

FILED
SAN MATEO COUNTY

MAY 03 2018

Clerk of the Superior Court
By [Signature]
DEPUTY CLERK

1 Laurence M. Rosen, Esq. (SBN 219683)
2 **THE ROSEN LAW FIRM, P.A.**
3 355 South Grand Avenue, Suite 2450
4 Los Angeles, CA 90071
5 Telephone: (213) 785-2610
6 Facsimile: (213) 226-4684
7 Email: lrosen@rosenlegal.com

8 *Attorneys for Plaintiff*
9 [Additional Counsel Appear on Signature Page]

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF SAN MATEO

12 JOHNNY HOSEY, individually and on behalf of
13 all others similarly situated,

14 Plaintiffs,

15 v.

16 RICHARD COSTOLO, MIKE GUPTA, LUCA
17 BARATTA, JACK DORSEY, PETER
18 CHERNIN, PETER CURRIE, PETER FENTON,
19 DAVID ROSENBLATT, EVAN WILLIAMS,
20 and TWITTER, INC.,

21 Defendants.

Case No. 16-CIV-02228

CLASS ACTION

**ORDER PRELIMINARILY APPROVING
SETTLEMENT AND CONFIRMING FINAL
SETTLEMENT HEARING**

Assigned for All Purposes to
Hon. Marie S. Weiner, Dept. 2

Date Action Filed: Nov. 4, 2016
Trial Date: Not Set

16 - CIV - 02228
ORD
Order
1130376



1 WHEREAS, on April 6, 2018, the Parties to the above-entitled action (the "Action") entered into
2 a Stipulation and Agreement of Settlement (the "Stipulation" or "Settlement"), which is subject to
3 review by this Court and which, together with the exhibits thereto, sets forth the terms and conditions for
4 the Settlement of the claims alleged in the Action; and the Court having read and considered the
5 Stipulation and the accompanying documents; and the Parties to the Stipulation having consented to the
6 entry of this Order; and all capitalized terms used herein having the meanings defined in the Stipulation;

7 NOW, THEREFORE, IT IS HEREBY ORDERED, this 3 day of May 2018 that:

8 1. Pursuant to California Code of Civil Procedure § 382 and California Rules of Court 3.765
9 and 3.769, and for the purposes of the Settlement only, the Court certifies a class of all persons or
10 entities ("Persons") that purchased or otherwise acquired Twitter, Inc. ("Twitter") common stock
11 between November 7, 2013 and February 18, 2014, inclusive, pursuant or traceable to the Registration
12 Statement for Twitter's November 7, 2013 Initial Public Offering (the "IPO") (the "Class"). The Class
13 is limited to Persons who purchased or otherwise acquired Twitter common stock before February 19,
14 2014 because Twitter stock that was not issued pursuant to the Registration Statement was publicly
15 trading by February 19, 2014, making it difficult or impossible for persons who purchased on or after
16 February 19, 2014 to trace their stock to the Registration Statement, as required for the Section 11 claim
17 in the Action. Also excluded from the Class are (i) Twitter, (ii) the Individual Defendants, (iii) any
18 current or former officers and directors of Twitter, (iv) the Underwriters, and (v) all such excluded
19 Persons' immediate family members, legal representatives, heirs, parents, wholly-owned subsidiaries,
20 successors, and assigns. Notwithstanding the foregoing sentence, the Class shall include any investment
21 company or pooled investment fund, including, but not limited to, mutual fund families, exchange-
22 traded funds, fund of funds and hedge funds, in which the Underwriters, or any of them, have, has or
23 may have a direct or indirect interest, or as to which any Underwriter's affiliates may act as an
24 investment advisor, but as to which any Underwriter alone or together with any of its respective
25 affiliates is neither a majority owner nor the holder of a majority beneficial interest. Also excluded from
26 the Class are Persons otherwise meeting the definition of the Class who submit valid and timely requests
27 for exclusion from the Settlement.

1 2. The Court preliminarily finds, for the purposes of the Settlement only, that the
2 prerequisites for a class action under California Code of Civil Procedure § 382 have been satisfied in
3 that: (a) the number of Class Members is so numerous that joinder of all members thereof is
4 impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of Plaintiff are
5 typical of the claims of the Class he seeks to represent; (d) Plaintiff and Plaintiff's Counsel will fairly
6 and adequately represent the interests of the Class; (e) the questions of law and fact common to the
7 members of the Class predominate over questions affecting only individual members of the Class; and
8 (f) a class action is superior to other available methods for the fair and efficient adjudication of this
9 controversy.

10 3. For the purposes of the Settlement only, Plaintiff Johnny Hosey is conditionally certified
11 as the Class Representative for the Action and Plaintiff's Counsel (i.e., the law firms of The Rosen Law
12 Firm, P.A., and Sarraf Gentile LLP) are conditionally appointed as Lead Counsel for the Class ("Lead
13 Counsel").

14 4. The Court preliminarily finds that:

15 (a) the Settlement resulted from informed, extensive arm's-length negotiations,
16 including mediation under the direction of an experienced mediator, Jed Melnick; and

17 (b) the Settlement is sufficiently fair, reasonable, and adequate to warrant providing
18 notice of the Settlement to the Class.

19 5. A hearing (the "Settlement Fairness Hearing") is hereby scheduled to be held before the
20 Court on August 16, 2018 at 9:00 a.m. for the following purposes:

21 (a) to finally determine whether this Action satisfies the applicable prerequisites for
22 class action treatment under California Code of Civil Procedure § 382 and whether the Class may be
23 certified, for the purpose of settlement only;

24 (b) to determine whether the proposed Settlement is fair, reasonable, and adequate,
25 and should be approved by the Court;

26 (c) to determine whether the Judgment as provided under the Stipulation should be
27 entered;

1 (d) to determine whether the proposed Plan of Allocation should be approved by the
2 Court as fair, reasonable, and adequate;

3 (e) to consider Lead Counsel's application for an award of attorneys' fees and
4 expenses;

5 (f) to consider Plaintiff's request for the reimbursement of the costs and expenses he
6 incurred in prosecuting this Action on behalf of the Class; and

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

8 6. The Court reserves the right to approve the Settlement with or without modification and
9 with or without further notice to the Class and may adjourn the Settlement Fairness Hearing without
10 further notice to the Class. The Court reserves the right to enter a Judgment approving the Stipulation
11 regardless of whether it has approved the Plan of Allocation, Lead Counsel's request for an award of
12 attorneys' fees and expenses, and the reimbursement of costs and expenses of Plaintiff in his
13 representation of the Class.

14 7. The Court approves the form, substance and requirements of the Notice of Proposed
15 Settlement of Class Action (the "Long Notice"), the Postcard Notice of Proposed Settlement of Class
16 Action (the "Postcard Notice"), the Summary Notice of Proposed Settlement of Class Action (the
17 "Summary Notice"), and the Proof of Claim and Release (the "Proof of Claim"), annexed hereto as
18 Exhibits A-1, A-2, A-3 and A-4, respectively.

19 8. The Court approves the appointment of Strategic Claims Services as the Claims
20 Administrator and Escrow Agent.

21 (a) Within seven (7) days of this Order, Twitter shall provide or cause to be provided
22 in an electronic format to the Claims Administrator its shareholder lists as appropriate for providing
23 notice to the Class.

24 (b) The Claims Administrator shall cause the Postcard Notice, substantially in the
25 form annexed hereto, to be mailed, by first class mail, postage prepaid, within twenty-eight (28)
26 calendar days of this Order, to all Class Members who can be identified with reasonable effort by the
27 Claims Administrator. The Postcard Notice will contain instructions on how Class Members can obtain
28 copies of the Long Notice and the Proof of Claim.

1 (c) Within fourteen (14) days of this Order, the Long Notice shall be published on the
2 Claims Administrator's website. The Claims Administrator shall make all reasonable efforts to give
3 notice to nominee owners, such as brokerage firms, who purchased Twitter common stock during the
4 Class Period for the beneficial ownership of others. Within ten (10) calendar days after receiving notice
5 from the Claims Administrator, such nominee purchasers are directed either to provide the Claims
6 Administrator with lists of the names and addresses of the beneficial owners or to request copies of the
7 Postcard Notice from the Claims Administrator and send the Postcard Notice to their beneficial owners.
8 The Claims Administrator is ordered to send the Postcard Notice promptly to all beneficial owners
9 whose names and addresses are provided to the Claims Administrator by nominees (and the nominees
10 may be reimbursed from the Settlement Fund for reasonable costs to provide the names and addresses to
11 the Claims Administrator, not to exceed \$0.05 per name). The Claims Administrator shall deliver
12 additional copies of the Postcard Notice to any nominee requesting same for the purpose of distribution
13 by the nominee to the beneficial owners, and the nominees shall be reimbursed from the Settlement
14 Fund in an amount not to exceed \$0.45 per Postcard Notice mailed by the nominee for the expense of
15 mailing the Postcard Notice to beneficial owners.

16 (d) The Claims Administrator shall cause the Summary Notice to be published once
17 in the national edition of Investor's Business Daily, and once over the GlobeNewswire, within ten (10)
18 calendar days after the mailing of the Postcard Notice.

19 9. Lead Counsel shall, at least seven (7) calendar days before the Settlement Fairness
20 Hearing, file with the Court and serve on the Parties proof of mailing of the Postcard Notice and proof of
21 publication of the Long Notice and the Summary Notice.

22 10. The form and content of the Long Notice, the Postcard Notice and the Summary Notice,
23 and the method set forth herein of notifying the Class of the Settlement and its terms and conditions,
24 meet the requirements of California law and due process, constitute the best notice practicable under the
25 circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

26 11. In order to be entitled to participate in the Net Settlement Fund, in the event the
27 Settlement is consummated in accordance with its terms set forth in the Stipulation, each Class Member
28 shall take the following actions and be subject to the following conditions:

By August 31, 2018.

1 (a) ~~Within ninety (90) days after such time as set by the Court to mail notice to the~~
2 ~~Class,~~ each Person claiming to be an Authorized Claimant shall be required to submit to the Claims
3 Administrator a completed Proof of Claim, substantially in a form contained in Exhibit A-4 attached
4 hereto and as approved by the Court, signed under penalty of perjury and supported by such documents
5 as are specified in the Proof of Claim and as are reasonably available to the Authorized Claimant.

6 (b) Except as otherwise ordered by the Court, all Class Members who fail to timely
7 submit a Proof of Claim within such period, or such other period as may be ordered by the Court, shall
8 be forever barred from receiving any payments pursuant to the Stipulation and the Settlement set forth
9 therein, but will in all other respects be subject to and bound by the provisions of the Stipulation, the
10 releases contained herein, and the Judgment. Notwithstanding the foregoing, Plaintiff's Counsel may, in
11 their discretion, accept for processing late submitted claims so long as the distribution of the Net
12 Settlement Fund to Authorized Claimants is not materially delayed.

13 (c) As part of the Proof of Claim, each Class Member shall submit to the jurisdiction
14 of the Court with respect to the claim submitted, and shall (subject to effectuation of the Settlement)
15 release all Released Claims as provided in the Stipulation.

16 12. Class Members shall be bound by all determinations and judgments in this Action,
17 whether favorable or unfavorable, unless they request exclusion from the Class in a timely and proper
18 manner, as hereinafter provided. A Class Member wishing to make such request shall, no later than
19 thirty (30) calendar days prior to the date scheduled herein for the Settlement Fairness Hearing, mail a
20 request for exclusion in written form by first class mail postmarked to the address designated in the
21 Long Notice. Such request for exclusion shall clearly indicate the name, address and telephone number
22 of the person seeking exclusion, that the sender requests to be excluded from the Settlement, and must
23 be signed by such person. Such persons requesting exclusion are also directed to state the date(s),
24 ~~price(s), and number(s) of shares of Twitter common stock they purchased or otherwise acquired that are~~
25 ~~subject to the Action, as well as any sales of such Twitter common stock during the period from~~
26 ~~November 7, 2013 through February 18, 2014, inclusive, and to provide documentation showing proof~~
27 ~~of purchase or such other documents evidencing such acquisition(s) and, where applicable, sale(s).~~ The
28 request for exclusion shall not be effective unless it provides the required information and is made in

1 writing within the time stated above, or the exclusion is accepted by the Court. Class Members
2 requesting exclusion from the Class shall not be entitled to receive any payment out of the Net
3 Settlement Fund as described in the Stipulation and Long Notice.

4 13. The Court will consider objections to the Settlement, the Plan of Allocation, the
5 reimbursement of Plaintiff's costs and expenses, and/or the award of attorneys' fees and expenses. Any
6 person wanting to object may do so in writing and/or by appearing at the Settlement Fairness Hearing.
7 To the extent any person wants to object in writing, such objections and any supporting papers,
8 accompanied by proof of Class membership, shall be filed with the Clerk of the Court, Superior Court of
9 the State of California, County of San Mateo, 400 County Center, Redwood City, CA 94063, and copies
10 of all such papers served no later than July 17, 2018, which is thirty (30) calendar days prior to the
11 date scheduled herein for the Settlement Fairness Hearing upon each of the following: (i) Laurence M.
12 Rosen, The Rosen Law Firm, P.A., 355 South Grand Avenue, Suite 2450, Los Angeles, CA 90071, on
13 behalf of the Plaintiff and the Class; (ii) Ronen Sarraf, Sarraf Gentile LLP, 14 Bond Street, Suite 212,
14 Great Neck, NY 11021, on behalf of the Plaintiff and the Class; and (iii) Simona G. Strauss, Simpson
15 Thacher & Bartlett LLP, 2475 Hanover Street, Palo Alto, CA 94304 ("Defendants' Counsel"), on behalf
16 of the Defendants. Persons who intend to object in writing to the Settlement, the Plan of Allocation, or
17 the request for an award of attorneys' fees and expenses and/or the request for the reimbursement of
18 Plaintiff's time and expenses in representing the Class and desire to present evidence at the Settlement
19 Fairness Hearing must include in their written objections copies of any exhibits they intend to introduce
20 into evidence at the Settlement Fairness Hearing. If an objector hires an attorney to represent him, her
21 or it for the purposes of making an objection, the attorney must both effect service of a notice of
22 appearance on counsel listed above and file it with the Court by no later than July 17 2018. A Class-
23 Member who files a written objection does not have to appear at the Settlement Fairness Hearing for the
24 Court to consider his, her or its objection. Any Member of the Class who does not make his, her, or its
25 objection in the manner provided shall be deemed to have waived such objection and shall forever be
26 foreclosed from making any objection to the fairness or adequacy of the settlement set forth in the
27 Stipulation, to the Plan of Allocation, and to the award of attorneys' fees and expenses to Lead Counsel
28 and Plaintiff's reimbursement for their time and expenses.

1 14. All papers in support of the Settlement, the Plan of Allocation, and any application by
2 Lead Counsel for attorneys' fees and expenses and reimbursement of Plaintiff's time and expenses shall
3 be filed fourteen (14) calendar days prior to the deadline in paragraph 13 for objections to be filed. All
4 reply papers shall be filed and served at least seven (7) calendar days prior to the Settlement Fairness
5 Hearing.

6 15. All funds held by the Escrow Agent shall be deemed and considered to be in the custodial
7egis, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be
8 distributed pursuant to the Stipulation and/or further order(s) of the Court.

9 16. Defendants' Counsel and Plaintiff's Counsel shall promptly furnish each other with
10 copies of any and all objections that come into their possession.

11 ~~17. Pending final determination of whether the Settlement should be approved, the Plaintiff,~~
12 ~~all Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not~~
13 ~~institute, commence, maintain or prosecute, and are hereby barred and enjoined from instituting,~~
14 ~~commencing, maintaining or prosecuting, any action in any court or tribunal that asserts Released~~
15 ~~Claims against any Released Party.~~

16 18. All reasonable expenses incurred in identifying and notifying Class Members, as well as
17 administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event the
18 Settlement is not approved by the Court, or otherwise fails to become effective, neither Plaintiff nor any
19 of his counsel shall have any obligation to repay any amounts actually and properly disbursed from the
20 Settlement Fund as provided for in the Stipulation.

21 19. If any specified condition to the Settlement set forth in the Stipulation is not satisfied and
22 Plaintiff or Defendants elect to terminate the Settlement, then, in any such event, the Stipulation,
23 including any amendment(s) thereof, and this Preliminary Order shall be null and void, of no further
24 force or effect, and without prejudice to any party, and may not be introduced as evidence or referred to
25 in any Action or proceedings by any person or entity for any purpose, and each party shall be restored to
26 his, her or its respective position as it existed on December 8, 2017.

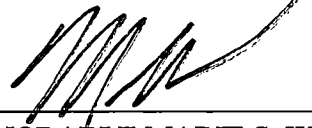
27 20. The Court may adjourn or continue the Settlement Fairness Hearing without further
28 written notice.

1 21. The Court retains exclusive jurisdiction over the Action to consider all further matters
2 arising out of or connected with the Settlement. The Court may approve the Settlement, with such
3 modifications as may be agreed by the Parties, if appropriate, without further notice to the Class.

4 IT IS SO ORDERED

5 Dated: May 3, 2018

By: _____



HONORABLE MARIE S. WEINER
CALIFORNIA SUPERIOR COURT JUDGE

6
7
8 22. The last sentence in paragraph 22 of the
9 Stipulation is amended to add the phrase
10 "subject to distribution to state entities as
11 required by California Code of Civil Procedure
12 §384(b)(3)."
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 Laurence M. Rosen, Esq. (SBN 219683)
2 **THE ROSEN LAW FIRM, P.A.**
3 355 South Grand Avenue, Suite 2450
4 Los Angeles, California 90071
5 Telephone: (213) 785-2610
6 Facsimile: (213) 226-4684
7 Email: lrosen@rosenlegal.com

8 *Attorneys for Plaintiffs*

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN MATEO

JOHNNY HOSEY, individually and on behalf
of all others similarly situated,

Plaintiff,

v.

RICHARD COSTOLO, MIKE GUPTA, LUCA
BARATTA, JACK DORSEY, PETER
CHERNIN, PETER CURRIE, PETER
FENTON, DAVID ROSENBLATT, EVAN
WILLIAMS, GOLDMAN, SACHS & CO.,
MORGAN STANLEY & CO. LLC, J.P.
MORGAN SECURITIES LLC, TWITTER,
INC., MERRILL LYNCH, PIERCE, FENNER
& SMITH INCORPORATED, DEUTSCHE
BANK SECURITIES INC., ALLEN &
COMPANY LLC, and CODE ADVISORS
LLC,

Defendants.

Case No. 16-CIV-02228

CLASS ACTION

**NOTICE OF PROPOSED SETTLEMENT
OF CLASS ACTION**

EXHIBIT A-1 - - - -

Assigned for All Purposes to
Hon. Marie S. Weiner, Dept. 2

Date Action Filed: Nov. 4, 2016
Trial Date: Not Set

1 would leave, a cycle that would repeat until the company collapsed; and (iii) Plaintiff asserted
2 that potential future acquirors of Twitter might be deterred from an acquisition because under the
3 terms of Twitter's stock-based compensation program, certain restricted stock units might vest
4 upon a change of control, making Twitter more expensive to acquire. Plaintiff alleged that
5 omission of these purported risks inflated the price of the Company's stock, resulting in damages
6 to Class Members when the truth was revealed. Defendants deny all of Plaintiff's allegations.

7
8 The Court has not ruled as to whether Defendants are liable to Plaintiff or to the Class.
9 This Notice is not intended to be an expression of any opinion by the Court with respect to the
10 truth of the allegations in this lawsuit or the merits of the claims or defenses asserted. This
11 Notice is solely to advise you of the pendency of the Action and proposed Settlement thereof and
12 your rights in connection with that Settlement.

13 II. Status of the Case

14 This lawsuit was initiated in the Superior Court of California, County of San Mateo, on
15 November 4, 2016 under the caption *Hosey v. Costolo*, Case No. 16-cv-02228 (the "Action").
16 The lawsuit initially named Defendants and the Underwriters as defendants. The Underwriters
17 were dismissed from the action without prejudice pursuant to a tolling agreement on January 17,
18 2017.

19 On January 27, 2017, Defendants filed a demurrer to the Action on the basis that Plaintiff
20 failed to state a cause of action against them and that Plaintiff's claims were time-barred under
21 the applicable statute of limitations. Plaintiff opposed the demurrer on February 22, 2017, and
22 Defendants filed a reply brief on March 10, 2017. On March 17, 2017, after hearing argument,
23 the Court overruled the demurrer as to the Section 11 claim but sustained the Individual
24 Defendants' demurrer as to the Section 15 claim with leave to amend. Plaintiff did not thereafter
25 amend the Complaint.

26 On April 17, 2017, Defendants filed an Answer to the Complaint. Defendants denied that
27 they violated any laws, made any misstatements or omissions, or committed any improper acts or
28 wrongdoing whatsoever, and they asserted numerous defenses.

On May 12, 2017, the Court granted a motion for voluntary dismissal without prejudice
of George Shillaire, one of the two named plaintiffs.

On June 16, 2017, Defendants filed a motion for summary judgment on the ground that
Plaintiff's claim was barred by the statute of limitations. On September 8, 2017, Plaintiff filed
his opposition to Defendants' motion for summary judgment. On October 2, 2017, Defendants
filed their reply. A hearing on the motion for summary judgment was held on October 13, 2017.
Later that day, the Court issued an order denying the motion for summary judgment, holding that
although the evidence could support a decision by the trier of fact in favor of Defendants on the
affirmative defense of the statute of limitations, the Court could not resolve the statute of
limitations issue at the summary judgment stage.

On December 8, 2017, the Parties participated in a private mediation session with Jed
Melnick at JAMS, in New York City, New York, which concluded with an agreement in
principle to settle this Action, the material terms of which are described herein. The entire
Stipulation along with its exhibits can be viewed at www.strategicclaims.net.

Defendants have denied, and continue to deny, that they have committed any act or
omission giving rise to any liability and/or violation of law.

1 **HOW DO I KNOW IF I AM A SETTLEMENT CLASS MEMBER?**

2 If you purchased or otherwise acquired (or are the legal representative, heir, executor,
3 administrator, successor or assign of a person who purchased or otherwise acquired) Twitter
4 common stock between November 7, 2013 and February 18, 2014, inclusive, pursuant to or
5 traceable to the Registration Statement filed with the SEC in connection with Twitter's IPO, you
6 are a Class Member. If you purchased or otherwise acquired Twitter stock after February 18,
7 2014, you are not a Class Member because Twitter stock that was not issued pursuant to the
8 Registration Statement was publicly trading by February 19, 2014, making it difficult or
9 impossible for you to trace your stock to the Registration Statement. As set forth in the
10 Stipulation, the following entities and individuals are excluded from the Class: (i) Twitter, (ii)
11 the Individual Defendants, (iii) any officers and directors of Twitter, (iv) the Underwriters, and
12 (v) all such excluded Persons' immediate family members, legal representatives, heirs, parents,
13 wholly-owned subsidiaries, successors, and assigns. Notwithstanding the foregoing sentence, the
14 Class shall include any investment company or pooled investment fund, including, but not
15 limited to, mutual fund families, exchange-traded funds, fund of funds and hedge funds, in which
16 the Underwriters, or any of them, have, has or may have a direct or indirect interest, or as to
17 which any Underwriter's affiliates may act as an investment advisor, but as to which any
18 Underwriter alone or together with any of its respective affiliates is neither a majority owner nor
19 the holder of a majority beneficial interest.

20 **WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?**

21 The Settlement, if approved, will result in the creation of a settlement fund of \$2,500,000
22 (the "Settlement Fund"). The Settlement Fund, plus accrued interest and minus the costs of this
23 Notice and all costs associated with the administration of the Settlement Fund, as well as
24 attorneys' fees and expenses, and the reimbursement of Plaintiff's cost and expenses, as
25 approved by the Court, will be distributed to Class Members pursuant to the Plan of Allocation
26 that is described in the next section of this Notice.

27 **WHAT IS THE PROPOSED PLAN OF ALLOCATION?**

28 The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of
the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim. **Please**
29 **Note:** The Recognized Claim formula, set forth below, is not intended to be an estimate of the
30 amount of what a Settlement Class Member might have been able to recover after a trial, nor is it
31 an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement.
32 The Recognized Claim formula is the basis upon which the Net Settlement Fund will be
33 proportionately allocated to the Authorized Claimants. To the extent there are sufficient funds in
34 the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the
35 Authorized Claimant's Recognized Claim. If, however, the amount in the Net Settlement Fund
36 is not sufficient to permit payment of the total Recognized Claim of each Authorized Claimant,
37 then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each
38 Authorized Claimant's Recognized Claim bears to the total Recognized Claims of all Authorized
39 Claimants (*i.e.*, "*pro rata* share"). Payment in this manner shall be deemed conclusive against
40 all Authorized Claimants.

41 If any funds remain in the Net Settlement Fund by reason of uncashed checks, or
42 otherwise, after the Claims Administrator has made reasonable and diligent efforts to have
43 Authorized Claimants who are entitled to participate in the distribution of the Net Settlement
44 Fund cash their distribution checks, then any balance remaining in the Net Settlement Fund six
45 (6) months after the initial distribution of such funds shall be used: (i) first, to pay any amounts
46 mistakenly omitted from the initial distribution to Authorized Claimants; (ii) second, to pay any

1 additional Notice and Administration Costs incurred in administering the Settlement; and (iii)
2 finally, to make a second distribution to Authorized Claimants who cashed their checks from the
3 initial distribution and who would receive at least \$10.00 from such second distribution, after
4 payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund
5 and in making this second distribution, if such second distribution is economically feasible. If
6 six (6) months after such second distribution, if undertaken, or if such second distribution is not
7 undertaken, any funds shall remain in the Net Settlement Fund after the Claims Administrator
8 has made reasonable and diligent efforts to have Authorized Claimants who are entitled to
9 participate in this Settlement cash their checks, any funds remaining in the Net Settlement Fund
10 shall be donated to Bay Area Legal Aid, *subject to distribution to state entities*
11 *as required by California Code of Civil Procedure §384.*

THE BASIS FOR CALCULATING YOUR RECOGNIZED CLAIM:

Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. Recognized Claims will be calculated as follows:

Only Twitter common stock purchased or acquired between November 7, 2013 and February 18, 2014, inclusive, will qualify as shares purchased or acquired pursuant and/or traceable to the Initial Public Offering (“IPO”) on November 7, 2013:

For shares of Twitter common stock purchased or acquired between November 7, 2013² through February 18, 2014, inclusive, the Recognized Claim shall be calculated as follows:

- 13 A. For shares sold between November 7, 2013 and February 18, 2014, inclusive, the
14 Recognized Claim shall be zero.
- 15 B. For shares sold between February 19, 2014 and November 4, 2016³, inclusive, the
16 Recognized Claim shall be \$26.00 per share⁴ (the IPO price) less the sale price per share.
- 17 C. For shares held as of the close of trading on November 4, 2016, the Recognized Claim
18 shall be \$7.98 per share⁵.

To the extent a claimant had a trading gain or “broke even” from his, her or its overall transactions in Twitter common stock during the Class Period, the value of the Recognized Claim will be zero and the claimant will not be entitled to a share of the Net Settlement Fund. To the extent that a claimant suffered a trading loss on his, her or its overall transactions in Twitter common stock during the Class Period, but that trading loss was less than the Recognized Claim calculated above, then the Recognized Claim shall be limited to the amount of the claimant’s actual trading loss.

For purposes of calculating your Recognized Claim, the date of purchase, acquisition or sale is the “contract” or “trade” date and not the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of Twitter common stock shall not be deemed a purchase, acquisition or sale of Twitter common stock for the calculation of an Authorized

² November 7, 2013 is the date of the IPO for Twitter common stock.

³ This is the day the initial suit was filed.

⁴ \$26 per share is the IPO price on November 7, 2013.

⁵ \$7.98 per share is the difference between the \$26 IPO price per share and the \$18.02 price per share of Twitter common stock at the close of trading on November 4, 2016.

1 Claimant's Recognized Claim. The covering purchase of a short sale is not an eligible purchase.
2 Only shares purchased or acquired in the public market between November 7, 2013 and February
18, 2014, inclusive, are considered eligible purchases.

3 For purposes of calculating your Recognized Claim, all purchases, acquisitions and sales
4 shall be matched on a First-In First-Out ("FIFO") basis in chronological order. Therefore, on the
5 Proof of Claim enclosed with this Notice, you must provide all of your purchases, acquisitions
and sales of Twitter common stock during the time period from November 7, 2013 through and
including November 4, 2016.

6 No distribution will be made on a claim where the potential distribution amount is less
7 than ten dollars (\$10.00) in cash.

8 Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive
9 against all Authorized Claimants. No person shall have any claim against Defendants,
10 Defendants' Counsel, Plaintiff, Plaintiff's Counsel or the Settlement Administrator or other agent
11 designated by Plaintiff's Counsel based on the distributions made substantially in accordance
12 with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further
13 orders of the Court. Each claimant shall be deemed to have submitted to the jurisdiction of the
14 Court with respect to the claimant's Claim Form. All persons involved in the review,
verification, calculation, tabulation, or any other aspect of the processing of the claims submitted
in connection with the Settlement, or otherwise involved in the administration or taxation of the
Settlement Fund or the Net Cash Settlement Amount shall be released and discharged from any
and all claims arising out of such involvement, and all Settlement Class Members, whether or not
they are to receive payment from the Net Cash Settlement Amount, will be barred from making
any further claim against the Net Settlement Fund beyond the amount allocated to them as
provided in any distribution orders entered by the Court.

15 Defendants have taken no position with respect to the Plan of Allocation, which is a
16 matter separate and apart from the proposed Settlement. Any decision by the Court concerning
17 the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The
18 Court may approve the Plan of Allocation with or without modifications agreed to among the
Parties, or another plan of allocation, without further notice to Settlement Class Members. Any
orders regarding a modification of the Plan of Allocation will be posted to the Claims
Administrator's website, www.strategicclaims.net.

19 **DO I NEED TO CONTACT PLAINTIFF'S COUNSEL IN ORDER TO PARTICIPATE**
20 **IN DISTRIBUTION OF THE SETTLEMENT FUND?**

21 No. If you have received this Notice and timely submit your Proof of Claim to the
22 designated address, you need not contact Plaintiff's Counsel. If your address changes, please
23 contact the Claims Administrator at:

24 Twitter, Inc. Securities Litigation
25 c/o Strategic Claims Services
26 Claims Administrator
27 P.O. Box 230
28 600 North Jackson Street – Suite 205
Media, PA 19063

29 **THERE WILL BE NO PAYMENTS IF THE SETTLEMENT IS TERMINATED**

1 The Settlement may be terminated under several circumstances outlined in it. If the
2 Settlement is terminated, the certification of the Class will be vacated, and the Action will
3 proceed as if the Stipulation had not been entered into.

4 **WHAT ARE THE REASONS FOR SETTLEMENT?**

5 The Court has not reached any final decisions in connection with Plaintiff's claim against
6 Defendants. Instead, Plaintiff and Defendants have agreed to this Settlement, which was reached
7 with the substantial assistance of Jed Melnick, a highly respected mediator with extensive
8 experience in the mediation of complex class actions. In reaching the Settlement, the Parties
9 have sought to avoid the cost, delay and uncertainty of further litigation.

10 As in any litigation, Plaintiff and the proposed Class would face an uncertain outcome if
11 they did not agree to the Settlement. The Parties expected that the case could continue for a
12 lengthy period of time and that if Plaintiff succeeded, Defendants would file appeals that would
13 postpone final resolution of the case. Continuation of the case against Defendants could result in
14 a judgment greater than this Settlement. Conversely, continuing the case could result in no
15 recovery at all or a recovery that is less than the amount of the Settlement.

16 Plaintiff and Plaintiff's Counsel believe that this Settlement is fair and reasonable to the
17 members of the Class. They have reached this conclusion for several reasons. Specifically, if
18 the Settlement is approved, the Class will receive a significant monetary recovery. Additionally,
19 Plaintiff's Counsel believes that the significant and immediate benefits of the Settlement, when
20 weighed against the significant risk, delay and uncertainty of continued litigation, are an
21 excellent result for the Class.

22 **WHO REPRESENTS THE SETTLEMENT CLASSES?**

23 The following attorneys are counsel for the Class:

24 Laurence M. Rosen, Esq.
25 **THE ROSEN LAW FIRM, P.A.**
26 355 South Grand Avenue
27 Suite 2450
28 Los Angeles, CA 90071
Phone: (213) 785-2610

Ronen Sarraf, Esq.
SARRAF GENTILE LLP
14 Bond Street, Suite 212
Great Neck, NY 11021
Phone: (516) 699-8890

If you have any questions about the Action or the Settlement, you are entitled to consult with Plaintiff's Counsel by contacting counsel at the phone numbers listed above.

You may obtain a copy of the Stipulation by contacting the Claims Administrator at:

Twitter, Inc. Securities Litigation
c/o Strategic Claims Services
Claims Administrator
P.O. Box 230
600 North Jackson Street – Suite 205
Media, PA 19063

HOW WILL THE PLAINTIFF'S LAWYERS BE PAID?

1 Plaintiff's Counsel will file a motion for an award of attorneys' fees and expenses that
2 will be considered at the Settlement Fairness Hearing. Plaintiff's Counsel will apply for an
3 award of 33 1/3% of the Settlement Fund, plus payment of expenses incurred in connection with
4 the Action in an amount not to exceed \$150,000. In addition, Plaintiff may seek reimbursement
5 of up to \$10,000 for time and expenses (including lost wages) incurred in representing the Class.
6 Such sums as may be approved by the Court will be paid from the Settlement Fund. Class
7 Members are not personally liable for any such fees or expenses.

8 The attorneys' fees and expenses requested will be the only payment to Plaintiff's
9 Counsel for their efforts in achieving this Settlement and for their risk in undertaking this
10 representation on a wholly contingent basis. Plaintiff's Counsel have committed significant time
11 and expenses in litigating this case for the benefit of the Class. To date, Plaintiff's Counsel have
12 not been paid for their services in conducting this Action on behalf of the Plaintiff and the Class,
13 or for their expenses. The fees requested will compensate Plaintiff's Counsel for their work in
14 achieving the Settlement. The Court will decide what constitutes a reasonable fee award and
15 may award less than the amount requested by Plaintiff's Counsel.

16 **CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?**

17 Yes. If you do not want to receive a payment from this Settlement, or you want to keep
18 the right (which you may or may not still have) to sue Defendants on your own about the legal
19 issues in this case, then you must take steps to get out of the Class. This is called excluding
20 yourself from, or "opting out" of, the Class.

21 To exclude yourself from the Class, you must send a letter by mail saying that you want
22 to be excluded from the Class in the following Action: *Hosey v. Costolo*, Master File No. 16-cv-
23 02228. Be sure to include your name, address, telephone number, and the date(s), ~~price(s)~~, and
24 numbers of shares of Twitter common stock that you purchased or otherwise acquired that is
25 subject to the Action, ~~as well as any sales of such Twitter common stock during the period from~~
26 November 7, 2013 through February 18, 2014, inclusive. You must also include ~~documents~~
27 ~~evidencing such purchase(s) or acquisition(s) and, where applicable, sale(s), and your signature.~~
28 Your exclusion request must be received no later than July 17, 2018 and sent to the Claims
Administrator at:

Twitter, Inc. Securities Litigation
c/o Strategic Claims Services
Claims Administrator
P.O. Box 230
600 North Jackson Street – Suite 205
Media, PA 19063

23 You cannot exclude yourself by phone or by e-mail. If you make a proper request for
24 exclusion, you will not receive a Settlement payment, and you cannot object to the Settlement. If
25 you make a proper request for exclusion, you will not be legally bound by anything that happens
26 in this lawsuit.

27 **CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES, 28 THE REQUESTED PAYMENT OF COSTS AND EXPENSES, AND/OR THE PLAN OF ALLOCATION?**

Yes. If you are a Class Member, you may object to the terms of the Settlement. Whether
or not you object to the terms of the Settlement, you may also object to the requested attorneys'

1 fees, costs and expenses, and/or the Plan of Allocation. In order for any objection to be
2 considered, you must file a written statement, accompanied by proof of Class membership, with
3 the Court, Class Counsel and Defendants' Counsel at the addresses listed herein by July 17,
4 2018. Attendance at the Settlement Fairness Hearing is not necessary; however, persons wishing
5 to be heard orally at the Settlement Fairness Hearing are required to indicate in their written
6 objection their intention to appear at the hearing and identify any witnesses they may call to
7 testify and exhibits, if any, they intend to introduce into evidence. If you hire an attorney to
8 represent you for the purposes of making an objection, the attorney must both effect service of a
9 notice of appearance on counsel listed above and file it with the Court by no later than July 17,
10 If you do not object in the manner described herein, you shall be deemed to have waived such
11 obligation and shall forever be foreclosed to making any objection to the fairness or adequacy of
12 the settlement set forth in the Stipulation, to the Plan of Allocation, and to the award of
13 attorneys' fees and expenses to Lead Counsel and Plaintiff's Reimbursement for their time and
14 expenses.

9 **WHAT ARE MY RIGHTS AND OBLIGATIONS UNDER THE SETTLEMENT?**

10 If you are a Class Member and you do not exclude yourself from the Class, you may
11 receive the benefit of, and you will be bound by, the terms of the Settlement described in this
12 Notice, upon approval by the Court.

12 **HOW CAN I GET A PAYMENT?**

13 In order to qualify for a payment, you must timely complete and return the Proof of
14 Claim form that accompanies this Notice. Read the instructions carefully; fill out the Proof of
15 Claim form; sign it; and mail it postmarked no later than August 31, 2018. If you do not submit a
16 timely Proof of Claim form with all of the required information, you will not receive a payment
17 from the Settlement Fund; however, unless you expressly exclude yourself from the Class as
18 described above, you will still be bound in all other respects by the Settlement, the Judgment,
19 and the release contained in them.

18 **WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?**

19 If the Settlement is approved by the Court, the Court will enter a Judgment. If the
20 Judgment becomes Final, all Class Members will be deemed to have, and by operation of the
21 Judgment shall have, fully, finally, and forever released, relinquished, and discharged any and all
22 of the Defendants and the Underwriters and each of the Defendants' and Underwriters'
23 respective past, present or future parents, subsidiaries, agents, affiliates, divisions and joint
24 ventures, and their respective present or former directors, officers, employees, partners,
25 members, principals, underwriters, insurers, co-insurers, reinsurers, controlling shareholders,
26 attorneys, accountants or auditors, advisors, consultants, banks or investment bankers, and each
27 of their personal or legal representatives, predecessors, successors, assigns, spouses, heirs,
28 related or affiliated entities, any entity in which a Defendant or Underwriter has a controlling
interest, estates, executors, trusts, trustees, administrators, and assigns of each of them, in their
capacity as such (collectively, the "Released Parties") from, and shall forever be enjoined from
suing any or all of the Released Parties for, any and all claims, demands, disputes, rights, causes
of action, suits, damages, or liabilities of any kind, nature, and character whatsoever, including
without limitation "Unknown Claims" (as defined in the Stipulation), any claims for damages,
interest, attorneys' fees, expert or consulting fees, and any and all other costs, expenses or
liabilities whatsoever, arising out of, relating to, or in connection with (i) the purchase or sale or
acquisition or disposition or holding of Twitter common stock, that were asserted or could have
been asserted by Plaintiff or any member of the Class against the Released Parties, whether

1 brought under the 1933 Act, the Securities Exchange Act of 1934, any other federal statute, any
2 state statute, or common law, or any other law, rule or regulation, and that relate to the facts,
3 events, transactions, acts, occurrences, statements, representations, misrepresentations,
4 omissions, and circumstances alleged in the Complaint (the "Released Claims"). "Released
5 Claims" also includes any and all claims arising out of, relating to, or in connection with the
6 Settlement or resolution of the Action against the Released Parties (including Unknown Claims),
7 except claims to enforce any of the terms of the Stipulation.

8 The above description of the proposed Settlement is only a summary. The complete
9 terms, including the definitions of the Released Parties, Released Claims, and Unknown Claims,
10 are set forth in the Stipulation (including its exhibits), which may be obtained at
11 www.strategicclaims.net, or by contacting Class Counsel listed on Page 6 above.

12 **THE SETTLEMENT FAIRNESS HEARING**

13 The Court will hold a Settlement Fairness Hearing on ^{2E} ~~August 16~~ ^{August 16}, 2018 at ~~9:00~~ ^{9:00} a.m.,
14 before the Honorable Marie S. Weiner at the Superior Court of California, County of San Mateo,
15 Department 2, Courtroom ~~7A~~, 400 County Center, Redwood City, CA 94063, for the purpose of
16 determining whether: (1) the Settlement of the Action for \$2,500,000 should be approved by the
17 Court as fair, reasonable and adequate; (2) Judgment as provided under the Stipulation should be
18 entered, dismissing the Complaint filed in the Action on the merits and with prejudice; (3) the
19 release by the Class of the Released Claims against the Released Parties, as set forth in the
20 Stipulation, should be provided; (4) for settlement purposes only, a class should be certified
21 under California Code of Civil Procedure § 382; (5) to award Plaintiff's Counsel attorneys' fees
22 and expenses out of the Settlement Fund; (6) to reimburse Plaintiff for the costs and expenses he
23 incurred in prosecuting this action on behalf of the Class out of the Settlement Fund; and (7) the
24 Plan of Allocation should be approved by the Court. The Court may adjourn or continue the
25 Settlement Fairness Hearing without further notice to members of the Class.

26 Any Class Member may appear at the Settlement Fairness Hearing and be heard on any
27 of the foregoing matters; provided, however, that no such person shall be heard unless his, her, or
28 its objection is made in writing and is filed, together with proof of membership in the Class and
with copies of all other papers and briefs to be submitted by him, her, or it to the Court at the
Settlement Fairness Hearing, with the Court no later than July 17, 2018, and showing proof of
service on the following counsel:

29
30 Laurence M. Rosen, Esq.
31 **THE ROSEN LAW FIRM, P.A.**
32 355 South Grand Avenue, Suite 2450
33 Los Angeles, CA 90071
34 Phone: (213) 785-2610

35 *Attorneys for Plaintiff*

36 Ronen Sarraf, Esq.
37 **SARRAF GENTILE LLP**
38 14 Bond Street, Suite 212
39 Great Neck, NY 11021
40 Phone: (516) 699-8890

41 *Attorneys for Plaintiff*

42 Simona G. Strauss, Esq.
43 **SIMPSON THACHER & BARTLETT LLP**
44 2475 Hanover Street
45 Palo Alto, CA 94304

46 *Attorneys for Defendants*

