



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

MICHAEL DEPINTO, On Behalf of)
Himself and All Others Similarly)
Situating,)
)
Plaintiff,)

Consol. C.A. No. 10742-CB

v.)

JOHN S. STAFFORD, III, BASSIL I.)
DAHIYAT, JONATHAN FLEMING,)
ATUL SARAN, HAROLD R. WERNER,)
BRUCE L.A. CARTER, CHARLES)
STEWART, and DONALD C. FOSTER,)
)
Defendants.)

IN RE XENCOR, INC.)
SHAREHOLDERS LITIGATION)

AFFIDAVIT OF SARAH EVANS REGARDING THE RESULTS OF THE CLAIMS ADMINISTRATION PROCESS

COMMONWEALTH OF PENNSYLVANIA)
) :SS
COUNTY OF DELAWARE)

I, Sarah Evans, being first duly sworn, depose and say on this 13th day of September, 2017 that:

1. I am the Project Manager of Strategic Claims Services (“SCS”), a nationally recognized class action administration firm. I have over three years of experience specializing in administration of class action cases. SCS was

established in April 1999 and has administered over five hundred (500) class action cases since inception.

2. I respectfully submit this affidavit in order to provide the Court and the parties involved in the above-captioned Action¹ with information regarding the results of the claims administration process in this matter. I am over twenty-one (21) years of age and am not a party to the Action. I have personal knowledge of the facts set forth herein.

3. SCS's services as Claims Administrator include, among other things: (i) printing the Notice and Claim Form; (ii) distributing the Notice and Claim Form to former holders of Series A through E preferred stock of Xencor, Inc. ("Xencor") who are members of the Class as certified by this Court on June 21, 2016 ("Class Members") at their last known addresses; (iii) distributing the Reminder Notice in the form approved by the Court on May 15, 2017; (iv) answering inquiries from Class Members; (v) accepting and processing submitted Claim Forms; (vi) developing a program for the implementation of the Plan of Allocation and processing of Claim Forms; (vii) reviewing submitted Claim Forms for accuracy and completeness and to ensure that they are supported by sufficient documentary evidence, if necessary; (viii) providing notices to those

¹ Unless otherwise defined, capitalized terms have the meanings ascribed in the Stipulation and Agreement of Compromise, Settlement and Release filed on November 21, 2016.

Claimants whose Claim Forms are deficient or rejected, when appropriate; and (ix) performing all other services necessary to administer the Settlement.

4. Through June 16, 2017, the Court approved deadline for the submission of claims, 143 Claim Forms have been submitted in connection with the Settlement. SCS has carefully reviewed, processed and analyzed all of these Claim Forms, and has responded to all claimant inquiries regarding the Action, the Settlement and the procedures for filling out the Claim Forms. SCS has also been in close contact with Class Counsel to review the administration process. SCS's Report as Claims Administrator is annexed hereto as **Exhibit A** and described below.

5. The annexed Report of the Claims Administrator sets forth the final status of Claim Forms submitted to SCS as follows:

- a. VALID CLAIMS: Out of 184 possible claims, SCS received 138 Claim Forms that it concluded were valid claims ("Valid Claims").² These Valid Claims represent 96% of the Total Net Loss, zero shares of Series A Preferred Stock, 814,267 shares of Series B Preferred Stock (93% of the Series B held by Class Members), 1,187,376 shares of Series C

² There were 184 Class Members who were mailed a Notice and Claim Form. SCS received 138 Claim Forms, representing 75% of the total number of Class Members. One Class Member subsequently withdrew his claim. Accordingly, payment to such Class Member (approximately \$2,400) will not be made.

Preferred Stock (91% of the Series C held by Class Members), 2,130,172 shares of Series D Preferred Stock (95% of the Series D held by Class Members), 3,309,806 shares of Series E Preferred Stock (97% of the Series E held by Class Members), and \$1,094,614 of principal of Convertible Promissory Notes (93% of the total Class). See **Exhibit B** for a spreadsheet of a complete listing of Valid Claims.

b. REJECTED CLAIMS: SCS has identified five Claim Forms which we recommend be rejected. These Claim Forms were submitted by individuals/entities who purchased other securities of Xencor and not shares of Xencor Series A, B, C, D, or E preferred stock. See **Exhibit C** for a list of these rejected claims. We have communicated with these five Claimants and advised them of our determination. A sample rejection notice is annexed hereto as **Exhibit D**. To date, no one has objected to or contested their rejection.

6. In anticipation of completing this administration, SCS respectfully requests that the Court reject as untimely any claims received after June 16, 2017, and any responses to deficiency and/or rejection notices received after June 16, 2017.

7. Should the Court concur with SCS's administrative determinations concerning the claims recommended for acceptance and rejection, SCS recommends the following distribution plan:

(a) The 138 Valid Claims represent 96% of the Total Net Loss.. Since all Class Members did not submit a claim form, the payments will increase for the 138 Class Members who submitted Valid Claims ("Valid Claimants").

(b) In order to encourage Valid Claimants to cash their distribution checks promptly, and to avoid or reduce future expenses relating to unpaid distribution checks, all checks should bear a notation "CASH PROMPTLY, VOID AND SUBJECT TO RE-DISTRIBUTION 120 DAYS AFTER ISSUE DATE." Similarly, all other checks issued in connection with subsequent distributions should bear the same notation.

(c) Following the date on which distribution checks become stale, the Claims Administrator may conduct one or more further distributions of remaining funds, after payment of any unpaid or associated administrative costs, to Valid Claimants who have cashed the checks issued in the prior distribution. Such further distributions will be made in the discretion of Class Counsel, in consultation with the Claims Administrator, in light of the amount of funds remaining and the administrative costs of a further

distribution. Any funds remaining after completion of all distributions shall escheat to the State of Delaware.

Sarah Evans
SARAH EVANS

SWORN TO AND SUBSCRIBED before me, a Notary Public in the State and County aforesaid, this 13th day of September, 2017.

Faye S. Knowles
Notary Public
My Commission Expires: Aug 27, 2021

Commonwealth of Pennsylvania
Notarial Seal
FAYE S KNOWLES - Notary Public
MARPLE TWP, DELAWARE COUNTY
My Commission Expires Aug 27, 2021



EXHIBIT A

EXHIBIT A

REPORT OF THE SETTLEMENT ADMINISTRATOR

DEPINTO VS. XENCOR SETTLEMENT

TOTAL # OF CLAIMS..... 143

TOTAL # OF VALID CLAIMS..... 138¹

VALID SERIES A PREFERRED STOCK..... 0
VALID SERIES B PREFERRED STOCK..... 814,267
VALID SERIES C PREFERRED STOCK..... 1,187,376
VALID SERIES D PREFERRED STOCK..... 2,130,172
VALID SERIES E PREFERRED STOCK..... 3,309,806
VALID CONVERTIBLE PROMISSORY NOTES..... \$1,094,614.00

TOTAL # OF REJECTED CLAIMS..... 5

NOT IN CLASS.....5

TOTAL5

TOTAL ESTIMATED PAYMENT... ..\$1,878,798.97

¹ Of the 138 valid Claim Forms received, one Class Member subsequently withdrew his claim. The withdrawn claim represents 4,832 shares of the valid Series C Preferred Stock, 7,541 shares of the valid Series D Preferred Stock, and \$1,788.00 of the valid Convertible Promissory Notes.

EXHIBIT B

EXHIBIT B

VALID CLAIMS

Claim Number	Net Losses
1	\$1,019.97
2	\$2,870.88
3	\$970.20
4	\$1,290.76
5	\$2,304.00
6	\$6,345.77
7	\$1,151.60
8	\$1,539.80
9	\$970.20
10	\$1,539.80
11	\$12,683.30
12	\$6,373.52
13	\$2,735.79
14	\$1,223.39
15	\$14,343.95
16	\$30,185.27
17	\$6,899.89
18	\$1,792.53
19	\$25,835.51
20	\$485.10
21	\$5,821.98
22	\$2,886.67
23	\$1,916.48
24	\$2,304.00
25	\$1,019.97
26	\$24,453.19
27	\$21,822.79
28	\$84,919.71
29	\$1,151.60
30	\$98,037.15
31	\$12,747.18
32	\$3,833.31
33	\$4,552.95
34	\$970.20
35	\$5,773.70
36 ¹	\$0.00

¹ As referenced in the Affidavit of Sarah Evans Regarding the Results of the Claims Administration Process, this claim was withdrawn by the class member.

EXHIBIT B

37	\$1,823.54
38	\$6,930.93
39	\$22,318.63
40	\$193.96
41	\$1,855.44
42	\$20,254.05
43	\$95,660.16
44	\$2,910.99
45	\$970.20
46	\$1,951.10
47	\$485.10
48	\$23,961.87
49	\$756.92
50	\$383.01
51	\$1,135.91
52	\$383.01
53	\$32,383.16
54	\$17,919.90
55	\$5,655.11
56	\$36,837.41
57	\$4,040.84
58	\$12,904.78
59	\$5,821.98
60	\$2,534.37
61	\$2,961.90
62	\$2,768.18
63	\$2,705.60
64	\$13,409.66
65	\$1,552.47
66	\$387.92
67	\$913.10
68	\$1,269.55
69	\$13,956.51
70	\$948.42
71	\$2,886.67
72	\$3,081.64
73	\$588.96
74	\$2,687.35
75	\$485.10
76	\$485.10
77	\$5,336.48

EXHIBIT B

78	\$647.40
79	\$1,661.21
80	\$6,631.28
81	\$4,207.09
82	\$6,554.94
83	\$518.74
84	\$9,764.67
85	\$7,638.32
86	\$5,305.11
87	\$3,881.19
88	\$970.20
89	\$3,841.08
90	\$970.20
91	\$8,849.42
92	\$17,805.31
93	\$10,896.86
94	\$754.60
95	\$1,931.47
96	\$6,117.94
97	\$5,305.11
98	\$1,163.75
99	\$16,615.68
100	\$2,909.63
101	\$6,631.28
102	\$2,652.78
103	\$2,155.99
104	\$18,047.78
105	\$1,151.60
106	\$25,813.15
107 ²	\$0.00
108	\$113,106.39
109	\$32,991.09
110	\$3,584.20
111	\$7,635.05
112	\$64,041.79
113	\$9,548.24
114	\$10,130.77
115	\$1,916.48

² This claim was one of two made by the same Class Member. Pursuant to the Plan of Allocation approved by the Court, the Noteholder Gain of this claim exceeded the Stockholder Loss, and this claim was used to offset the Class Member's total Net Loss. The Net Loss for the Class Member is attributed to the other claim.

EXHIBIT B

116	\$38,530.36
117	\$4,244.34
118	\$2,652.78
119	\$2,431.91
120	\$40,981.38
121	\$13,766.52
122	\$146,947.98
123	\$387,340.06
124	\$2,652.78
125	\$2,155.99
126	\$2,705.60
127	\$1,940.39
128	\$5,792.32
129	\$191.33
130	\$1,940.39
131	\$970.20
132	\$2,602.76
133	\$13,843.78
134	\$6,112.19
135	\$1,873.04
136	\$1,873.04
137	\$1,873.04
138	\$19,759.93

EXHIBIT C

EXHIBIT C

REJECTED CLAIMS

Claim Number	Name	Reason for Rejection
139	Sharon S. King	Not in Class
140	Deutsche Bank AG	Not in Class
141	Morgan Stanley & Co LLC	Not in Class
142	Morgan Stanley & Co International PLC	Not in Class
143	Morgan Stanley Capital Services LLC	Not in Class

EXHIBIT D

EXHIBIT D

DePinto vs. Xencor Settlement
c/o Strategic Claims Services
600 N. Jackson St., Suite 3
Media, PA 19063

Tel.: (866) 274-4004
Fax: (610) 565-7985
www.strategicclaims.net
info@strategicclaims.net

[Name 1]
[Name 2]
[Address 1]
[Address 2]
[City][State][Zip]

[Date]

REJECTION NOTICE

Re: DePinto vs. Xencor Settlement

Dear [Claimant],

We received the claim you submitted for inclusion in the *DePinto vs. Xencor* Settlement.

Per review, your claim is **rejected**, as you are not a member of the Class for the Settlement. The Class for the Settlement consists of “all former holders of shares of Xencor Series A through E Preferred Stock whose shares were converted to Series A-1 Preferred Stock of Xencor in Xencor’s 2013 recapitalization” (Notice, p. 1). You were not reported as a holder of shares of Xencor Series A through E Preferred Stock subject to the June 2013 Recapitalization. Your claim also did not provide documentation proving that you held any shares of Xencor Series A through E Preferred Stock.

Should you have any questions, please contact our office at your earliest convenience.

Regards,

Claims Administrator
DePinto vs. Xencor Settlement
Strategic Claims Services