

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

In re QUALITY SYSTEMS, INC. SECURITIES LITIGATION	)	No. 8:13-cv-01818-CJC-JPR
	)	
	)	
_____	)	
This Document Relates To:	)	
	)	
ALL ACTIONS.	)	
_____	)	

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT;  
(II) SETTLEMENT HEARING; AND (III) MOTION FOR  
ATTORNEYS' FEES AND 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 class action lawsuit pending in this Court (the "Litigation") if you purchased or otherwise acquired the common stock of Quality Systems, Inc. ("QSI") from May 26, 2011 through July 25, 2012, inclusive (the "Class Period"), and were damaged thereby.

**NOTICE OF SETTLEMENT:** Please also be advised that the City of Miami Fire Fighters' and Police Officers' Retirement Trust ("Miami") and Arkansas Teacher Retirement System ("ATRS") (collectively, "Lead Plaintiffs"), on behalf of the Class (as defined in ¶1 below), have reached a proposed settlement of the Litigation for a total of \$19 million in cash that will resolve all claims in the Litigation (the "Settlement").

**This Notice explains important rights you may have, including your possible receipt of cash from the Settlement. Your legal rights will be affected whether or not you act. Please read this Notice carefully!**

1. **Description of the Litigation and the Class:** This Notice relates to a proposed Settlement of a class action lawsuit pending against the following defendants: QSI, Steven T. Plochocki, Paul Holt, and Sheldon Razin ("Defendants") (collectively, with Lead Plaintiffs, the "Settling Parties"). The proposed Settlement, if approved by the Court, will apply to the following Class (the "Class"): all persons and entities who purchased or otherwise acquired QSI common stock during the Class Period and were damaged thereby. Excluded from the Class are: (a) Defendants; (b) immediate family members of the individual Defendants (as defined in 17 C.F.R. §229.404 Instructions (1)(a)(iii) and (1)(b)(ii)); (c) present or former executive officers or directors of QSI and their immediate family members (as defined in 17 C.F.R. §229.404 Instructions (1)(a)(iii) and (1)(b)(ii)); (d) any firm or entity in which any Defendant has or had a controlling interest during the Class Period; (e) any affiliates, parents, or subsidiaries of QSI; (f) all QSI plans that are covered by ERISA; and (g) the legal representatives, agents, affiliates, heirs, beneficiaries, successors-in-interest, or assigns of any excluded Person, in their respective capacity as such. Also excluded from the Class are those Persons who exclude themselves by submitting a request for exclusion, as set forth in ¶58 below, that is accepted by the Court. Anyone with questions as to whether or not they are excluded from the Class may call the Claims Administrator toll-free at 1-866-963-9980.

2. **Statement of Class's Recovery:** Subject to Court approval, and as described more fully in ¶¶47-51 below, Lead Plaintiffs, on behalf of the Class, have agreed to settle all Released Plaintiffs' Claims (as defined in ¶48 below) against Defendants and other Released Defendant Parties (as defined in ¶49 below) in exchange for a settlement payment of \$19 million in cash (the "Settlement Amount") to be deposited into an escrow account. The Net Settlement Fund (the Settlement Amount plus all interest and income earned thereon (the "Settlement Fund") less Taxes and Tax Expenses, Notice and Administration Expenses, and attorneys' fees and litigation expenses and Lead Plaintiffs' expenses awarded by the Court) will be distributed in accordance with a plan of allocation (the "Plan of Allocation") that will be approved by the Court and will determine how the Net Settlement Fund shall be distributed to Members of the Class. The Plan of Allocation is a basis for determining the relative positions of Class Members for purposes of allocating the Net Settlement Fund. The proposed Plan of Allocation is included in this Notice, and may be modified by the Court without further notice.

3. **Statement of Average Distribution Per Share:** The Settlement Fund consists of the \$19 million Settlement Amount plus interest earned. Assuming all potential Class Members elect to participate, the estimated average recovery is \$0.63 per damaged share before fees and expenses. Class Members may recover more or less than this amount depending on, among other factors, the aggregate value of the Recognized Claims represented by valid and acceptable Claim Forms as explained in the Plan of Allocation; when their shares were purchased or acquired and the price at the time of purchase or acquisition; whether the shares were sold, and if so, when they were sold and for how much. In addition, the actual recovery of Class Members may be further reduced by the payment of fees and costs from the Settlement Fund, as approved by the Court.

4. **Statement of the Parties' Position on Damages:** Defendants deny all claims of wrongdoing, that they engaged in any wrongdoing, that they are liable to Lead Plaintiffs and/or the Class and that Lead Plaintiffs or other Members of the Class suffered any injury. Moreover, the parties do not agree on the amount of recoverable damages if Lead Plaintiffs were to prevail on each of the claims. The issues on which the parties disagree include, but are not limited to, whether: (1) the statements made or facts allegedly omitted were material, false or misleading; (2) Defendants are otherwise liable under the securities laws for those statements or omissions; and (3) all or part of the damages allegedly suffered by Members of the Class were caused by economic conditions or factors other than the allegedly false or misleading statements or omissions.

5. **Statement of Attorneys' Fees and Expenses Sought:** Lead Counsel will apply to the Court, on behalf of all Plaintiffs' Counsel, for an award of attorneys' fees from the Settlement Fund of no more than 25% of the Settlement Amount, plus interest earned at the same rate and for the same period as earned by the Settlement Fund. In addition, Lead Counsel also will apply to the Court for payment from the Settlement Fund for Plaintiffs' Counsel's litigation expenses (reasonable expenses or charges of Plaintiffs' Counsel in connection with commencing and prosecuting the Litigation), and may apply for reimbursement of Lead Plaintiffs' time and expenses incurred in representing the Class, in a total amount not to exceed \$300,000, plus interest earned at the same rate and for the same period as earned by the Settlement Fund. If the Court approves Lead Counsel's fee and expense application, the estimated average cost per damaged share is \$0.17.

6. **Identification of Attorneys' Representatives:** Lead Plaintiffs and the Class are being represented by Robbins Geller Rudman & Dowd LLP and Bernstein Litowitz Berger & Grossmann LLP (collectively, "Lead Counsel"). Any questions regarding the Settlement should be directed to Robert R. Henssler Jr., Esq. at Robbins Geller Rudman & Dowd LLP, 655 W. Broadway, Suite 1900, San Diego, CA 92101, (800) 449-4900, bhenssler@rgrdlaw.com, or Benjamin Galdston, Esq. at Bernstein Litowitz Berger & Grossmann LLP, 12481 High Bluff Drive, Suite 300, San Diego, CA 92130, (800) 380-8496, settlements@blbglaw.com.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT</b>	
<b>DO NOTHING</b>	Get no payment. Remain a Class Member. Give up your rights.
<b>REMAIN A MEMBER OF THE CLASS AND SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN DECEMBER 12, 2018</b>	This is the only way to be potentially eligible to receive a payment. If you wish to obtain a payment as a Member of the Class, you will need to file a claim form (the "Claim Form" or "Proof of Claim Form"), which is included with this Notice, postmarked no later than December 12, 2018.
<b>EXCLUDE YOURSELF FROM THE CLASS (OPT OUT) BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 29, 2018</b>	Receive no payment pursuant to this Settlement. This is the only option that allows you to ever potentially be part of any other lawsuit against any of the Defendants or the other Released Defendant Parties concerning the Released Plaintiffs' Claims. Should you elect to exclude yourself from the Class, you should understand that Defendants and the other Released Defendant Parties will have the right to assert any and all defenses they may have to any claims that you may seek to assert, including, without limitation, the defense that any such claims are untimely under applicable statutes of limitations and statutes of repose.
<b>OBJECT TO THE SETTLEMENT SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 29, 2018</b>	Write to the Court about your view on the Settlement, or why you don't think the Settlement is fair to the Class.  If you do not exclude yourself from the Class, you may object to the Settlement, the Plan of Allocation, or the request for attorneys' fees and litigation expenses. You must still submit a Claim Form in order to be potentially eligible to receive any money from the Settlement Fund.
<b>GO TO THE HEARING ON NOVEMBER 19, 2018, AT 1:30 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 29, 2018</b>	Ask to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and litigation expenses.

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## WHY DID I GET THIS NOTICE?

7. The purpose of this Notice is to inform you about (a) this Litigation, (b) the certification of the Class, (c) the terms of the proposed Settlement, and (d) your rights in connection with a hearing to be held before the United States District Court, Central District of California, Southern Division (the "Court"), on November 19, 2018, at 1:30 p.m., to consider the fairness, reasonableness, and adequacy of the Settlement and related matters. This Notice also describes the steps to be taken by those who wish to be excluded from the Class and, for those who remain Class Members, the steps necessary to seek to be potentially eligible to share in the distribution of the Net Settlement Fund in the event the Settlement is approved by the Court.

8. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. In a class action lawsuit, the Court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. (For more information on excluding yourself from the Class, please read "What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?" on page 10.) In the Litigation, the Court has appointed Lead Plaintiffs as the Class Representatives and Lead Counsel as Class Counsel, for purposes of the Settlement.

9. The Court in charge of this case is the United States District Court for the Central District of California, Southern Division, and the case is known as *In re Quality Systems, Inc. Securities Litigation*, Case No. 8:13-cv-01818-CJC-JPR. The judge presiding over this case is the Honorable Cormac J. Carney, United States District Judge. The people who are suing are called plaintiffs, and those who are being sued are called defendants. In this case, the Defendants are QSI, Steven T. Plochocki, Paul Holt, and Sheldon Razin.

10. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement if you wish to do so. It also is 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 proposed Settlement, the proposed Plan of Allocation, and the application by Lead Counsel for attorneys' fees and litigation expenses (the "Settlement Hearing").

11. The Settlement Hearing will be held on November 19, 2018, at 1:30 p.m., before the Honorable Cormac J. Carney, at the United States District Court, Central District of California, Southern Division, Ronald Reagan Federal Building and United States Courthouse, 411 West Fourth Street, Santa Ana, CA 92701, Courtroom 9B, 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 and should be approved by the Court;
- (b) to determine whether the Judgment as provided for under the Stipulation of Settlement dated July 16, 2018 (the "Stipulation") should be entered;
- (c) to determine whether the proposed Plan of Allocation for the net proceeds of the Settlement is fair and reasonable and should be approved by the Court;
- (d) to determine whether the application by Lead Counsel for an award of attorneys' fees and litigation expenses should be approved; and

(e) to rule upon such other matters as the Court may deem appropriate.

12. This Notice does not express any opinion by the Court concerning the merits of any claim in the Litigation, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. This process takes time. Please be patient.

#### WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

13. This Litigation arises under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and alleges that during the period between May 26, 2011 and July 25, 2012, inclusive (the “Class Period”), Defendants QSI, Steven T. Plochocki, Paul Holt and Sheldon Razin made materially false and misleading statements about QSI’s business performance and conditions. More specifically, Lead Plaintiffs allege that during the Class Period, Defendants misled investors regarding QSI’s sales opportunities (or “pipeline”), market demand for QSI’s products and QSI’s projected earnings growth.

14. Lead Plaintiffs allege that during the Class Period, Defendants knew or recklessly disregarded that QSI’s sales prospects were declining as: (1) the market for QSI’s products had become “saturated”; (2) there were less “greenfield” opportunities, which meant more customers already had what QSI was selling; and (3) QSI’s pipeline of sales opportunities was shrinking. Lead Plaintiffs allege that Defendants concealed these facts from investors and that this scheme artificially inflated QSI’s stock price during the Class Period. On July 26, 2012, QSI announced that its income and earnings had declined compared to the previous year, and QSI retracted its previous guidance for fiscal year 2013. QSI’s stock price declined to \$15.95 per share at the close of trading on July 26, 2012, down 33% from the previous day’s closing price.

15. On April 7, 2014, Lead Plaintiffs filed their Amended Complaint for Violations of the Federal Securities Laws. On June 20, 2014, Defendants moved to dismiss this complaint, which was opposed by Lead Plaintiffs. On October 20, 2014, the Court issued an order granting Defendants’ motion to dismiss. The United States Court of Appeals for the Ninth Circuit reversed this decision on July 28, 2017. Defendants filed a petition for a writ of certiorari to the United States Supreme Court for review of the Ninth Circuit’s July 28, 2017 decision, which was pending at the time of the Settlement. Defendants filed their answer to the Amended Complaint on November 7, 2017.

16. Following the Court of Appeals’ decision regarding Defendants’ motion to dismiss, Lead Plaintiffs and Defendants began formal discovery. The Settling Parties served written discovery on each other, and issued subpoenas to third parties. At the time settlement was reached, Lead Plaintiffs had collected over 350,000 pages of documents from Defendants and various third parties. Similarly, Defendants collected over 11,000 pages of documents from Lead Plaintiffs, their investment managers and other third parties.

17. In the course of the Litigation, the Settling Parties engaged the services of Gregory P. Lindstrom, Esq., of Phillips ADR, a nationally recognized mediator. The Settling Parties engaged in an in-person mediation session with Mr. Lindstrom on May 9, 2018. While the Settling Parties did not reach an agreement to settle the Litigation at the mediation, the Settling Parties continued settlement negotiations with the assistance of Mr. Lindstrom who provided the Settling Parties with a Mediator’s Proposal on May 10, 2018. The Settling Parties each accepted the Mediator’s Proposal to settle the Litigation for \$19 million.

#### HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

18. If you are a Member of the Class, you are subject to the Settlement unless you timely request to be excluded. The Class consists of all persons or entities who purchased or otherwise acquired QSI common stock during the Class Period and were damaged thereby. Excluded from the Class are: (a) Defendants; (b) immediate family members of the individual Defendants (as defined in 17 C.F.R. §229.404 Instructions (1)(a)(iii) and (1)(b)(ii)); (c) present or former executive officers or directors of QSI and their immediate family members (as defined in 17 C.F.R. §229.404 Instructions (1)(a)(iii) and (1)(b)(ii)); (d) any firm or entity in which any Defendant has or had a controlling interest during the Class Period; (e) any affiliates, parents, or subsidiaries of QSI; (f) all QSI plans that are covered by ERISA; and (g) the legal representatives, agents, affiliates, heirs, beneficiaries, successors-in-interest, or assigns of any excluded Person, in their respective capacity as such. Also excluded from the Class are any persons or entities who 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 Part Of The Settlement? How Do I Exclude Myself?,” on page 10 below.) Anyone with questions as to whether or not they are excluded from the Class may call the Claims Administrator toll-free at 1-866-963-9980.

**RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU WISH TO BE POTENTIALLY ELIGIBLE TO RECEIVE A DISTRIBUTION OF THE SETTLEMENT PROCEEDS, YOU MUST COMPLETE, SIGN AND SUBMIT THE ENCLOSED CLAIM FORM POSTMARKED NO LATER THAN DECEMBER 12, 2018.**

## WHAT ARE LEAD PLAINTIFFS' REASONS FOR THE SETTLEMENT?

19. Lead Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. Lead Plaintiffs and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against Defendants through trial and appeals, as well as the difficulties in establishing liability, obtaining class certification and establishing damages. Lead Plaintiffs and Lead Counsel have considered the amount of the Settlement, as well as the uncertain outcome and risk in complex lawsuits like this one. Such risks include, in particular, the risk of Defendants' pending petition for a writ of certiorari to the United States Supreme Court for review of the Ninth Circuit's July 28, 2017 opinion reversing the District Court's dismissal of the action and the risk, among others, that Lead Plaintiffs would be unsuccessful in proving that Defendants' alleged misstatements were materially false and misleading, made with scienter (that is, the requisite state of mind), or caused compensable damages to the Class.

20. In light of the amount of the Settlement and the immediacy of recovery to the Class, Lead Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Lead Plaintiffs and Lead Counsel believe that the Settlement provides a substantial benefit now, namely \$19 million cash (less the various deductions described in this Notice), as compared to the risk that the claims would produce a smaller recovery, or no recovery after summary judgment, trial and appeals, possibly years in the future.

21. Defendants have denied and continue to deny each and all of the claims alleged by Lead Plaintiffs in the Litigation. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. Defendants also have denied and continue to deny, among other things, the allegations that Lead Plaintiffs or the Class have suffered any damage, that Lead Plaintiffs or the Class were harmed by the conduct alleged in the Litigation, or that the Litigation is properly certifiable as a class action for litigation purposes.

## WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

22. If there were no Settlement and Lead Plaintiffs failed to establish any essential legal or factual element of the alleged claims, neither Lead Plaintiffs nor the Class would recover anything from Defendants. If Lead Plaintiffs were not to succeed in obtaining class certification, Defendants may have asserted the defense that the claims of Class Members were untimely under applicable statutes of limitations and statutes of repose. Also, if Defendants were successful in proving any of their defenses, the Class likely would recover substantially less than the amount provided in the Settlement, or nothing at all.

## HOW MUCH WILL MY PAYMENT BE?

23. Defendants have agreed to cause to be paid Nineteen Million Dollars (\$19,000,000.00) in cash into escrow for the benefit of the Class. At this time, it is not possible to make any determination as to how much individual Class Members may receive from the Settlement. Lead Plaintiffs have proposed a plan for allocating the Net Settlement Fund to those Class Members who timely submit valid Proof of Claim Forms. The Plan of Allocation proposed by Lead Plaintiffs is set forth below, and additional information is available on the website created for purposes of this Settlement, [www.QSISecuritiesSettlement.com](http://www.QSISecuritiesSettlement.com).

24. Payment pursuant to the Plan of Allocation shall be conclusive against all Authorized Claimants. No person or entity shall have any claim based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further order(s) of the Court against Lead Counsel, Lead Plaintiffs, Class Members, the Claims Administrator, Defendants and the other Released Defendant Parties (defined below), or any person or entity designated by Lead Counsel. All Members of the Class who fail to timely submit an acceptable Claim Form by the deadline set by the Court, or such other deadline as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Settlement, but will in all other respects be subject to and bound by the terms of the Settlement, including the release of the Class Member's Released Plaintiffs' Claims.

25. Participants in and beneficiaries of a QSI plan covered by ERISA ("QSI ERISA Plan") should NOT include any information relating to their transactions in QSI common stock held through the QSI ERISA Plan in any Claim Form that they may submit in this Litigation. They should include ONLY those shares that they purchased or acquired outside of the QSI ERISA Plan.

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

27. The Plan of Allocation set forth below is the proposed plan submitted by Lead Plaintiffs and Lead Counsel for the Court's approval. The Court may approve this plan as proposed or it may modify it without further notice to the Class.

28. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Central District of California, Southern Division, with respect to his, her or its Claim Form.

29. Persons and entities that exclude themselves from the Class will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Proof of Claim Forms.

## PLAN OF ALLOCATION

30. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. In developing the Plan of Allocation, Lead Plaintiffs' damages expert calculated the potential amount of estimated alleged artificial inflation in QSI's common stock which allegedly was proximately caused by Defendants' alleged false and misleading statements and material omissions. In calculating the estimated alleged artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiffs' damages expert considered the market and industry adjusted price changes in QSI's stock price following certain corrective disclosures regarding QSI and the allegations in the Amended Complaint. The estimated potential alleged artificial inflation in QSI's common stock is shown in Table A set forth at the end of this Notice.

31. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

### CALCULATION OF RECOGNIZED LOSS AMOUNTS

32. In order to have recoverable damages, a disclosure of the alleged truth omitted or concealed by the misrepresentations must be the cause of the decline in the price of QSI's common stock. In this case, Lead Plaintiffs allege that Defendants made false statements and omitted material facts during the Class Period, which had the effect of artificially inflating the prices of QSI's common stock.

33. Alleged corrective disclosures that removed the artificial inflation from the stock price occurred on the following dates: May 7, 2012; May 8, 2012; May 10, 2012; and July 26, 2012. The estimated inflation removed by each of these corrective disclosures, and the partial rebound on May 9, 2012, was used as the basis for the artificial inflation (*see* Table A). These fraud related price movements are as follows:

May 7, 2012 price decline:

\$2.71 per share  
May 7, 2012, market adjusted price decline.

May 8, 2012 price decline:

\$2.84 per share  
May 8, 2012, market adjusted price decline.

May 9, 2012 partial price rebound:

\$0.97 per share  
May 9, 2012, market adjusted price increase.

May 10, 2012 price decline:

\$1.78 per share  
May 10, 2012, market adjusted price decline.

July 26, 2012 price decline:

\$7.66 per share  
July 26, 2012, market adjusted price decline.

34. Based on the formula set forth below, a "Recognized Loss Amount" will be calculated for each purchase or acquisition of QSI common stock during the 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, that Recognized Loss Amount shall be zero.

For each share of QSI common stock purchased or acquired between May 26, 2011, through July 25, 2012, inclusive, and:

1. Sold before May 7, 2012, the Recognized Loss Amount shall be zero.
2. Sold between May 7, 2012, and July 25, 2012, inclusive, the Recognized Loss Amount shall be *the lesser of*:
  - (a) the amount of artificial inflation per share as set forth in Table A on the date of purchase, minus the amount of artificial inflation per share as set forth in Table A on the date of the sale; or
  - (b) purchase/acquisition price minus the sale price.
3. Sold between July 26, 2012, and October 23, 2012, inclusive, the Recognized Loss Amount shall be *the least of*:
  - (a) the amount of artificial inflation per share as set forth in Table A on the date of purchase;

- (b) the purchase/acquisition price minus the sale price; or
  - (c) the purchase/acquisition price minus the average closing price between July 26, 2012, and the date of sale as shown on Table B set forth at the end of this Notice.
4. Held as of the close of trading on October 23, 2012, the Recognized Loss Amount shall be *the lesser of*:
- (a) the amount of artificial inflation per share as set forth in Table A on the date of purchase; or
  - (b) the purchase/acquisition price minus \$18.07 per share, the average closing price for QSI's common stock between July 26, 2012 and October 23, 2012 (the last entry in Table B).<sup>1</sup>

#### **ADDITIONAL PROVISIONS**

35. The Net Settlement Fund will be allocated among all Authorized Claimants based on the amount of each Authorized Claimant's Recognized Claim (defined below).

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

37. A Claimant's "Recognized Claim" under the Plan of Allocation shall be the sum of his, her or its Recognized Loss Amounts.

38. 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.

39. Purchases or acquisitions and sales of QSI's common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of QSI's common stock during the Class Period shall not be deemed a purchase, acquisition or sale of QSI's common stock for the calculation of an Authorized Claimant's Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any QSI's common stock unless (i) the donor or decedent purchased or otherwise acquired such QSI's common stock during the 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 those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

40. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of the QSI common stock. The date of a "short sale" is deemed to be the date of sale of the QSI 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 QSI's common stock, the earliest Class Period purchases or acquisitions of QSI's common stock shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

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

42. To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in QSI's common stock during the 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 QSI's common stock during the 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.

43. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions in QSI's common stock during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount<sup>2</sup> and (ii) the sum of the Total Sales Proceeds<sup>3</sup> and Holding Value.<sup>4</sup> This difference shall be

<sup>1</sup> Pursuant to PSLRA, Section 21D(e)(1), "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 PSLRA, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of QSI's common stock during the 90-day look-back period. The mean (average) closing price for QSI's common stock during this 90-day look-back period was \$18.07 per share.

<sup>2</sup> The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions and other charges) for all of QSI's common stock purchased or acquired during the Class Period.

deemed a Claimant's market gain or loss with respect to his, her, or its overall transactions in QSI's common stock during the Class Period.

44. 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 within a reasonable time after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine 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, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel, or as otherwise ordered and approved by the Court.

45. 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 Plaintiffs, Lead Counsel, Lead Plaintiffs' damages expert, or the Claims Administrator or other agent designated by Lead Counsel, or the Defendants' releasees and/or their respective 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 Plaintiffs and Defendants, their respective counsel, Lead Plaintiffs' damages expert, and all other releasees 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 (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

46. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiffs 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 Class. Any orders regarding any modification of the Plan of Allocation will be posted on the Settlement website.

#### **WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?**

47. 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 Lead Plaintiffs and all other Releasing Plaintiff Parties (as defined in ¶50 below) shall have waived, released, discharged, and dismissed each and every one of the Released Plaintiffs' Claims (as defined in ¶48 below), including Unknown Claims (as defined in ¶51 below), against each and every one of the Released Defendant Parties (as defined in ¶49 below) and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Plaintiffs' Claims against any and all of the Released Defendant Parties, whether or not they execute and deliver the Claim Form or share in the Settlement Fund. Claims to enforce the terms of the Settlement are not released.

48. "Released Plaintiffs' Claims" means any and all actions, suits, claims, demands, rights, liabilities, obligations, damages, costs, restitution, rescission, interest, attorneys' fees, expert or consulting fees, expenses, matters and issues whatsoever, whether known or unknown, asserted or unasserted, whether arising under federal, state, local, statutory, common, foreign or administrative law, or any other law, rule or regulation, whether fixed or contingent, at law or in equity, whether class or individual in nature, that any Releasing Plaintiff Party asserted in the Litigation or could have asserted, directly or indirectly, in any forum that arise out of or are based upon or related to (i) the purchase or acquisition of QSI common stock during the Class Period, and (ii) facts, claims, matters, allegations, transactions, events, disclosures, representations, statements, acts, or omissions or failures to act that were alleged, set forth, or referred to in the Amended Complaint. "Released Plaintiffs' Claims" includes "Unknown Claims" as defined in ¶51 below. "Released Plaintiffs' Claims" do not include: (i) any claims relating to the enforcement of the Settlement; (ii) any claims asserted in a derivative action or ERISA action, including, without limitation, the claims asserted in *Timothy J. Foss v. Craig A. Barbarosh, et al.*, Case No. 14-cv-00110-CJC (JPRx) (C.D. Cal.) and *Kusumam Koshy v. Craig A. Barbarosh, et al.*, Case No. 17-cv-01694-CJC (JPRx) (C.D. Cal.); or (iii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

<sup>3</sup> The Claims Administrator shall match any sales of QSI's common stock prior to October 24, 2012, first against the Claimant's opening position in the stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of QSI's common stock sold during the Class Period shall be the "Total Sales Proceeds."

<sup>4</sup> The Claims Administrator shall ascribe a value of \$18.07 per share for QSI's common stock purchased or acquired during the Class Period and still held as of the close of trading on October 23, 2012 (the "Holding Value").

49. “Released Defendant Parties” means each and all of the Defendants, and each of their respective past or present subsidiaries, parents, affiliates, principals, successors and predecessors, joint venturers, assigns, officers, directors, shareholders, underwriters, trustees, partners, members, agents, fiduciaries, contractors, employees, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or auditors, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, estates, heirs, related or affiliated entities, in their capacity as such, and any entity in which Defendants have a controlling interest, any member of an individual Defendant’s immediate family, or any trust of which any individual Defendant is a settlor or which is for the benefit of any individual Defendant and/or member(s) of his or her family, and each of the heirs, executors, administrators, predecessors, successors, and assigns of the foregoing.

50. “Releasing Plaintiff Parties” means Lead Plaintiffs, Lead Counsel, each and every Class Member, and each of their respective past or present subsidiaries, parents, affiliates, principals, successors and predecessors, joint venturers, assigns, officers, directors, shareholders, underwriters, trustees, partners, members, agents, fiduciaries, contractors, employees, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or auditors, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, estates, heirs, related or affiliated entities in their capacity as such. Releasing Plaintiff Parties do not include any Person who timely and validly seeks exclusion from the Class.

51. “Unknown Claims” means any and all Released Plaintiffs’ Claims which the Releasing Plaintiff Parties do not know or suspect to exist in their favor at the time of the release of the Released Defendant Parties, and any and all Released Defendants’ Claims (defined in ¶52 below) which the Released Defendant Parties do not know or suspect to exist in their favor at the time of the release of the Releasing Plaintiff Parties which, if known by him, her or it, might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to object to the terms of the Settlement or to exclude himself, herself, or itself from the Class. With respect to any and all Released Plaintiffs’ Claims and Released Defendants’ Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiffs and Defendants shall expressly waive, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have, and by operation of the Judgment shall have expressly waived, the provisions, rights, and benefits of California Civil Code Section 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 Plaintiffs and Defendants shall expressly waive, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or any foreign country, or any principle of common law, which is similar, comparable or equivalent in substance to California Civil Code Section 1542. Lead Plaintiffs, any Releasing Plaintiff Party, Defendants, or any Released Defendant Party may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Plaintiffs’ Claims and the Released Defendants’ Claims, but Lead Plaintiffs and Defendants shall expressly, fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Effective Date and by operation of the Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Plaintiffs’ Claims and Released Defendants’ Claims as applicable, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiffs and Defendants acknowledge, and the Releasing Plaintiff Parties and Released Defendant Parties shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

52. The Judgment also will provide that Defendants and each of the other Released Defendant Parties shall be deemed to have waived, released, discharged, and dismissed as against the Releasing Plaintiff Parties all claims and causes of action of every nature and description (including Unknown Claims), whether arising under federal, state, common, or foreign law, that any Released Defendant Party could have asserted against any of the Releasing Plaintiff Parties that arise out of or relate in any way to the institution, prosecution, or settlement of the claims in the Litigation, except for claims relating to the enforcement of the Settlement (the “Released Defendants’ Claims”).

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

53. Lead Counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Class, nor have Lead Counsel been paid for their expenses. Before final approval of the Settlement, Lead Counsel intend to apply to the Court for an award of attorneys’ fees on behalf of all Plaintiffs’ Counsel from the Settlement Fund of no more than 25% of the Settlement Amount, plus interest. At the same time, Lead Counsel also intend to apply for the payment from the Settlement Fund for Plaintiffs’ Counsel’s litigation expenses and may apply for an award for reimbursement of Lead Plaintiffs’ time and expenses directly related to their representation of the Class, in a total amount not to exceed \$300,000, plus interest. The Court will determine the

amount of the award of fees and expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

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

54. If you fall within the definition of the Class as described above, and you are not excluded by the definition of the Class and you do not elect to exclude yourself from the Class, then you are a Class Member, and you will be bound by the proposed Settlement if the Court approves it, and by any judgment or determination of the Court affecting the Class. If you are a Class Member, you must submit a Claim Form and supporting documentation to establish your potential entitlement to share in the proceeds of the Settlement. A Claim Form is included with this Notice, or you may go to the website maintained by the Claims Administrator for the Settlement to request that a Claim Form be mailed to you. The website is [www.QSISecuritiesSettlement.com](http://www.QSISecuritiesSettlement.com). You may also request a Claim Form by calling toll-free 1-866-963-9980. Copies of the Claim Form can also be downloaded from Lead Counsel's websites at [www.rgrdlaw.com](http://www.rgrdlaw.com) and [www.blbglaw.com](http://www.blbglaw.com). Those who exclude themselves from the Class, and those who do not submit timely and valid Claim Forms with adequate supporting documentation, will not be entitled to share in the proceeds of the Settlement unless otherwise ordered by the Court. Please retain all original records of your ownership of, or transactions in the shares, as they may be needed to document your claim.

55. As a Class Member, for purposes of the Settlement, you are represented by Lead Plaintiffs 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 notice of appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?" below.

56. If you do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?" below. If you exclude yourself from the Class, you will not be eligible to receive any benefit from the Settlement and you should not submit a Claim Form but you will retain the right to be a part of any other lawsuit against any of the Released Defendant Parties (as defined in ¶49 above) with respect to any of the Released Plaintiffs' Claims (as defined in ¶48 above).

57. If you wish to object to the Settlement or any of its terms, the proposed Plan of Allocation, or Lead Counsel's application for attorneys' fees and litigation expenses, and if you do not exclude yourself from the 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. If you exclude yourself from the Class, you are not entitled to submit an objection.

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

58. Each Class Member will be bound by all determinations and judgments in this lawsuit concerning the Settlement, whether favorable or unfavorable, unless such person or entity mails, by first-class mail (or its equivalent outside the U.S.), or otherwise delivers a written request for exclusion from the Class, addressed to *QSI Securities Settlement*, EXCLUSIONS, P.O. Box 173001, Milwaukee, WI 53217. The exclusion request must be **received no later than October 29, 2018**. Each request for exclusion must clearly indicate the name, address and telephone number of the person or entity seeking exclusion, that the sender requests to be excluded from the Class in *In re Quality Systems, Inc. Securities Litigation*, Case No. 8:13-cv-01818-CJC-JPR, and must be signed by such person. Such persons or entities requesting exclusion are also directed to provide the following information: the number of shares of QSI common stock that the Person requesting exclusion (i) owned as of the opening of trading on May 26, 2011, and (ii) purchased, acquired and/or sold from May 26, 2011 through July 25, 2012, inclusive, as well as the number of shares, dates and prices for each such purchase, acquisition and sale. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court. Should you elect to exclude yourself from the Class, you should understand that Defendants and the other Released Defendant Parties will have the right to assert any and all defenses they may have to any claims that you may seek to assert, including, without limitation, the defense that any such claims are untimely under applicable statutes of limitations and statutes of repose.

59. If you do not want to be part of the 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 Released Defendant Parties. Excluding yourself from the Class is the only option that allows you to be part of any other current or future lawsuit against Defendants or any of the other Released Defendant Parties concerning the Released Plaintiffs' Claims. Please note, however, if you decide to exclude yourself from the Class, you may be time-barred from asserting the claims covered by the Litigation by a statute of repose.

60. If a person or entity requests to be excluded from the Class, that person or entity will not receive any benefit provided for in the Stipulation.

61. If the requests for exclusion from the Settlement exceed a certain amount, as set forth in a separate confidential supplemental agreement between Lead Plaintiffs and Defendants (the "Supplemental Agreement"), QSI shall have, in its discretion, the option to terminate the Settlement in accordance with the procedures set forth in the Supplemental Agreement.

**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?**

62. **If you do not wish to object in person to the proposed Settlement, the proposed Plan of Allocation, and/or the application for attorneys' fees and litigation expenses, you do not need to attend the Settlement Hearing. You can object to or participate in the Settlement without attending the Settlement Hearing.**

63. The Settlement Hearing will be held on November 19, 2018, at 1:30 p.m., before the Honorable Cormac J. Carney, at the United States District Court, Central District of California, Southern Division, Ronald Reagan Federal Building and United States Courthouse, 411 West Fourth Street, Santa Ana, CA 92701, Courtroom 9B. The Court reserves the right to approve the Settlement or the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the Members of the Class.

64. Any Class Member who does not request exclusion may object to the Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and litigation expenses.<sup>5</sup> Objections or oppositions must be in writing. You must file any written objection or opposition, together with copies of all other supporting papers and briefs, with the Clerk's Office at the United States District Court for the Central District of California, Southern Division, at the address set forth below on or before October 29, 2018. You must also serve the papers on Lead Counsel for the Class and counsel for the Defendants at the addresses set forth below so that the papers are *received on or before October 29, 2018*.

**Clerk's Office**

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA,  
SOUTHERN DIVISION  
Ronald Reagan Federal Building and  
United States Courthouse  
411 West Fourth Street  
Santa Ana, CA 92701

**Lead Counsel for the Class**

ROBBINS GELLER RUDMAN & DOWD LLP  
Robert R. Henssler Jr.  
655 W. Broadway  
Suite 1900  
San Diego, CA 92101  
  
-and-  
  
BERNSTEIN LITOWITZ  
BERGER & GROSSMANN LLP  
Benjamin Galdston  
12481 High Bluff Drive, Suite 300  
San Diego, CA 92130

**Counsel for Defendants**

LATHAM & WATKINS LLP  
Peter A. Wald  
505 Montgomery Street  
Suite 2000  
San Francisco, CA 94111

65. The notice of objection must include documentation establishing the objecting Person's membership in the Class, including the number of shares of QSI common stock that the objecting Person (1) owned as of the opening of trading on May 26, 2011, and (2) purchased, acquired and/or sold during the Class Period, as well as the number of shares, dates and prices for each such purchase, acquisition and sale, and contain a statement of reasons for the objection, copies of any papers, briefs, or other documents upon which the objection is based, a statement of whether the objector intends to appear at the Settlement Hearing, and the objector's signature, even if represented by counsel. Documentation establishing membership in the Class must consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement. Objectors who 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.

66. You may not object to the Settlement or any aspect of it, if you exclude yourself from the Class.

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

68. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you decide to hire an attorney, which will be at your own expense, however, he or she must file a notice of appearance with the Court and serve it on Lead Counsel so that the notice is received on or before October 29, 2018.

<sup>5</sup>Lead Plaintiffs' initial motion papers in support of these matters will be filed with the Court on or before October 15, 2018.

69. The Settlement Hearing may be adjourned by the Court without further written notice to the Class, other than a posting of the adjournment on the Settlement website, [www.QSISecuritiesSettlement.com](http://www.QSISecuritiesSettlement.com). If you plan to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

**Unless the Court orders otherwise, any 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 request for an award of attorneys' fees and litigation expenses. Class Members do not need to appear at the hearing or take any other action to indicate their approval.**

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

70. Nominees who purchased QSI common stock for beneficial owners who are Class Members are directed to: (a) request within seven (7) calendar days of receipt of this Notice additional copies of the Notice and the Claim Form from the Claims Administrator for such beneficial owners; or (b) send a list of the names and addresses of such beneficial owners to the Claims Administrator within seven (7) calendar days after receipt of this Notice. If a nominee elects to send the Notice to beneficial owners, such nominee is directed to mail the Notice within seven (7) calendar days of receipt of the additional copies of the Notice from the Claims Administrator, and upon such mailing, the nominee shall send a statement to the Claims Administrator confirming that the mailing was made as directed, and the nominee shall retain the list of names and addresses for use in connection with any possible future notice to the Class. Upon full compliance with these instructions, including the timely mailing of the Notice to beneficial owners, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with these instructions by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought and reflecting compliance with these instructions, including timely mailing of the Notice, if the nominee elected or elects to do so. Such properly documented expenses incurred by nominees in compliance with the terms of these instructions will be paid from the Settlement Fund. Copies of this Notice may also be obtained by calling toll-free 1-866-963-9980, and may be downloaded from the Settlement website, [www.QSISecuritiesSettlement.com](http://www.QSISecuritiesSettlement.com) or from Lead Counsel's websites, [www.rgrdlaw.com](http://www.rgrdlaw.com) or [www.blbglaw.com](http://www.blbglaw.com).

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

71. This Notice contains only a summary of the terms of the proposed Settlement. More detailed information about the matters involved in the Litigation is available at [www.QSISecuritiesSettlement.com](http://www.QSISecuritiesSettlement.com), including, among other documents, copies of the Stipulation and Proof of Claim Form. All inquiries concerning this Notice or the Claim Form should be directed to:

*QSI Securities Settlement*  
c/o A.B. Data, Ltd.  
P.O. Box 173037  
Milwaukee, WI 53217  
Toll-free number: 1-866-963-9980

**OR**

Robert R. Henssler Jr., Esq.  
ROBBINS GELLER RUDMAN & DOWD LLP  
655 W. Broadway, Suite 1900  
San Diego, CA 92101  
(800) 449-4900  
bhenssler@rgrdlaw.com

**-or-**

Benjamin Galdston, Esq.  
BERNSTEIN LITOWITZ BERGER &  
GROSSMANN LLP  
12481 High Bluff Drive, Suite 300  
San Diego, CA 92130  
(800) 380-8496  
settlements@blbglaw.com

**Lead Counsel**

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.**

Dated: August 14, 2018

By Order of the Court  
United States District Court  
Central District of California  
Southern Division

**TABLE A**

<b>Purchase or Sale Date</b>	<b>Inflation</b>
May 26, 2011 through May 6, 2012	\$14.02
May 7, 2012	\$11.31
May 8, 2012	\$8.47
May 9, 2012	\$9.44
May 10, 2012 through July 25, 2012	\$7.66

**TABLE B**

<b>Date</b>	<b>Closing Price</b>	<b>Average Closing Price from July 26, 2012 through Date Shown</b>	<b>Date</b>	<b>Closing Price</b>	<b>Average Closing Price from July 26, 2012 through Date Shown</b>
07/26/2012	\$15.95	\$15.95	09/11/2012	\$18.51	\$17.74
07/27/2012	\$16.27	\$16.11	09/12/2012	\$18.12	\$17.75
07/30/2012	\$16.02	\$16.08	09/13/2012	\$19.08	\$17.79
07/31/2012	\$16.16	\$16.10	09/14/2012	\$19.62	\$17.84
08/01/2012	\$16.47	\$16.17	09/17/2012	\$19.36	\$17.88
08/02/2012	\$16.43	\$16.22	09/18/2012	\$19.10	\$17.92
08/03/2012	\$17.06	\$16.34	09/19/2012	\$18.89	\$17.94
08/06/2012	\$17.20	\$16.45	09/20/2012	\$18.53	\$17.96
08/07/2012	\$17.28	\$16.54	09/21/2012	\$18.42	\$17.97
08/08/2012	\$17.91	\$16.68	09/24/2012	\$18.64	\$17.98
08/09/2012	\$18.08	\$16.80	09/25/2012	\$18.42	\$17.99
08/10/2012	\$18.23	\$16.92	09/26/2012	\$18.01	\$17.99
08/13/2012	\$18.38	\$17.03	09/27/2012	\$17.85	\$17.99
08/14/2012	\$18.32	\$17.13	09/28/2012	\$18.53	\$18.00
08/15/2012	\$18.52	\$17.22	10/01/2012	\$17.89	\$18.00
08/16/2012	\$18.56	\$17.30	10/02/2012	\$17.58	\$17.99
08/17/2012	\$19.03	\$17.40	10/03/2012	\$17.69	\$17.98
08/20/2012	\$18.91	\$17.49	10/04/2012	\$18.32	\$17.99
08/21/2012	\$18.29	\$17.53	10/05/2012	\$18.43	\$18.00
08/22/2012	\$18.20	\$17.56	10/08/2012	\$18.81	\$18.02
08/23/2012	\$17.39	\$17.56	10/09/2012	\$18.84	\$18.03
08/24/2012	\$17.59	\$17.56	10/10/2012	\$18.40	\$18.04
08/27/2012	\$17.50	\$17.55	10/11/2012	\$18.10	\$18.04
08/28/2012	\$17.46	\$17.55	10/12/2012	\$17.62	\$18.04
08/29/2012	\$17.50	\$17.55	10/15/2012	\$18.05	\$18.04
08/30/2012	\$17.56	\$17.55	10/16/2012	\$18.19	\$18.04
08/31/2012	\$17.67	\$17.55	10/17/2012	\$18.63	\$18.05
09/04/2012	\$17.58	\$17.55	10/18/2012	\$18.87	\$18.06
09/05/2012	\$18.01	\$17.57	10/19/2012	\$18.15	\$18.06
09/06/2012	\$18.97	\$17.62	10/22/2012	\$18.26	\$18.07
09/07/2012	\$19.41	\$17.67	10/23/2012	\$18.54	\$18.07
09/10/2012	\$19.11	\$17.72			