during the relevant time period and the securities were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner of these shares, but the third party is the record owner. The beneficial owner, not the record owner, must sign this Claim Form to be eligible to participate in the Settlement.

9. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:

- (a) expressly state the capacity in which they are acting;
- (b) identify the name, account number, Social Security Number (or taxpayer identification number), address, and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the K12 common stock; and
- (c) furnish herewith evidence of their authority to bind to the Claim Form the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade securities in another person's accounts.)

10. By submitting a signed Claim Form, you will be swearing that you:

- (a) own(ed) the K12 common stock you have listed in the Claim Form; or
- (b) are expressly authorized to act on behalf of the owner thereof.

11. By submitting a signed Claim Form, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.

12. If the Court approves the Settlement, payments to eligible Authorized Claimants pursuant to the

Plan of Allocation (or such other plan of allocation as the Court approves) will be made after any appeals are resolved, and after the completion of all claims processing. The claims process will take substantial time to complete fully and fairly. Please be patient.

13. **PLEASE NOTE:** As set forth in the Plan of Allocation, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

14. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or the Notice, you may contact the Claims Administrator, Epiq Class Action & Mass Tort Solutions, Inc., at the above address, by email at info@K12SecuritiesLitigation.com, or by toll-free phone at (888) 278-8021, or you can visit the Settlement website, www.K12SecuritiesLitigation.com, where copies of the Claim Form and Notice are available for downloading.

15. **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. To obtain the mandatory electronic filing requirements and file layout, you may visit the settlement website at www.K12SecuritiesLitigation.com or you may email the Claims Administrator's electronic filing department at info@K12SecuritiesLitigation.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 info@K12SecuritiesLitigation.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 CLAIM FORM BY MAIL, WITHIN 60 DAYS. IF YOU DO NOT RECEIVE AN ACKNOWLEDGEMENT POSTCARD WITHIN 60 DAYS, PLEASE CALL THE CLAIMS ADMINISTRATOR TOLL FREE AT (888) 278-8021.

PART III – SCHEDULE OF TRANSACTIONS IN K12 COMMON STOCK

Please be sure to include proper documentation with your Claim Form as described in detail in Part II – General Instructions, Paragraph 6, above. Do not include information regarding securities other than K12 common stock.

1. HOLDINGS AS OF OCTOBER 10, 2013 – State the total number of shares of K12 common stock held as of the opening of trading on October 10, 2013. (Must be documented.) If none, write “zero” or “0.” _____				Confirm Proof of Position Enclosed <input type="radio"/>
2. PURCHASES/ACQUISITIONS FROM OCTOBER 10, 2013 THROUGH OCTOBER 27, 2015 – Separately list each and every purchase/acquisition (including free receipts) of K12 common stock from after the opening of trading on October 10, 2013 through and including the close of trading on October 27, 2015. (Must be documented.)				
Date of Purchase/ Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/Acquired	Purchase/Acquisition Price Per Share	Total Purchase/ Acquisition Price (excluding taxes, commissions, and fees)	Confirm Proof of Purchase Enclosed
/ /		\$	\$	<input type="radio"/>
/ /		\$	\$	<input type="radio"/>
/ /		\$	\$	<input type="radio"/>
/ /		\$	\$	<input type="radio"/>
3. PURCHASES/ACQUISITIONS FROM OCTOBER 28, 2015 THROUGH JANUARY 22, 2016 – State the total number of shares of K12 common stock purchased/acquired (including free receipts) from after the opening of trading on October 28, 2015 through and including the close of trading on January 22, 2016. If none, write “zero” or “0.” ² _____				
4. SALES FROM OCTOBER 10, 2013 THROUGH JANUARY 22, 2016 – Separately list each and every sale/disposition (including free deliveries) of K12 common stock from after the opening of trading on October 10, 2013 through and including the close of trading on January 22, 2016. (Must be documented.)				IF NONE, CHECK HERE <input type="radio"/>
Date of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (excluding taxes, commissions, and fees)	Confirm Proof of Sale Enclosed
/ /		\$	\$	<input type="radio"/>
/ /		\$	\$	<input type="radio"/>
/ /		\$	\$	<input type="radio"/>
/ /		\$	\$	<input type="radio"/>

² **Please note:** Information requested with respect to your purchases/acquisitions of K12 common stock from after the opening of trading on October 28, 2015 through and including the close of trading on January 22, 2016 is needed in order to balance your claim; purchases during this period, however, are not eligible under the Settlement and will not be used for purposes of calculating your Recognized Claim pursuant to the Plan of Allocation.

5. HOLDINGS AS OF JANUARY 22, 2016 – State the total number of shares of K12 common stock held as of the close of trading on January 22, 2016. (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

PART IV - RELEASE OF CLAIMS AND SIGNATURE

YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON PAGE ___ OF THIS CLAIM FORM.

I (we) hereby acknowledge that, pursuant to the terms set forth in the Stipulation, without further action by anyone, upon the Effective Date of the Settlement, I (we), on behalf of myself (ourselves) and my (our) heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim (including, without limitation, any Unknown Claims) against the Defendants and the other Defendants' Released Parties, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Defendants' Released Parties.

CERTIFICATION

By signing and submitting this Claim Form, the claimant(s) or the person(s) who represent(s) the claimant(s) agree(s) to the release above and certifies (certify) as follows:

1. that I (we) have read and understand the contents of the Notice and this Claim Form, including the releases provided for in the Settlement and the terms of the Plan of Allocation;
2. that the claimant(s) is a (are) Settlement Class Member(s), as defined in the Notice, and is (are) not excluded by definition from the Settlement Class as set forth in the Notice;
3. that the claimant has **not** submitted a request for exclusion from the Settlement Class;
4. that I (we) own(ed) the K12 common stock identified in the Claim Form and have not assigned the claim against any of the Defendants or any of the other Defendants' Released Parties to another, or that, in signing and submitting this Claim Form, I (we) have the authority to act on behalf of the owner(s) thereof;
5. that the claimant(s) has (have) not submitted any other claim covering the same purchases of K12 common stock and knows (know) of no other person having done so on the claimant's (claimants') behalf;
6. that the claimant(s) submit(s) to the jurisdiction of the Court with respect to claimant's (claimants') claim and for purposes of enforcing the releases set forth herein;
7. that I (we) agree to furnish such additional information with respect to this Claim Form as Lead Counsel, the Claims Administrator or the Court may require;
8. that the claimant(s) waive(s) the right to trial by jury, to the extent it exists, and agree(s) to the Court's summary disposition of the determination of the validity or amount of the claim made by this Claim Form;
9. that I (we) acknowledge that the claimant(s) will be bound by and subject to the terms of any judgment(s) that may be entered in the Action; and

10. that the claimant(s) is (are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (a) the claimant(s) is (are) exempt from backup withholding or (b) the claimant(s) has (have) not been notified by the IRS that he/she/it is subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified the claimant(s) that he/she/it is no longer subject to backup withholding. **If the IRS has notified the claimant(s) that he/she/it is subject to backup withholding, please strike out the language in the preceding sentence indicating that the claim is not subject to backup withholding in the certification above.**

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS CLAIM FORM 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 your name here

Signature of joint claimant, if any Date

Print your name here

If the 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, trustee, custodian, etc. (Must provide evidence of authority to act on behalf of claimant – see paragraph 9 on page __ of this Claim Form.)

REMINDER CHECKLIST:

1. Please sign the above release and certification. If this Claim Form 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.
3. Please do not highlight any portion of the Claim Form or any supporting documents.
4. Keep copies of the completed Claim Form and documentation for your own records.
5. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. Your claim is not deemed filed until you receive an acknowledgement postcard. **If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll free at (888) 278-8021.**
6. If your address changes in the future, or if this Claim Form was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.
7. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the address below, by email at info@K12SecuritiesLitigation.com, or by toll-free phone at (888) 278-8021, or you may visit www.K12SecuritiesLitigation.com. Please **DO NOT** call K12 or any of the other Defendants or their counsel with questions regarding your claim.

THIS CLAIM FORM MUST BE MAILED TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTMARKED NO LATER THAN _____, 2019, ADDRESSED AS FOLLOWS:

K12 Securities Litigation
c/o Epiq Class Action & Mass Tort Solutions, Inc.
P.O. Box 2312
Portland, OR 2312
(888) 278-8021
www.K12SecuritiesLitigation.com

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if a postmark date on or before _____, 2019 is indicated on the envelope and it is mailed First Class, and addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to fully process all of the Claim Forms. Please be patient and notify the Claims Administrator of any change of address.

Exhibit A-3

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND JUDICIAL DIVISION

In re K12 INC. SECURITIES
LITIGATION

Master File No. 4:16-cv-04069-PJH

Honorable Phyllis J. Hamilton

**SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION AND
PROPOSED SETTLEMENT; (II) SETTLEMENT FAIRNESS HEARING;
AND (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES
AND REIMBURSEMENT OF LITIGATION EXPENSES**

TO: All persons and entities who, during the period between October 10, 2013 and October 27, 2015, inclusive, purchased or otherwise acquired the common stock of K12 Inc. (“K12 Securities”) and were injured thereby (collectively, the “Settlement Class”):

PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of California, that the above-captioned litigation (the “Action”) has been certified as a class action on behalf of the Settlement Class, except for certain persons and entities who are excluded from the Settlement Class by definition as set forth in the full Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (the “Notice”).

YOU ARE ALSO NOTIFIED that Lead Plaintiff in the Action has reached a proposed settlement of the Action for \$3,500,000 in cash (the “Settlement”), that, if approved, will resolve all claims, both known and unknown, in the Action.

A hearing will be held on _____, 2019 at __:__ .m., before the Honorable Phyllis J. Hamilton at the United States District Court for the Northern District of California, Ronald V. Dellums Federal Building & United States Courthouse, Courtroom 3, 3rd Fl., 1301 Clay Street, Oakland, CA 94612, to determine (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in the Stipulation and Agreement of Settlement dated November 26, 2018 (and in the Notice) should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (iv) whether Lead Counsel’s application for an award of attorneys’ fees and reimbursement of expenses should be approved.

If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Settlement Fund. The Notice and Proof of Claim and Release Form (“Claim Form”), can be downloaded from the website maintained by the Claims Administrator, www.K12SecuritiesLitigation.com. You may also obtain copies of the Notice and Claim Form by contacting the Claims Administrator at *In re K12 Securities Litigation*, c/o Epiq Class Action & Mass Tort Solutions, Inc., P.O. Box 2312, Portland, OR 97208-8021, 1-888-278-8021.

If you are a member of the Settlement Class, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form *postmarked* no later than _____, 2019. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion such that it is *received* no later than _____, 2019, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel’s motion for attorneys’ fees and reimbursement of expenses, must be filed with the Court such that they are *received* no later than _____, 2019, in accordance with the instructions set forth in the Notice.

Please do not contact the Court, the Clerk’s office, K12, or its counsel regarding this notice. All questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to Lead Counsel or the Claims Administrator.

Inquiries, other than requests for the Notice and Claim Form, should be made to Lead Counsel:

GLANCY PRONGAY & MURRAY LLP
Kara M. Wolke, Esq.
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
(888) 773-9224,
settlements@glancylaw.com

Requests for the Notice and Claim Form should be made to:

In re K12 Securities Litigation
c/o Epiq Class Action & Mass Tort Solutions, Inc.
P.O. Box 2312
Portland, OR 97208-2312
888-278-8021
www.K12SecuritiesLitigation.com

By Order of the Court

Exhibit A-4

In re K12 Securities Litigation
 c/o Epiq Class Action & Mass Tort Solutions, Inc.
 P.O. Box 2312
 Portland, OR 97208-2312

[Postage Prepaid]

COURT-ORDERED LEGAL NOTICE

Important Notice about a Securities Class Action Settlement.

**You may be entitled to a CASH payment.
 This Notice may affect your legal rights.
 Please read it carefully.**

Name
 Address
 City, State
 Zip

In re K12 Securities Litigation
 Case No. 4:16-cv-04069-PJH

***THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE SETTLEMENT.
 PLEASE VISIT WWW.K12SECURITIESLITIGATION.COM FOR MORE INFORMATION.***

There has been a proposed Settlement of claims against K12 Inc. (“K12”) and certain executives of K12 (collectively, the “Defendants”). The Settlement would resolve a lawsuit in which Lead Plaintiff alleges that Defendants disseminated materially false and misleading information to the investing public, namely by not disclosing publicly that K12 received a notice from the Agora Cyber Charter School (“Agora”) concerning the automatic renewal of K12’s Agora management contract. Defendants deny any liability or wrongdoing. You received this Postcard Notice because you or someone in your family may have purchased or otherwise acquired K12’s common stock (“K12 Securities”), which is publicly traded on the New York Stock Exchange, between October 10, 2013 and October 27, 2015, inclusive, and been damaged thereby.

Defendants have agreed to pay a Settlement Amount of \$3,500,000. The Settlement provides that the Settlement Fund, after deduction of any Court-approved attorneys’ fees and expenses, notice and administration costs, and taxes, is to be divided among all Settlement Class Members who submit a valid Claim Form, in exchange for the settlement of this case and the Releases by Settlement Class Members of claims related to this case. **For all details of the Settlement, read the Stipulation and full Notice, available at www.K12SecuritiesLitigation.com.**

Your share of the Settlement proceeds will depend on the number of valid Claims submitted, and the number, size and timing of your transactions in K12 Securities. If every eligible Settlement Class Member submits a valid Claim Form, the average recovery will be \$0.15 per eligible share before expenses and other Court-ordered deductions. Your award will be determined *pro rata* based on the number of claims submitted. This is further explained in the detailed Notice found on the Settlement website.

To qualify for payment, you must submit a Claim Form. The Claim Form can be found on the website www.K12SecuritiesLitigation.com or will be mailed to you upon request to the Claims Administrator (888-278-8021). **Claim Forms must be postmarked by _____, 2019.** If you do not want to be legally bound by the Settlement, you must exclude yourself by _____, 2019, or you will not be able to sue the Defendants about the legal claims in this case. If you exclude yourself, you cannot get money from this Settlement. If you want to object to the Settlement, you may file an objection by _____, 2019. The Notice posted at www.K12SecuritiesLitigation.com explains how to submit a Claim Form, exclude yourself, or object, and you must comply with all of the instructions stated therein.

The Court will hold a hearing in this case on _____, 2019, to consider whether to approve the Settlement and a request by the lawyers representing the Settlement Class for up to 33% of the Settlement Fund in attorneys’ fees, plus actual expenses for litigating the case and negotiating the Settlement (which equals a cost of \$0.06 per affected share). You may attend the hearing and ask to be heard by the Court, but you do not have to. For more information, call toll-free (888-278-8021) or visit the website www.K12SecuritiesLitigation.com and read the detailed Notice.

Exhibit B

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND JUDICIAL DIVISION

In re K12 INC. SECURITIES
LITIGATION

Master File No. 4:16-cv-04069-PJH

Honorable Phyllis J. Hamilton

JUDGMENT APPROVING CLASS ACTION SETTLEMENT

WHEREAS, a consolidated class action is pending in this Court entitled *In re K12 Inc. Sec. Litig.*, Master File No. 4:16-cv-04069-PJH (the “Action”);

WHEREAS, (a) Lead Plaintiff Babulal Tarapara, on behalf of himself and the Settlement Class (defined below), (b) Defendant K12 Inc. (“K12”), and (c) Defendants Nathaniel A. Davis (“Davis”) and James J. Rhyu (“Rhyu”) (the “Individual Defendants,” and, together with K12, the “Defendants”) have entered into a Stipulation and Agreement of Settlement dated November 26, 2018 (the “Stipulation”), that provides for a complete dismissal with prejudice of the claims, both known and unknown, that have been or could have been asserted against Defendants in the Action on the terms and conditions set forth in the Stipulation, subject to the approval of this Court (the “Settlement”);

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Stipulation;

WHEREAS, by Order dated _____, 201__ (the “Preliminary Approval Order”), this Court: (a) preliminarily approved the Settlement; (b) certified the Settlement Class solely for purposes of effectuating the Settlement; (c) ordered that notice of the proposed Settlement be

provided to potential Settlement Class Members; (d) provided Settlement Class Members with the opportunity either to exclude themselves from the Settlement Class or to object to the proposed Settlement; and (e) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, due and adequate notice has been given to the Settlement Class;

WHEREAS, the Court conducted a hearing on _____, 2019 (the “Settlement Hearing”) to consider, among other things, (a) whether the terms and conditions of the Settlement are fair, reasonable, and adequate to the Settlement Class, and should therefore be approved; and (b) whether a judgment should be entered dismissing the Action with prejudice as against the Defendants; and

WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the Settlement, and the record in the Action, and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Action, and all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and each of the Settlement Class Members.

2. **Incorporation of Settlement Documents** – This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on November 26, 2018; and (b) the Notice, the Summary Notice, and the Postcard Notice, all of which were filed with the Court on November 26, 2018.

3. **Class Certification for Settlement Purposes** – The Court hereby affirms its determinations in the Preliminary Approval Order certifying, for the purposes of the Settlement

only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class consisting of all Persons¹ who or which purchased or otherwise acquired K12 Securities² between October 10, 2013 and October 27, 2015, inclusive (the “Settlement Class Period”), and were damaged thereby. Excluded from the Settlement Class are K12, Nathaniel A. Davis, James J. Rhyu, the Officers and directors of K12 at all relevant times, as well as members of their Immediate Families and their legal representatives, heirs, successors, or assigns any entity in which Defendants have or had a controlling interest; any trust of which Nathaniel A. Davis and/or James J. Rhyu is the settlor or which is for the benefit of their Immediate Family members; and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party. [Also excluded from the Settlement Class are the Persons listed on Exhibit 1 hereto who or which are excluded from the Settlement Class pursuant to request.]

4. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court hereby affirms its determinations in the Preliminary Approval Order certifying Lead Plaintiff as the Class Representative for the Settlement Class and appointing Lead Counsel as Class Counsel for the Settlement Class. Lead Plaintiff and Lead Counsel have fairly and adequately represented the Settlement Class both in terms of litigating the Action and for purposes of entering into and

¹ “Person” or “Persons” means an individual, corporation (including all divisions and subsidiaries), general or limited partnership, association, joint stock company, joint venture, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity.

² “K12 Securities” means K12 common stock publicly traded on the New York Stock Exchange (“NYSE”).

implementing the Settlement and have satisfied the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

5. **Notice** – The Court finds that the dissemination of the Postcard Notice, the online posting of the Notice, and the publication of the Summary Notice: (a) were implemented in accordance with the Preliminary Approval Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of (i) the pendency of the Action; (ii) the effect of the proposed Settlement (including the Releases to be provided thereunder); (iii) Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses; (iv) their right to object to any aspect of the Settlement, the Plan of Allocation, and/or Lead Counsel’s motion for attorneys’ fees and reimbursement of Litigation Expenses; (v) their right to exclude themselves from the Settlement Class; and (vi) their right to appear at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable law and rules.

6. **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation: the amount of the Settlement; the Releases provided for therein; and the dismissal with prejudice of the claims asserted against Defendants in the Action), and finds that the Settlement is, in all respects, fair, reasonable, and adequate to the Settlement Class. The Parties

are directed to implement, perform, and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

7. The Action and all of the claims asserted against Defendants in the Action by Lead Plaintiff and the other Settlement Class Members are hereby dismissed with prejudice. The Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

8. **Binding Effect** – The terms of the Stipulation and of this Judgment shall be forever binding on Defendants, Lead Plaintiff, and all other Settlement Class Members (regardless of whether or not any individual Settlement Class Member submits a Claim Form or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective successors and assigns. [The persons and entities listed on Exhibit 1 hereto are excluded from the Settlement Class pursuant to request and are not bound by the terms of the Stipulation or this Judgment.]

9. **Releases** – The Releases set forth in paragraphs 5 and 6 of the Stipulation, together with the definitions contained in paragraph 1 of the Stipulation relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date. Accordingly, this Court orders that:

(a) Without further action by anyone, and subject to paragraph 10 below, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves and all other Plaintiffs' Released Parties, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged, and dismissed each and every Released Plaintiffs' Claim against the Defendants and the other Defendants' Released

Parties, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Defendants' Released Parties. This release shall not apply to any Excluded Claim (as that term is defined in paragraph 1(q) of the Stipulation).

(b) Without further action by anyone, and subject to paragraph 10 below, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and all other Defendants' Released Parties, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claims against Lead Plaintiff and the other Plaintiffs' Released Parties, and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Plaintiffs' Released Parties. [This Release shall not apply to any person or entity listed on Exhibit 1 hereto.]

10. Notwithstanding paragraphs 9(a)–(b) above, nothing in this Judgment shall bar any action by any of the Parties to enforce or effectuate the terms of the Stipulation or this Judgment.

11. **Rule 11 Findings** – The Court finds and concludes that the Parties and their respective counsel have complied in all respects with the requirements of Rule 11 of the Federal Rules of Civil Procedure in connection with the institution, prosecution, defense, and settlement of the Action.

12. **No Admissions** – Neither this Judgment, the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), nor the negotiations leading to the execution of the Stipulation, nor any proceedings taken pursuant to or in connection with the Stipulation and/or approval of the Settlement (including any arguments proffered in connection

therewith):

(a) shall be offered against any of the Defendants' Released Parties as evidence of, or construed as or deemed to be evidence of, any presumption, concession, or admission by any of the Defendants' Released Parties with respect to the truth of any fact alleged by Lead Plaintiff or any other of Plaintiffs' Released Parties, or the validity of any claim that was or could have been asserted against any of the Defendants' Released Parties, or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind with respect to any of the Defendants' Released Parties, or in any way referred to for any other reason as against any of the Defendants' Released Parties, in any civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(b) shall be offered against any of the Plaintiffs' Released Parties, as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Plaintiffs' Released Parties that any of their claims are without merit, that any of the Defendants' Released Parties had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault, or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Released Parties, in any civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; or

(c) shall be construed against any of the Released Parties as an admission, concession, or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; provided, however, that the Parties and

the Released Parties and their respective counsel may refer to this Judgment and the Stipulation to effectuate the protections from liability granted hereunder and thereunder or otherwise to enforce the terms of the Settlement.

13. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of the administration, interpretation, implementation, and enforcement of the Settlement; (b) the disposition of the Settlement Fund; (c) any motion for an award of attorneys’ fees and/or Litigation Expenses by Lead Counsel in the Action that will be paid from the Settlement Fund; (d) any motion to approve the Plan of Allocation; (e) any motion to approve the Class Distribution Order; and (f) the Settlement Class Members for all matters relating to the Action.

14. Separate orders shall be entered regarding approval of a plan of allocation and the motion of Lead Counsel for an award of attorneys’ fees and reimbursement of Litigation Expenses. Such orders shall in no way affect or delay the finality of this Judgment and shall not affect or delay the Effective Date of the Settlement.

15. **Modification of the Agreement of Settlement** – Without further approval from the Court, Lead Plaintiff and Defendants are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of Settlement Class Members in connection with the Settlement. Without further order of the Court, Lead Plaintiff and Defendants may agree to reasonable extensions of time to carry out any provisions of the Settlement.

16. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall

be vacated, rendered null and void, and be of no further force and effect, except as otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of Lead Plaintiff, the other Settlement Class Members and Defendants, and the Parties shall revert to their respective positions in the Action as of September 10, 2018, as provided in the Stipulation.

17. **Entry of Final Judgment** – There is no just reason to delay the entry of this Judgment as a final judgment in this Action. Accordingly, the Clerk of the Court is expressly directed to immediately enter this final judgment in this Action.

SO ORDERED this _____ day of _____, 2019.

The Honorable Phyllis J. Hamilton
United States District Judge

Exhibit 1

[List of Persons and Entities Excluded from the Settlement Class Pursuant to Request]