

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

MARK ALLEN and SALVATORE RAPPA,
Individually and On Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

PIXARBIO CORPORATION f/k/a BMP
HOLDINGS INC., FRANCIS M.
REYNOLDS, KENNETH A.
STROMSLAND, KATRIN HOLZHAUS,
DAVID A. CASS, DEREK S. BRIDGES, and
LAURA BARKER MORSE,

Defendants.

Case No. 2:17-cv-00496-CCC-SCM

CLASS ACTION

MICHAEL SCHNIEDERS, derivatively on
behalf of PIXARBIO CORPORATION,

Plaintiff,

v.

FRANCIS M. REYNOLDS, KATRIN
HOLZHAUS, DAVID A. CASS, and
LAURA BARKER MORSE,

Defendants,

and

PIXARBIO CORPORATION,

Nominal Defendant.

Case No. 2:17-cv-02987

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (together with all Exhibits thereto, the “Stipulation”), dated as of September 4, 2019 which is entered into by and among (i) Lead

Plaintiffs Mark Allen (“Allen”) and Salvatore Rappa (“Rappa” and with Allen, “Lead Plaintiffs”) and Named Plaintiffs Marvin Becker and Jacqueline Becker (“Named Plaintiffs” and with the Lead Plaintiffs, “Class Plaintiffs”), on behalf of themselves and on behalf of the Settlement Class (as defined herein), (ii) Defendants PixarBio Corporation f/k/a BMP Holdings, Inc. (“PixarBio” or the “Company”), Francis M. Reynolds (“Reynolds”), Kenneth A. Stromsland (“Stromsland”), Katrin Holzhaus (“Holzhaus”), David A. Cass (“Cass”), Derek S. Bridges (“Bridges”), and Laura Barker Morse (“Morse and collectively, “Defendants”); and (iii) Plaintiff Michael Schnieders (“Schnieders” and together with Class Plaintiffs and Defendants are the “Parties”), who filed the related derivative action *Schnieders v. Reynolds, et al.*, Case No. 2:17-cv-02987-CCC-SCM (“the Derivative Action”) in the United States Court for the District of New Jersey, by and through their undersigned attorneys, states all of the terms of the settlement and resolution of the matter *Allen v. PixarBio Corporation, et al.*, Case No. 2:17-cv-00496-CCC-SCM (the “Securities Class Action”) and of the Derivative Action by the Parties (as defined herein) and Schneider are intended by the Parties to fully and finally release, resolve, remise, and discharge the Released Claims (as defined herein) against the Released Parties (as defined herein), subject to the approval of the United States District Court for the District of New Jersey (the “Court”).

Throughout this Stipulation, all terms used with initial capitalization, but not immediately defined, shall have the meanings ascribed to them in Section 1 below.

WHEREAS:

A. The Securities Class Action

The Securities Class Action was commenced on January 25, 2017, alleging violations of the Securities Exchange Act of 1934 against Defendants PixarBio and Reynolds. (Dkt. No. 1).

On January 2, 2018, after briefing on motions for lead plaintiff and lead counsel, as well as a telephonic conference with Judge Cecchi held on October 24, 2017, Allen and Rappa were appointed Lead Plaintiffs and The Rosen Law Firm, P.A. was appointed Lead Counsel. (Dkt. No. 35).

Class Plaintiffs and former counsel for Defendants PixarBio and Reynolds participated in a telephonic conference with Judge Mannion on January 9, 2018, at which they discussed the schedule for the case and applicability of the discovery stay of the Private Securities Litigation Reform Act of 1995 (the “PSLRA”).

On March 2, 2018, Class Plaintiffs filed the Amended Class Action Complaint for Violations of the Federal Securities Laws (“Amended Complaint”) (Dkt. No. 41). On April 4, 2018, Class Plaintiffs and former counsel for Defendants PixarBio and Reynolds participated in a telephonic conference with Judge Mannion at which they discussed a briefing schedule for a response to the Amended Complaint and the continuation of discovery.

On April 27, 2018, former counsel for Defendants PixarBio and Reynolds requested a 30-day extension to file a response to the Amended Complaint. The Court approved this request. (Dkt. No. 51).

After learning additional developments, including the criminal charges filed against PixarBio, Reynolds, Stromsland, and M. Jay Herod, Class Plaintiffs requested that they be granted leave to file another complaint. On May 29, 2018, Judge Cecchi granted Class Plaintiffs’ request and approved a briefing schedule for Defendants’ response thereto. (Dkt. No. 53).

On June 29, 2018, Class Plaintiffs filed their motion for leave to file a second amended complaint (Dkt. No. 56), which the Court granted on July 18, 2018. (Dkt. No. 57). On July 23, 2018, Class Plaintiffs filed the operative Second Amended Class Action Complaint for Violations

of the Federal Securities Laws (the “Second Amended Complaint”) (Dkt. No. 58). The Second Amended Complaint included Stromsland, Holzhaus, Cass, Bridges, and Morse as defendants.

On July 24, 2018, Class Plaintiffs and former counsel for Reynolds and PixarBio participated in a telephonic conference with Judge Mannion. At this time, Reynolds had informed his counsel that he was seeking new representation and it was unclear whether PixarBio was going to retain new counsel.

On August 10, 2018, Reynolds retained new counsel, and on August 10, 2018 filed a motion to stay the action. (Dkt. No. 64). This motion was terminated for failing to abide by local rules regarding a conferral requirement. However, on August 16, 2018, Class Plaintiffs and Reynolds filed a letter to Judge Mannion outlining their positions regarding a stay. (Dkt. No. 67). A telephonic conference with Judge Mannion was held on August 23, 2018 to discuss the stay and the interplay with the criminal proceedings against PixarBio, Reynolds, and Stromsland. Judge Mannion ordered the parties to agree to a briefing schedule for an informal motion to stay. Each of the parties submitted their position on whether the action should be stayed in light of the criminal actions against Defendants Reynolds and Stromsland. On October 26, 2018, all parties attended a telephonic conference with Judge Mannion where a schedule for the motion to stay was further discussed. On November 7, 2018, Defendants filed their positions on whether the PSLRA’s discovery stay should be applied to this action. Defendants supported the discovery stay. (Dkt. Nos. 103-106). On November 15, 2018, after discussions with Defendants about potential settlement, Class Plaintiffs decided that they would consent to a stay of discovery pursuant to the PSLRA. (Dkt. No. 108). Accordingly, on November 19, 2018, the Court stayed discovery pending the resolution of the motions to dismiss. (Dkt. No. 109).

During the time of the briefing on the motion to stay the action as well as motions to stay discovery pursuant to the PSLRA, motions to dismiss were filed. On October 19, 2018, several motions to dismiss were filed – one from Defendants Bridges, Cass, Holzhaus, and Morse, one by Defendants PixarBio and Reynolds, and the last from Defendant Stromsland. (Dkt. Nos. 95-97). Class Plaintiffs filed an omnibus opposition on December 3, 2018. (Dkt. No. 115). Defendants filed their replies in further support of their motions to dismiss on January 2, 2019. (Dkt. Nos. 121-23). The Parties reached the settlement prior to a decision on the motions to dismiss.

B. The Derivative Action

On May 2, 2017, Schnieders filed the Derivative Action against Reynolds, Holzhaus, Cass, and Morse on behalf of PixarBio. The Derivative Action alleges that defendants named therein made and/or caused the Company to make the same violations of the federal securities laws and asserts claims for breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets.

On October 5, 2017, the parties to the Derivative Action filed the Stipulated Temporary Stay of Proceedings, agreeing to stay the Derivative Action pending an order denying any portion of a motion to dismiss or the entry of a final order dismissing the Securities Class Action. (Dkt. No. 8 in Derivative Action). Judge Cecchi entered an order approving the stay of the Derivative Action. (Dkt. No. 10 in Derivative Action).

C. The Settlement

All Parties attended a mediation session with Jed Melnick, Esq. of JAMS on February 28, 2019. Prior to the mediation session, the Parties exchanged detailed mediation statements. A settlement was not reached at this mediation session, but extensive negotiations continued with the assistance of Mr. Melnick.

On June 19, 2019, the Parties reached a settlement to resolve both the Securities Class Action and the Derivative Action and notified the Court of the settlement on the following day. (Dkt. No. 128). On June 21, 2019, Judge Cecchi entered an order administratively terminating the action for 60 days to allow time for the Parties to document the settlement. (Dkt. No. 129).

This Stipulation memorializes the agreement between the Parties to fully and finally settle the Securities Class Action and the Derivative Action and to fully release all Released Claims against Defendants and the Released Parties with prejudice in return for the consideration specified herein.

D. Defendants' Denial of Wrongdoing and Liability

Throughout the course of the Securities Class Action and the Derivative Action, and in this Stipulation, Defendants have denied and continue to deny each, any and all allegations of wrongdoing, fault, liability or damage whatsoever that have or could have been asserted in the Securities Class Action and the Derivative Action. Defendants have also denied and continue to deny, *inter alia*, the allegations and claims that have been or could have been asserted by Class Plaintiffs and Schnieders, as well as the allegations that Class Plaintiffs, the Settlement Class, and Schnieders have suffered damages and that Class Plaintiff, the Settlement Class, and Schnieders were harmed by the conduct alleged in the Securities Class Action and the Derivative Action. Defendants continue to believe the claims asserted against them in the Securities Class Action and the Derivative Action are without merit and that the Securities Class Action itself should not be certified as a class action for purposes of trial and adjudication of liability and damages. Defendants have not conceded or admitted any wrongdoing or liability, are not doing so by entering into this Stipulation, and disclaim any and all wrongdoing and liability whatsoever.

Defendants have agreed to enter into this Stipulation solely to avoid the uncertainties, burden and expense of further litigation and to put the Released Claims to rest finally and forever. Nothing in this Stipulation shall be construed as or deemed evidence supporting an admission by any of Defendants or any of the Released Parties with respect to any of Class Plaintiffs' or Schnieders' allegations or claims, or of any wrongdoing, fault, liability or damages whatsoever.

E. Claims of Class Plaintiffs and Benefits of Settlement

Class Plaintiffs believe that the claims asserted in the Securities Class Action have merit. Class Plaintiffs, however, recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Securities Class Action against Defendants through trial and appeals. Class Plaintiffs have also taken into account the uncertain outcome and the risk of any litigation. In particular, Class Plaintiffs have considered the inherent problems of proof and possible defenses to the federal securities law violations asserted in the Securities Class Action, including the defenses that have been or could be asserted by Defendants during the litigation, motion for summary judgment, motion for class certification, and trial. Class Plaintiffs have therefore determined that the Settlement set forth in this Stipulation is fair, adequate, reasonable, and in the best interests of the Settlement Class.

F. Claims of Schnieders and Benefits of Settlement

Schnieders believes that the claims asserted in the Derivative Action have merit. Schnieders, however, recognizes and acknowledges the expense and length of continued proceedings necessary to prosecute the Derivative Action against Defendants through trial and appeals. Schnieders has also taken into account the uncertain outcome and the risk of any litigation. In particular, Schnieders has considered the inherent problems of proof and possible defenses to the derivative claims asserted in the Derivative Action, including the defenses that have been or

could be asserted by Defendants during the litigation, motions to dismiss, motion for summary judgment, and trial. Schnieders has therefore determined that the Settlement set forth in this Stipulation is fair, adequate, reasonable, and in the best interests of the Company and the Settlement Class.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Class Plaintiffs (on behalf of themselves and each of the Settlement Class Members), Schnieders, and Defendants (by and through their respective undersigned counsel) that, subject to the approval of the Court, in consideration of the benefits flowing to the Parties from the Settlement set forth herein, the Securities Class Action, the Derivative Action and the Released Claims as against the Released Parties shall be finally and fully compromised, settled and released, the Securities Class Action and the Derivative Action shall be dismissed fully, finally and with prejudice, and the Released Claims shall be finally and fully released as against the Released Parties, upon and subject to the terms and conditions of this Stipulation, as follows:

1. Definitions

In addition to the terms defined above, the following capitalized terms, used in this Stipulation, shall have the meanings specified below:

1.1. “Additional Class Counsel” means Gainey McKenna & Egleston.

1.2. “Additional Settlement Amount” means monies in excess of the amount set forth in ¶1.40 *infra* (the \$750,000 to be paid into the Escrow Account), that remains in PixarBio’s directors & officers insurance policy by Chubb after all claims, fees, and expenses are paid from other related litigation including the actions *Securities and Exchange Commission v. PixarBio Corp, et al.*, Case No. 1:18-cv-10797 (D. Mass) and *United States of America v. Reynolds, et al.*, Case No. 18-CR-10154 (D. Mass). After the conclusion of these aforementioned actions, if any

funds are to remain in the insurance policy, these funds will be distributed to Authorized Claimants in accordance with the Plan of Allocation. No separate notice will be sent to potential Claimants with respect to the Additional Settlement Amount.

1.3. “Administrative Costs” means all costs and expenses associated with providing notice of the Settlement to the Settlement Class and otherwise administering or carrying out the terms of the Settlement. Such costs may include, without limitation: escrow agent costs, the costs of publishing the summary notice, the costs of printing and mailing, and/or emailing of the Notice and Proof of Claim, as directed by the Court, and the costs of allocating and distributing the Net Settlement Fund (as defined in paragraph 7.1) to the Authorized Claimants. Such costs do not include legal fees.

1.4. “Authorized Claimant” means any Settlement Class Member who is a Claimant and whose claim for recovery has been allowed pursuant to the terms of this Stipulation, the exhibits hereto, and any order of the Court.

1.5. “Awards to Class Plaintiffs and Schnieders” means the requested reimbursement to Lead Plaintiffs, Named Plaintiffs, and Schnieders for their reasonable costs and expenses (including lost wages) directly related to Lead Plaintiffs’ and Named Plaintiffs’ representation of the Settlement Class in the Securities Class Action and to Schnieders’ efforts in the Derivative Action.

1.6. “Business Day” means any day except Saturday or Sunday or any other day on which national banks are authorized by law or executive order to close in the State of New Jersey.

1.7. “Claimant” means any Settlement Class Member who files a Proof of Claim in such form and manner, and within such time, as the Court shall prescribe.

1.8. “Claims” means any and all manner of claims, debts, demands, controversies, obligations, losses, costs, interest, penalties, fees, expenses, rights, duties, judgments, sums of money, suits, contracts, agreements, promises, damages, actions, causes of action and liabilities, of every nature and description in law or equity (including, but not limited to, any claims for damages, whether compensatory, special, incidental, consequential, punitive, exemplary or otherwise, injunctive relief, declaratory relief, rescission or rescissionary damages, interest, attorneys’ fees, expert or consulting fees, costs, or expenses), accrued or unaccrued, known or unknown, arising under federal, state, common, administrative, or foreign law, or any other law, rule, or regulation.

1.9. “Claims Administrator” means Strategic Claims Services (“SCS”), which shall administer the Settlement.

1.10. “Class Counsel” means Lead Counsel and Additional Class Counsel.

1.11. “Class Plaintiffs” means Mark Allen, Salvatore Rappa, Jacqueline Becker, and Marvin Becker.

1.12. “Defendants” means PixarBio Corporation f/k/a BMP Holdings, Inc., Francis M. Reynolds, Kenneth A. Stromsland, Katrin Holzhaus, David A. Cass, Derek S. Bridges, and Laura Barker Morse.

1.13. “Defense Counsel” means Obermayer Rebmann Maxwell & Hoppel LLP, Conrad O’Brien P.C., Gibbons P.C., and Zuckerman Gore Brandeis & Grossman LLP.

1.14. “Derivative Action” means *Schnieders v. Reynolds, et al.*, Case No. 2:17-cv-02987-CCC-SCM (D.N.J.).

1.15. “Derivative Counsel” means The Brown Law Firm, P.C. and The Pawar Law Group, P.C.

1.16. “Effective Date” shall have the meaning set forth in ¶ 10.3 of this Stipulation.

1.17. “Escrow Account” means an interest-bearing escrow account established by the Escrow Agent. The Escrow Account shall be managed by the Escrow Agent, subject to the Court’s supervisory authority, for the benefit of Class Plaintiffs and the Settlement Class in accordance with the terms of the Stipulation and any order of the Court.

1.18. The “Escrow Agent” means SCS or its appointed agents. The Escrow Agent shall perform the duties as set forth in this Stipulation and any order of the Court.

1.19. “Final,” when referring to the Final Judgment, means exhaustion of all possible appeals, meaning (i) if no appeal or request for review is filed, the day after the date of expiration of any time for appeal or review of the Final Judgment, and (ii) if an appeal or request for review is filed, the day after the date the last-taken appeal or request for review is dismissed, or the Final Judgment is upheld on appeal or review in all material respects, and is not subject to further review on appeal or by certiorari or otherwise; provided, however, that no order of the Court or modification or reversal on appeal or any other order relating solely to the amount, payment, or allocation of attorneys’ fees and expenses or to the Plan of Allocation shall constitute grounds for cancellation or termination of this Settlement or affect its terms, including the release in ¶ 6.1 hereof, or shall affect or delay the date on which the Final Judgment becomes Final.

1.20. “Final Judgment” means the order and final judgment to be entered by the Court finally approving the Settlement and dismissing the Securities Class Action, materially in the form attached hereto as Exhibit B.

1.21. “Insurer” means the primary insurer pursuant the director and officer liability policies under which PixarBio was covered, for the period October 31, 2016 through January 23, 2017, Chubb.

1.22. “Lead Counsel” means The Rosen Law Firm, P.A.

1.23. “Lead Plaintiffs” means Mark Allen and Salvatore Rappa as identified in the Order Appointing Lead Plaintiffs and Lead Counsel (Dkt. No. 35).

1.24. “Named Plaintiffs” means Jacqueline Becker and Marvin Becker.

1.25. “Net Settlement Fund” means the Gross Settlement Fund, less: (i) the Fee and Expense Awards (as defined below); (ii) Administrative Costs; (iii) Taxes and Tax Expenses; (iv) any Awards to Class Plaintiffs and Schnieders; and (v) other fees and expenses authorized by the Court.

1.26. “Notice” means collectively, the Notice of Pendency and Proposed Settlement of Class Action and Derivative Action (“Long Notice”), the Summary Notice of Pendency and Proposed Class Action and Derivative Action Settlement (“Summary Notice”), and the Postcard Notice, which are to be made available to Settlement Class Members and PixarBio shareholders substantially in the forms attached hereto as Exhibits A-1, A-3, and A-4 on the Claims Administrator’s website and/or mailed to Settlement Class Members.

1.27. “Opt-Out” means any one of, and “Opt-Outs” means all of, any Persons who otherwise would be Settlement Class Members and have timely and validly requested exclusion from the Settlement Class in accordance with the provisions of the Preliminary Approval Order and the Notice given pursuant thereto.

1.28. “Party” means any one of, and “Parties” means Class Plaintiffs (on behalf of themselves and the Settlement Class), Schnieders, and Defendants.

1.29. “Person” means an individual, corporation, fund, limited liability corporation, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or

any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assign.

1.30. “Plan of Allocation” means a plan or formula for allocating the Settlement Fund to Authorized Claimants after payment of Administrative Costs, Taxes and Tax Expenses, and such attorneys’ fees, costs, and expenses as may be awarded by the Court. Any Plan of Allocation is not a condition to the effectiveness of this Stipulation, and the Released Parties shall have no responsibility or liability with respect thereto.

1.31. “Preliminary Approval Order” means the proposed order preliminarily approving the Settlement and directing notice thereof to the Settlement Class Members and PixarBio shareholders substantially in the form attached hereto as Exhibit A.

1.32. “Proof of Claim” means the Proof of Claim and Release Form to be submitted by Claimants, substantially in the form attached hereto as Exhibit A-2.

1.33. “Related Parties” means, with respect to each Released Party, the immediate family members, heirs, executors, trustees, administrators, successors, assigns, and present and former employees, officers, directors, attorneys, legal representatives, contractors, accountants, insurers, reinsurers, managers, and agents of each of them, and any person or entity which is or was related to or affiliated with any Released Party or in which any Released Party has a controlling interest, and the present, former and future direct and indirect parents, subsidiaries, divisions, affiliates, predecessors, successors, and the employees, officers, directors, attorneys, assigns, legal representatives, insurers, reinsurers, managers, and agents of each of them, *except for* Henry Sargent, Patrick Giordano, Frederick Mintz, Alan Fraade, The Mintz Fraade Law Firm, P.C., and any of the immediate family members, heirs, executors, trustees, administrators, successors,

assigns, and present and former employees, officers, directors, attorneys, legal representatives, contractors, accountants, insurers, reinsurers, managers, and agents of each of them.

1.34. “Released Claims” means and includes any and all Claims (including Unknown Claims as defined in ¶ 1.41), demands, rights, liabilities, and causes of action of every nature and description whatsoever (including, but not limited to, any claims for damages, restitution, rescission, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether known or unknown, contingent or absolute, mature or immature, discoverable or undiscoverable, whether concealed or hidden, suspected or unsuspected, which now exist, or heretofore have existed, asserted or that could have been asserted directly or derivatively by or on behalf of any of the Releasing Parties, in any capacity, arising out of or relating to the allegations made in the Securities Class Action or the Derivative Action. Notwithstanding the foregoing, “Released Claims” does not include claims to enforce the terms of this Stipulation or orders or judgments issued by the Court in connection with this Settlement.

1.35. “Released Parties” means the Defendants and each of their Related Parties.

1.36. “Releasing Parties” means jointly and severally, individually and collectively, Class Plaintiffs, Schnieders, each and every Settlement Class Member, and each of their Related Parties.

1.37. “Schnieders” means Michael Schnieders, plaintiff in the Derivative Action.

1.38. “Securities Class Action” means the putative class action captioned *Allen v. PixarBio Corporation, et al.*, Case No. 2:17-cv-00469 (D.N.J.).

1.39. “Settlement” means the settlement contemplated by this Stipulation.

1.40. “Settlement Amount” means the sum of \$750,000 (Seven Hundred and Fifty Thousand U.S. Dollars) as well as any remaining funds defined as the Additional Settlement Amount. The Settlement Amount includes all Administrative Costs, Class Counsel’s and Derivative Counsel’s attorneys’ fees and expenses (as allowed by the Court), Awards to Class Plaintiffs and Schnieders (as allowed by the Court), Settlement Class Member benefits, as well as any other costs, expenses, or fees of any kind whatsoever associated with the Settlement.

1.41. “Settlement Class” means all persons and entities other than Defendants and their affiliates who purchased or acquired PixarBio securities: (1) in an offering carried out continuously beginning in December 2015; (2) pursuant and/or traceable to the Company’s private placement that closed on October 30, 2016; and/or (3) publicly traded on the open market between October 31, 2016 and January 23, 2017, both dates inclusive. Excluded from the Settlement Class are Defendants and their immediate families, the officers and directors of PixarBio at all relevant times, their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Settlement Class are those persons who file valid and timely requests for exclusion in accordance with the Court’s Order Granting Class Plaintiffs’ Motion for Preliminary Approval of Class Action and Derivative Action Settlement (“Preliminary Approval Order”).

1.42. “Settlement Class Member” means any one of, and “Settlement Class Members” means all of, the members of the Settlement Class.

1.43. “Settlement Class Period” means the period from December 11, 2015 through January 23, 2017, both dates inclusive.

1.44. “Settlement Fund” means all funds transferred to the Escrow Account pursuant to this Stipulation and any interest or other income earned thereon.

1.45. “Settlement Hearing” means the hearing at or after which the Court will make a final decision pursuant to Rules 23 and 23.1 of the Federal Rules of Civil Procedure as to whether the Settlement set forth in the Stipulation is fair, reasonable and adequate, and therefore, should receive final approval from the Court.

1.46. “Unknown Claims” means and includes any and all claims that one or more Releasing Parties does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties. This includes claims which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Parties, or might have affected his, her or its decision(s) with respect to the Settlement and the Released Claims, including his, her, or its decision to object or not to object to this Settlement. The Parties expressly acknowledge, and the Releasing Parties by operation of the Judgment—shall have, and shall be deemed to have expressly waived and relinquished any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or any other jurisdiction, or principle of common law that is, or is similar, comparable, or equivalent to California Civil Code ¶ 1542, which provides:

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

Class Plaintiffs, Schnieders, or Releasing Parties may hereafter discover facts, legal theories, or authorities in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Class Plaintiffs and Schnieders shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims, without regard to the subsequent discovery or existence of such different or

additional facts, legal theories, or authorities. Class Plaintiffs and Schnieders expressly acknowledge, and the Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims was separately bargained for and a material element of the Settlement.

2. The Settlement Consideration

2.1. Subject to the terms of this Stipulation, and upon receipt from Class Counsel of wiring instructions and a completed Form W-9, PixarBio’s Insurer, on behalf of Defendants, shall, within seven (7) Business Days after the Court issues the Preliminary Approval Order, or seven (7) business days after preliminary approval of the Derivative Action, pay or cause to be paid the sum of \$750,000 (Seven Hundred Fifty Thousand Dollars) into the Escrow Account, which amount shall be inclusive of the \$150,000 (One Hundred Fifty Thousand Dollars) attributable to the settlement of the Derivative Action. The Settlement Amount will be funded solely by the insurance policy referenced in paragraph 1.21, *supra*.

2.2. Additionally, as described in paragraph 1.2, *supra*, PixarBio’s Insurer shall pay or cause to be paid the Additional Settlement Amount if applicable. The Additional Settlement Amount, if payable, will be funded solely by the insurance policy referenced in paragraph 1.21, *supra*.

2.3. Under no circumstances will Defendants’ Insurer be required to pay, or cause payment of, more than the Settlement Amount and the Additional Settlement Amount pursuant to this Stipulation and the Settlement for any reason whatsoever, including, without limitation, as compensation to any Settlement Class Member, as payment of attorneys’ fees and expenses awarded by the Court, in payment of any fees or expenses incurred by any Settlement Class Member, Class Counsel, or Derivative Counsel, or as interest on the Settlement Amount of any

kind and relating to any time period (including prior to the payment of the Settlement Amount into the Escrow Account). Under no circumstances will any Released Party other than the Defendants' insurer be required to pay any sum of money in connection with this Settlement.

3. Handling and Disbursement of Funds by the Escrow Agent

3.1. No monies will be disbursed from the Settlement Fund until after the Effective Date except:

- (a) As provided in ¶ 3.4 below;
- (b) As provided in ¶ 8.2 below;
- (c) As provided in ¶ 10.10 below, if applicable; and
- (d) To pay Taxes and Tax Expenses (as defined in ¶ 4.1 below) on the income earned by the Settlement Fund. Taxes and Tax Expenses shall be paid out of the Settlement Fund and shall be considered to be a cost of administration of the Settlement and shall be timely paid by the Escrow Agent without prior Order of the Court.

3.2. The Escrow Agent shall invest the Settlement Fund in short term instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof, and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. The Escrow Agent shall bear all responsibility and liability for managing the Escrow Account and cannot assign or delegate its responsibilities without approval of the Parties and the Insurer. Defendants, their counsel, their Insurer and the other Released Parties shall have no responsibility for, interest in, or any liability whatsoever with respect to any investment or management decisions executed by the Escrow Agent. The Settlement Fund shall bear all risks related to the investments of the Settlement Amount in accordance with the guidelines set forth in this ¶ 3.2.

3.3. The Escrow Agent shall not disburse the Settlement Fund except as provided in this Stipulation, by an order of the Court, or with the written agreement of Defendants' Counsel.

3.4. At any time after the Court grants preliminary approval of the Settlement, the Escrow Agent may, without further approval from Defendants or the Court, disburse at the direction of Class Counsel up to \$75,000 (Seventy-Five Thousand U.S. Dollars) from the Settlement Fund prior to the Effective Date to pay Administrative Costs.

4. Taxes

4.1. The Parties agree to treat the Settlement Fund as being at all times a "qualified settlement fund" within the meaning of Treasury Regulation § 1.468B-1. In addition, Class Counsel or their designee shall timely make such elections as necessary or advisable to carry out the provisions of this ¶ 4.1, including the "relation-back election" (as defined in Treasury Regulation § 1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of Class Counsel or their designee to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(a) For purposes of § 1.468B of the Internal Revenue Code of 1986, as amended, and Treasury Regulation § 1.468B-2(k)(3) promulgated thereunder, the "administrator" shall be Class Counsel or their designee. Class Counsel or their designee shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including without limitation the returns described in Treasury Regulation § 1.468B-2(k)). Such returns (as well as the election described in this ¶ 4.1) shall be consistent with this ¶ 4.1 and in all events shall reflect that all Taxes

(including any estimated Taxes, interest or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund.

(b) All Taxes (including any estimated Taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon Defendants or their counsel or their Insurer with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes (“Taxes”), and all expenses and costs incurred in connection with the operation and implementation of this ¶ 4.1 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses or penalties relating to filing (or failing to file) the returns described in this ¶ 4.1) (“Tax Expenses”), shall be paid out of the Settlement Fund, as appropriate. Defendants, their counsel, their Insurer and the other Released Parties shall have no liability or responsibility for the Taxes or the Tax Expenses. Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid out of the Settlement Fund without prior order from the Court. The Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be withheld under Treasury Regulation § 1.468B-2(1)(2)). Defendants, their counsel, their Insurer and the other Released Parties shall have no responsibility for, interest in, or any liability whatsoever with respect to the foregoing provided in this ¶ 4.1. The Parties agree to cooperate with

each other, and their tax attorneys and accountants, to the extent reasonably necessary to carry out the provisions of this ¶ 4.1.

5. Preliminary Approval Order, Notice Order, and Settlement Hearing

5.1. As soon as practicable after execution of this Stipulation, Class Counsel shall submit this Stipulation and its exhibits to the Court and shall apply for preliminary approval of the Settlement set forth in this Stipulation, entry of a preliminary approval order, and approval for the dissemination of notice. The Preliminary Approval Order to be submitted to the Court shall contain the exhibits substantially in the form set forth in: (i) the Long Notice (Exhibit A-1); (ii) the Proof of Claim and Release (Exhibit A-2); (c) Summary Notice (Exhibit A-3); and (d) the Postcard Notice (Exhibit A-4). The Notice shall include the general terms of the Settlement and the provisions of the Plan of Allocation, and shall set forth the procedure by which recipients of the Notice may object to the Settlement or the Plan of Allocation or request to be excluded from the Settlement Class. The date and time of the Settlement Hearing shall be added to the Notice and Summary Notice before they are disseminated or otherwise provided to Settlement Class Members and PixarBio shareholders. Defendants shall not object to, or have any responsibility for, Class Counsel's proposed Plan of Allocation.

5.2. At the time of the submission described in ¶ 5.1 hereof, the Parties, through their counsel, shall jointly request that, after the Notice is provided and the Settlement Class Members and PixarBio shareholders are notified of the Settlement, the Court hold the Settlement Hearing and (i) approve the Settlement as set forth herein and (ii) enter a final order and judgment substantially in the form of Exhibit B hereto, as promptly after the Settlement Hearing as possible.

6. Releases and Covenants Not to Sue

6.1. Upon the Effective Date, the Releasing Parties, on behalf of themselves and any other Person claiming (now or in the future) through or on behalf of them, regardless of whether any such Releasing Party ever seeks or obtains by any means, including without limitation by submitting a Proof of Claim, any disbursement from the Settlement Fund, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Parties and shall have covenanted not to sue the Released Parties with respect to all such Released Claims, and shall be permanently barred and enjoined from asserting, commencing, prosecuting, instituting, assisting, instigating, or in any way participating in the commencement or prosecution of any action or other proceeding, in any forum, asserting any Released Claim, in any capacity, against any of the Released Parties, including Defendants' Counsel. Nothing contained herein shall, however, bar the Releasing Parties from bringing any action or claim to enforce the terms of this Stipulation or the Final Judgment.

6.2. The Releasing Parties do not release any claims against Henry Sargent, Patrick Giordano, Frederick Mintz, Alan Fraade, The Mintz Fraade Law Firm, P.C., and any of the immediate family members, heirs, executors, trustees, administrators, successors, assigns, and present and former employees, officers, directors, attorneys, legal representatives, contractors, accountants, insurers, reinsurers, managers, and agents of each of them.

6.3. To the extent that the Releasing Parties seek compensation from any party other than the Released Parties, including but not limited to Henry Sargent, Patrick Giordano, Frederick Mintz, Alan Fraade, The Mintz Fraade Law Firm, P.C., and any of the immediate family members, heirs, executors, trustees, administrators, successors, assigns, and present and former employees, officers, directors, attorneys, legal representatives, contractors, accountants, insurers, reinsurers,

managers, and agents of each of them, if such other parties seek contribution from the Released Parties, the Releasing Parties will not seek to recover any portion of liability that may be attributed to the Released Parties.

6.4. Upon the Effective Date, Defendants, on behalf of themselves and their Related Parties, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged Class Plaintiffs, Schnieders, Settlement Class Members, Class Counsel, Derivative Counsel, and their Related Parties from all Claims, whether known or unknown, which arise out of, concern or relate to the institution, prosecution, settlement or dismissal of the Securities Class Action or the Derivative Action (the “Defendants’ Released Claims”), and shall be permanently enjoined from prosecuting the Defendants’ Released Claims against Class Plaintiffs, Schnieders, Settlement Class Members, Class Counsel, Derivative Counsel and their Related Parties. Nothing contained herein shall, however, bar the Defendants or their Related Parties from bringing any action or claim to enforce the terms of this Stipulation or the Final Judgment.

6.5. Within five (5) Business Days after the date that the Final Judgment becomes Final, Schnieders shall file a Notice of Voluntary Dismissal in the Derivative Action to dismiss the Derivative Action with prejudice, and shall use his reasonable best efforts to take, or cause to be taken, any and all additional actions, and to do, or cause to be done any and all things reasonably necessary, proper and appropriate, if any, to secure dismissal with prejudice of the Derivative Action. Defendants shall cooperate with Schnieders in order to secure the dismissal with prejudice of the Derivative Action.

7. Administration and Calculation Of Claims, Final Awards and Supervision and Distribution of the Settlement Fund

7.1. Under the supervision of Class Counsel, acting on behalf of the Settlement Class, and subject to such supervision and direction of the Court as may be necessary or as circumstances may require, the Claims Administrator shall administer and calculate the claims submitted by Settlement Class Members and shall oversee distribution of the Net Settlement Fund (as defined below) to Authorized Claimants.

7.2. The Settlement Fund shall be applied as follows:

- (a)** To pay the Taxes and Tax Expenses described in ¶ 4.1 above;
- (b)** To pay Administrative Costs;
- (c)** To pay Class Counsel and Derivative Counsel's attorneys' fees with interest and expenses and payments to the Class Plaintiffs and Schnieders for reimbursement of their time and expenses (the "Fee and Expense Award"), to the extent allowed by the Court; and
- (d)** To distribute the balance of the Settlement Fund, that is, the Settlement Fund less the items set forth in ¶¶ 7.2(a), (b), and (c) hereof (the "Net Settlement Fund"), plus all accrued interest, to the Authorized Claimants as allowed by this Stipulation, the Plan of Allocation, or the Court.

7.3. Upon and after the Effective Date, the Net Settlement Fund shall be distributed to Authorized Claimants in accordance with the terms of the Plan of Allocation set forth in the Long Notice and any orders of the Court.

7.4. This is not a claims-made settlement, and if all conditions of the Stipulation are satisfied and the Final Judgment becomes Final, no portion of the Settlement Fund will be returned to any of the Defendants or the Insurer. Defendants, their counsel, their Insurer and the other

Released Parties shall have no responsibility for, involvement in, interest in, or liability whatsoever with respect to the investment or distribution of the Net Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes or Tax Expenses, or any losses incurred in connection therewith. No Person shall have any claims against Class Counsel, the Claims Administrator or any other agent designated by Class Counsel based on distribution determinations or claim rejections made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or orders of the Court. Class Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Proofs of Claim filed, where doing so is in the interest of achieving substantial justice.

7.5. It is understood and agreed by the Parties that any proposed Plan of Allocation of the Net Settlement Fund including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a condition of this Stipulation and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in this Stipulation. Any order or proceedings relating to the Plan of Allocation, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to modify, terminate or cancel this Stipulation, or affect or delay the finality of the Final Judgment and the releases contained therein, or any other orders entered pursuant to this Stipulation.

7.6. To assist in dissemination of notice, PixarBio will make reasonable efforts to assist Lead Counsel in obtaining information concerning the identity of Settlement Class Members, including any names and addresses of Settlement Class Members and nominees or custodians that exists in the Company's transfer records ("Settlement Class Information"). The Settling Parties acknowledge that any information provided to Lead Counsel by the Company pursuant to this

Paragraph shall be treated as confidential and will be used by Plaintiffs' Counsel solely to deliver the Notice and/or implement the Settlement, including the Plan of Allocation.

7.7. If any funds remain in the Net Settlement Fund by reason of uncashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be used: (i) first, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants and who receive at least a \$10.00 payment; (ii) second, to pay any additional Administration Costs incurred in administering the Settlement; and (iii) finally, to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least \$10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. If any funds shall remain in the Net Settlement Fund six months after such re-distribution, then such balance shall be contributed to a non-sectarian charity or any not-for-profit successor of it chosen by Class Counsel, with the approval of the Court.

8. Class Counsel's and Derivative Counsel's Attorneys' Fees and Reimbursement of Expenses

8.1. Class Counsel may submit an application or applications (the "Fee and Expense Application") for distributions from the Settlement Fund to Class Counsel and Derivative Counsel for: (i) an award of attorneys' fees with interest from the Settlement Fund; (ii) reimbursement of actual costs and expenses, including the fees and expenses of any experts or consultants, incurred in connection with prosecuting the Securities Class Action and the Derivative Action; and (iii) the

Awards to Class Plaintiffs and Schnieders. Defendants shall take no position with respect to the Fee and Expense Application.

8.2. Except as otherwise provided in this paragraph, the attorneys' fees and expenses awarded by the Court shall be paid to Class Counsel and Derivative Counsel from the Settlement Fund within three (3) Business Days after the date the Court enters the Final Judgment and an order awarding such fees and expenses, notwithstanding any objections to or appeals of such order or of the Final Judgment. In the event that the Effective Date does not occur, or the Final Judgment is reversed or modified in any way that affects the award of attorneys' fees and expenses, or the Stipulation is terminated for any other reason, then Class Counsel and Derivative Counsel shall be jointly and severally obligated to refund to the Escrow Account, within ten (10) Business Days from receiving notice from Defendants' Counsel or from a court of appropriate jurisdiction, either the full amount of the fees and expenses or an amount consistent with any modification of the Final Judgment with respect to the Fee and Expense Award, including accrued interest at the same rate as is earned by the Settlement Fund. Class Counsel and Derivative Counsel agree that the law firms and its partners and/or shareholders are subject to jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph, and they shall be jointly and severally liable for repayment of all attorneys' fees and expenses awarded by the Court. Furthermore, without limitation, Class Counsel and Derivative Counsel agree that the Court may, upon application of Defendants, summarily issue orders, including, without limitation, judgments and attachment orders and may make appropriate findings of or sanctions for contempt against the firms should they fail timely to repay fees and expenses pursuant to this paragraph. Any Awards to Class Plaintiffs and Schnieders shall not be paid from the Settlement Fund until after the Effective Date.

8.3. The procedure for, and allowance or disallowance by the Court of, the Fee and Expense Application are not a condition of the Settlement set forth in this Stipulation and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in this Stipulation. Any order or proceeding relating to the Fee and Expense Application, or any objection to, motion regarding, or appeal from any order or proceeding relating thereto or reversal or modification thereof, shall not operate to modify, terminate or cancel this Stipulation, or affect or delay the finality of the Final Judgment or the releases contained therein or any other orders entered pursuant to this Stipulation

8.4. Any award of attorneys' fees and interest and/or expenses to Class Counsel and Derivative Counsel or Awards to Class Plaintiffs and Schnieders shall be paid solely from the Settlement Fund and shall reduce the settlement consideration paid to the Settlement Class accordingly. No Released Party shall have any responsibility for payment of Class Counsel's and Derivative Counsel's attorneys' fees and interest, expenses or other Awards to Class Plaintiffs and Schnieders beyond the obligation of Defendant PixarBio to cause the funding of the Settlement Amount as set forth in ¶ 2.1 above. The Released Parties shall have no responsibility for, and no liability whatsoever with respect to, any payments to Class Counsel, Derivative Counsel, Class Plaintiffs, Schnieders, the Settlement Class and/or any other Person who receives payment from the Settlement Fund.

9. Class Certification

9.1. In the Final Judgment, the Settlement Class shall be certified for purposes of this Settlement, but in the event that the Final Judgment does not become Final or the Settlement fails to become effective for any reason, all Settling Parties reserve all their rights on all issues, including class certification. For purposes of this settlement only, in connection with the Final

Judgment, Defendants shall consent to (i) the appointment of Class Plaintiffs as the class representatives, (ii) the appointment of Class Counsel as class counsel, and (iii) the certification of the Settlement Class pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure.

10. Conditions of Settlement, Effect of Disapproval, Cancellation or Termination

10.1. Class Plaintiffs, on behalf of the Settlement Class, Schnieders, and Defendants shall each have the right to terminate the Settlement and Stipulation by providing written notice of his or its election to do so (“Termination Notice”) to all other Settling Parties within seven (7) Business Days of any of the following:

- (i) entry of a Court order declining to enter the Preliminary Approval Order in any material respect;
- (ii) entry of a Court order refusing to approve this Stipulation in any material respect;
- (iii) entry of a Court order declining to enter the Final Judgment in any material respect;
- (iv) entry of a Court order refusing to dismiss the Securities Class Action with prejudice.
- (v) entry of an order by which the Final Judgment is modified or reversed in any material respect by any appeal or review;
- (vi) failure of Schnieders to file a Notice of Voluntary Dismissal of the Derivative Action; and
- (vii) failure on the part of any Party to abide, in material respect, with the terms of this Stipulation.

In the absence of any of the events enumerated above in this ¶ 10.1, no Party shall have the right to terminate the Stipulation for any reason.

10.2. If the Settlement Amount is not paid into the Escrow Account in accordance with ¶ 2.1 of this Stipulation, then Class Plaintiffs, on behalf of the Settlement Class, and/or Schnieders, and not Defendants (other than in accordance with ¶ 10.3), shall have the right to (a) terminate the Settlement and Stipulation by providing written notice to Defendants at any time prior to the Court's entry of the Final Judgment; or (b) enforce the terms of the Settlement and this Stipulation and seek a judgment effecting the terms herein.

10.3. The Effective Date of this Stipulation ("Effective Date") shall not occur unless and until each of the following events occurs, and it shall be the date upon which the last in time of the following events occurs:

(a) Defendants have not exercised their option to terminate the Settlement pursuant to ¶ 10.5;

(b) The Court has entered the Preliminary Approval Order attached hereto as Exhibit A or an order containing materially the same terms;

(c) The sum of \$750,000 (Seven Hundred Fifty Thousand U.S. Dollars) has been paid into the Escrow Account, as set forth in ¶ 2.1 above, and if applicable, the Additional Settlement Amount, as set for in ¶ 1.2 above;

(d) The Court has approved the Settlement, following notice to the Settlement Class Members and PixarBio shareholders and the Settlement Hearing, and has entered the Final Judgment;

(e) The Final Judgment has become Final as defined in ¶ 1.19;

(f) Schnieders has filed a Notice of Voluntary Dismissal of the Derivative Action; and

(g) The Securities Class Action has been dismissed with prejudice.

10.4. Upon the occurrence of the Effective Date, any and all interest or right of Defendants or the Insurer in or to the Settlement Fund, if any, shall be absolutely and forever extinguished, except as set forth in this Stipulation.

10.5. If prior to Final Judgment, Persons who otherwise would be Settlement Class Members have filed with the Court valid and timely requests for exclusion from the Settlement Class in accordance with the provisions of the Preliminary Approval Order and the notice given pursuant thereto (“Opt-Outs”), and such Persons in the aggregate purchased securities during the Settlement Class Period in an amount greater than the amount specified in a separate Supplemental Agreement between the Parties (the “Supplemental Agreement”), then Defendants shall have, each in his, her or its sole and absolute discretion, the option to terminate this Stipulation and Settlement in strict accordance with the requirements and procedures set forth in the Supplemental Agreement (hereinafter the “Supplemental Termination Option”). The Supplemental Agreement shall not be filed with the Court unless and until a dispute among the Parties concerning its interpretation or application arises.

10.6. Defendants shall not have the right to terminate the Stipulation if the Settlement Amount is not paid pursuant to ¶ 2.1 (other than in accordance with ¶ 10.3). None of the Parties, or any of them, shall have any obligation whatsoever to proceed under any terms other than those provided for and agreed herein. If any Party engages in a material breach of the terms hereof, any other Party, provided that he, she, or it is in substantial compliance with the terms of this Stipulation, may terminate this Stipulation on notice to all the Parties.

10.7. In the event the Stipulation shall be terminated, or be canceled, or shall not become effective for any reason, the Parties shall be restored to their respective positions in the Securities Class Action and the Derivative Action immediately prior to September 4, 2019, and they shall

proceed in all respects as if the Stipulation had not been executed and the related orders had not been entered, and in that event all of their respective claims and defenses as to any issue in the Securities Class Action and the Derivative Action shall be preserved without prejudice.

10.8. In the event that the Stipulation is not approved by the Court or the Settlement set forth in this Stipulation is terminated or fails to become effective in accordance with its terms, the terms and provisions of this Stipulation, except as otherwise provided herein, shall have no further force and effect with respect to the Parties and shall not be used in the Securities Class Action, Derivative Action, or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*.

10.9. In the event that the Stipulation shall be terminated, or be canceled, or shall not become effective for any reason, within seven (7) Business Days (except as otherwise provided in the Supplemental Agreement) after the occurrence of such event, the Settlement Fund (less taxes already paid and any Administrative Costs which have either been disbursed or are determined to be chargeable) shall be refunded by the Escrow Agent to the entity or entities which paid the Settlement Fund, in proportion to their contribution to the Settlement Fund, plus accrued interest attributable to that amount by check or wire transfer pursuant to written instructions from said entity or entities. At the request of said entity or entities the Escrow Agent or their designee shall apply for any tax refund owed on the Settlement Fund and pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund, to said entity or entities pursuant to written direction received from said entity or entities.

10.10. No order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation or the Fee and Expense Application shall constitute grounds for cancellation or termination of the Stipulation.

11. No Admission of Liability or Wrongdoing

11.1. The Parties covenant and agree that neither this Stipulation, nor the fact nor any terms of the Settlement, nor any communication relating thereto, nor the Supplemental Agreement, is evidence, or an admission, presumption or concession by any Party, or their counsel, any Settlement Class Member, or any of the Released Parties, of any fault, liability or wrongdoing whatsoever, as to any facts or claims alleged or that have been or could have been asserted in the Securities Class Action or Derivative Action, or in any other actions or proceedings, or as to the validity or merit of any of the claims or defenses alleged or that have been or could have been asserted in any such action or proceeding. This Stipulation is not a finding or evidence of the validity or invalidity of any claims or defenses in the Securities Class Action or the Derivative Action, any wrongdoing by any Party, Schnieders, Settlement Class Member, or any of the Released Parties, or any damages or injury to any Settling Party, Settlement Class Member, or any Released Parties. Neither this Stipulation, nor the Supplemental Agreement, nor any of the terms and provisions of this Stipulation or the Supplemental Agreement, nor any of the negotiations or proceedings in connection therewith, nor any of the documents or statements referred to herein or therein, nor the Settlement, nor the fact of the Settlement, nor the Settlement proceedings, nor any statement in connection therewith, (a) shall (i) be argued to be, used or construed as, offered or received in evidence as, or otherwise constitute an admission, concession, presumption, proof, evidence, or a finding of any liability, fault, wrongdoing, injury or damages, or of any wrongful conduct, acts or omissions on the part of any Released Party, or of any infirmity of any defense,

or of any damages to the Class Plaintiffs, Schnieders, or any other Settlement Class Member, or (ii) otherwise be used to create or give rise to any inference or presumption against any of the Released Parties concerning any fact or any purported liability, fault, or wrongdoing of the Released Parties or any injury or damages to any person or entity, or (b) shall otherwise be admissible, referred to or used in any proceeding of any nature, for any purpose whatsoever; provided, however, that the Stipulation, the Supplemental Agreement, and the Final Judgment may be introduced in any proceeding, whether in the Court or otherwise, as may be necessary to enforce the Settlement or Supplemental Agreement or Final Judgment, or as otherwise required by law.

12. Miscellaneous Provisions

12.1. Except in the event of the filing of a Termination Notice pursuant to ¶¶ 10.1, 10.2, 10.3, 10.5 or 10.6 of this Stipulation or termination notice in accordance with the Supplemental Agreement, the Parties shall take all actions necessary to consummate this agreement; and agree to cooperate with each other to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation.

12.2. The Parties and their respective counsel represent that they will not encourage or otherwise influence (or seek to influence) any Settlement Class Members to request exclusion from, or object to, the Settlement.

12.3. Each of the attorneys executing this Stipulation, any of its exhibits, and any related settlement documents on behalf of any Party hereto hereby warrants and represents that he or she has been duly empowered and authorized to do so by the Party he or she represents, respectively.

12.4. Class Plaintiffs and Class Counsel represent and warrant that Class Plaintiffs are Settlement Class Members and none of Class Plaintiffs' claims or causes of action against one or more Defendants in the Securities Class Action, or referred to in this Stipulation, or that could

have been alleged against one or more Defendants in the Securities Class Action have been assigned, encumbered or in any manner transferred in whole or in part.

12.5. This Stipulation, together with the Supplemental Agreement, constitutes the entire agreement between the Parties related to the Settlement and supersedes any prior agreements. No representations, warranties, promises, inducements or other statements have been made to or relied upon by any Party concerning this Stipulation, other than the representations, warranties and covenants expressly set forth herein and in the Supplemental Agreement. Class Plaintiffs, on behalf of themselves and the Settlement Class, and Schnieders acknowledge and agree that any and all other representations and warranties of any kind or nature, express or implied, are specifically disclaimed and were not relied upon in connection with this Stipulation. In entering this Stipulation, the Parties relied solely upon their own knowledge and investigation. Except as otherwise provided herein, each Party shall bear his or its own costs.

12.6. This Stipulation may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all Parties, or their respective counsel or their respective successors in interest.

12.7. This Stipulation shall be binding upon, and shall inure to the benefit of, the Parties and their respective agents, successors, executors, heirs, and assigns.

12.8. The Released Parties who do not appear on the signature lines below, are acknowledged and agreed to be third party beneficiaries of this Stipulation and Settlement.

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

12.10. This Stipulation may be executed in any number of counterparts by any of the signatories hereto and the transmission of an original signature page electronically (including by

facsimile or portable document format) shall constitute valid execution of the Stipulation as if all signatories hereto had executed the same document. Copies of this Stipulation executed in counterpart shall constitute one agreement.

12.11. This Stipulation, the Settlement, the Supplemental Agreement and any and all disputes arising out of or relating in any way to this Stipulation, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to conflict of laws principles.

12.12. The Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of this Stipulation, and all parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in this Stipulation.

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

12.14. Class Plaintiffs, Schnieders, Class Counsel, Derivative Counsel, and the attorneys, staff, experts, and consultants assisting them in the Securities Class Action and the Derivative Action agree that (a) they will not intentionally assist or cooperate with any person or entity in the pursuit of legal action related to the subject matter of the Securities Class Action or the Derivative Action against the Released Parties, (b) they will not intentionally assist or cooperate with any person or entity seeking to publicly disparage or economically harm the Released Parties with respect to any matter relating to the subject matter of the Securities Class Action or the Derivative Action, and (c) they will not discuss any confidential matters related to the Securities Class Action,

the Derivative Action, or the Settlement with anyone. Defendants and Defense Counsel agree that (a) they will not intentionally assist or cooperate with any person or entity in the pursuit of legal action related to the subject matter of the Securities Class Action or the Derivative Action against Class Plaintiffs, Schnieders, Settlement Class Members, Class Counsel, Derivative Counsel, and their Related Parties, (b) they will not intentionally assist or cooperate with any person or entity seeking to publicly disparage or economically harm Class Plaintiffs, Schnieders, Settlement Class Members, Class Counsel, Derivative Counsel, and their Related Parties with respect to any matter relating to the subject matter of the Securities Class Action or the Derivative Action, and (c) they will not discuss any confidential matters related to the Securities Class Action, the Derivative Action, or the Settlement with anyone.

12.15. All agreements by, between or among the Parties, their respective counsel and their other advisors as to the confidentiality of information exchanged between or among them shall remain in full force and effect, and shall survive the execution and any termination of this Stipulation and the final consummation of the Settlement, if finally consummated, without regard to any of the conditions of the Settlement

12.16. The Parties shall not assert or pursue any action, claim or rights that any party violated any provision of Rule 11 of the Federal Rules of Civil Procedure, any corollary state law rule or statute, and/or the PSLRA in connection with the Securities Class Action, the Derivative Action, the Settlement, the Stipulation or the Supplemental Agreement. The Parties agree that the Securities Class Action and the Derivative Action were resolved in good faith following arm's-length bargaining, in full compliance with applicable requirements of good faith litigation under the Securities Exchange Act of 1934, Rule 11 of the Federal Rules of Civil Procedure, any corollary state law rule or statute, and/or the PSLRA.

12.17. Any failure by any of the Parties to insist upon the strict performance by any other Party of any of the provisions of the Stipulation shall not be deemed a waiver of any of the provisions hereof, and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Stipulation to be performed by the other Parties.

12.18. The waiver, express or implied, by any Party of any breach or default by any other Party in the performance of such Party of its obligations under the Stipulation shall not be deemed or construed to be a waiver of any other breach, whether prior, subsequent, or contemporaneous, under this Stipulation.

12.19. The Parties reserve the right, subject to the Court's approval, to make any reasonable extensions of time that might be necessary to carry out any of the provisions of this Stipulation.

IN WITNESS WHEREOF, the Parties have executed this Stipulation by their undersigned counsel effective as of the date set forth below.

September
Dated: August 4, 2019

THE ROSEN LAW FIRM, P.A.

By: [Signature]
Laurence M. Rosen
609 W. South Orange Avenue, Suite 2P
South Orange, New Jersey 07079
Tel: (973) 313-1887
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and

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*Class Counsel for Lead Plaintiffs and the proposed
Settlement Class*

September 4, TSm
Dated: August 7, 2019

GAINEY McKENNA & EGLESTON

By: Thomas J. McKenna
Thomas J. McKenna
440 Park Avenue South, 5th Floor
New York, NY 10016
Tel: (212) 983-1300
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Additional Class Counsel

September 7
Dated: August 7, 2019

THE BROWN LAW FIRM, P.C.

By: [Signature]
Timothy Brown
240 Townsend Square
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Tel: (516) 922-5427
Fax: (516) 344-6204

Email: tbrown@thebrownlawfirm.net

Counsel for Plaintiff Michael Schnieders

Dated: ~~August~~ ^{Sept 4} ___, 2019

**OBERMAYER REBMANN
MAXWELL & HIPPEL LLP**

By: 
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Cherry Hill, NJ 08002
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*Counsel for Defendant PixarBio Corporation and
David A. Cass*

Dated: August ___, 2019

CONRAD O'BRIEN PC

By: _____
Kevin D. Kent
Andrew S. Gallinaro
Christopher M. Lucca
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Counsel for Defendant Francis M. Reynolds

Dated: August ___, 2019

**ZUKERMAN GORE BRANDEIS &
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Counsel for Plaintiff Michael Schnieders

Dated: September __, 2019

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By: _____

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*Counsel for Defendant Pixar Bio Corporation and
David A. Cass*

Dated: September 4, 2019

CONRAD O'BRIEN PC

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Dated: September 7, 2019

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Dated: September 4, 2019

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*Counsel for Defendants Katrin Holzhaus, Derek S.
Bridges and Laura Barker Morse*

EXHIBIT A

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

MARK ALLEN and SALVATORE RAPPA,
Individually and On Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

PIXARBIO CORPORATION f/k/a BMP
HOLDINGS INC., FRANCIS M.
REYNOLDS, KENNETH A.
STROMSLAND, KATRIN HOLZHAUS,
DAVID A. CASS, DEREK S. BRIDGES, and
LAURA BARKER MORSE,

Defendants.

Case No. 2:17-cv-00496-CCC-SCM

CLASS ACTION

MICHAEL SCHNIEDERS, derivatively on
behalf of PIXARBIO CORPORATION,

Plaintiff,

v.

FRANCIS M. REYNOLDS, KATRIN
HOLZHAUS, DAVID A. CASS, and
LAURA BARKER MORSE,

Defendants,

and

PIXARBIO CORPORATION,

Nominal Defendant.

Case No. 2:17-cv-02987

**[PROPOSED] ORDER GRANTING MOTION FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND DERIVATIVE ACTION SETTLEMENT**

WHEREAS, Lead Plaintiffs Mark Allen, Salvatore Rappa and Named Plaintiffs Marvin Becker and Jacqueline Becker (“Named Plaintiffs” and with Lead Plaintiffs, “Class Plaintiffs”), on behalf of themselves and the Settlement Class, Derivative Plaintiff Michael Schnieders, and Defendants PixarBio Corporation f/k/a BMP Holdings, Inc. (“PixarBio” or the “Company”), Francis M. Reynolds, Kenneth A. Stromsland, Katrin Holzhaus, David A. Cass, Derek S. Bridges, and Laura Barker Morse (and collectively, the “Parties”) have entered into the Stipulation and Agreement of Settlement, dated September 4, 2019 (the “Settlement Stipulation”), which is subject to review under Rules 23 and 23.1 of the Federal Rules of Civil Procedure, and which, together with the exhibits annexed thereto, sets forth the terms and conditions for the proposed settlement and dismissal of the securities class action pending before the Court titled, *Allen v. PixarBio Corporation, et al.*, Case No. 2:17-cv-00496-CCC-SCM (D.N.J.) (the “Securities Class Action”) and the shareholder derivative action *Schnieders v. Reynolds, et al.*, Case No. 2:17-cv-02987-CCC-SCM (D.N.J.) (the “Derivative Action” and with the Securities Class Action, the “Actions”); and the Court having read and considered the Settlement Stipulation and the exhibits thereto and submissions made relating thereto, and finding that substantial and sufficient grounds exist for entering this Order; and the Parties having consented to the entry of this Order;

NOW, THEREFORE, IT IS HEREBY ORDERED, this ____ day of _____, 2019, that:

1. Capitalized terms used herein have the meanings defined in the Settlement Stipulation.
2. Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure and for the purposes of the Settlement only, the Securities Class Action is hereby preliminarily certified as a class action on behalf of all Persons (including, without limitation, their beneficiaries) all

persons and entities, other than Defendants and their affiliates, who purchased or acquired PixarBio securities: (1) in an offering carried out continuously beginning in December 2015; (2) pursuant and/or traceable to PixarBio's private placement that closed on October 30, 2016; and/or (3) publicly traded on the open market between October 31, 2016 and January 23, 2017, both dates inclusive (the "Settlement Class Period"). Excluded from the Settlement Class are Defendants and their immediate families, the officers and directors of PixarBio at all relevant times, their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Settlement Class are those persons who file valid and timely requests for exclusion in accordance with this Preliminary Approval Order.

3. This Court finds, preliminarily and for purposes of the Settlement of the Securities Class Action only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Settlement Class Members is so numerous that joinder of all members of the Settlement Class is impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of Class Plaintiffs are typical of the claims of the Settlement Class he seeks to represent; (d) Class Plaintiffs fairly and adequately represents the interests of the Settlement Class; (e) questions of law and fact common to the Settlement Class predominate over any questions affecting only individual members of the Settlement Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the Securities Class Action.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, preliminarily and for the purposes of the Settlement of the Securities Class Action only, Class Plaintiffs are certified as class representatives on behalf of the Settlement Class ("Class Representatives") and Lead Counsel

and Additional Counsel, previously selected by Class Plaintiffs and appointed by the Court, are hereby appointed as Class Counsel for the Settlement Class (“Class Counsel”).

5. The Court finds that (a) the Settlement Stipulation resulted from good faith, arm’s length negotiations, and (b) the Settlement Stipulation is sufficiently fair, reasonable and adequate to the Settlement Class Members and PixarBio shareholders to warrant providing notice of the Settlement to Settlement Class Members and PixarBio shareholders and holding a Settlement Hearing.

6. The Court hereby preliminarily approves the Settlement, subject to further consideration at a hearing (the “Settlement Hearing”) pursuant to Federal Rules of Civil Procedure 23(e) and 23.1, which is hereby scheduled to be held before the Court on _____ 2019 at ____:____ .m. for the following purposes:

(a) to determine finally whether the applicable prerequisites for class action treatment of the Securities Class Action under Federal Rules of Civil Procedure 23(a) and (b) are satisfied;

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

(c) to determine finally whether the Final Judgment as provided under the Settlement Stipulation should be entered, dismissing the Action on the merits and with prejudice, and to determine whether the release by the Releasing Parties of the Released Claims against the Released Parties, as set forth in the Settlement Stipulation, should be ordered, along with a permanent injunction barring efforts to prosecute or attempt to prosecute any Released Claims extinguished by the release against any of the Released Parties, as also set forth in the Settlement Stipulation;

(d) to determine finally whether the proposed Plan of Allocation for the distribution of the Net Settlement Fund is fair and reasonable and should be approved by the Court;

(e) to consider the applications of Class Counsel and Derivative Counsel for awards of attorneys' fees with interest and expenses to Class Counsel and Derivative Counsel and awards to the Class Representatives and Schnieders;

(f) to consider Settlement Class Members' and PixarBio shareholders' objections to the Settlement, if any, whether submitted previously in writing or presented orally at the Settlement Hearing by Settlement Class Members or PixarBio shareholders (or by counsel on their behalf) provided that they give proper notice that they intend to appear at the Settlement Hearing; and

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

7. The Court reserves the right to adjourn the Settlement Hearing to a later date and to approve the Settlement without modification, or with such modifications as may be agreed to by the Parties, and with or without further notice of any kind. The Court further reserves the right to enter its Final Judgment approving the Settlement and dismissing the Actions, on the merits and with prejudice, regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and expenses.

8. The Court approves the form, substance and requirements of (a) the Notice of Pendency and Proposed Settlement of Class Action and Derivative Action ("Long Notice"), (b) the Summary Notice of Pendency and Proposed Class Action and Derivative Action Settlement ("Summary Notice"), (c) the Postcard Notice of Pendency and Proposed Settlement of Class

Action and Derivative Action (“Postcard Notice”), and (d) the Proof of Claim and Release Form (“Proof of Claim”), all of which are exhibits to the Settlement Stipulation.

9. Class Counsel has the authority to enter into the Settlement on behalf of the Settlement Class and has the authority to act on behalf of the Settlement Class with respect to all acts or consents required by or that may be given pursuant to the Settlement Stipulation or such other acts that are reasonably necessary to consummate the Settlement.

10. For settlement purposes only, Strategic Claims Services is appointed and approved as the Claims Administrator to supervise and administer the notice procedure as well as the processing of claims.

11. Escrow Agent may, at any time after entry of this Order and without further approval from Defendants or the Court, disburse at the direction of Class Counsel up to \$75,000 (Seventy-Five Thousand Dollars) from the Settlement Fund prior to the Effective Date to pay Administrative Costs.

12. To assist in dissemination of notice, PixarBio will make reasonable efforts to assist Lead Counsel in obtaining information concerning the identity of Settlement Class Members, including any names and addresses of Settlement Class Members and nominees or custodians that exists in the Company’s transfer records. This information will be kept confidential and not used for any purpose other than to provide the notice contemplated by this Order.

13. Within sixteen (16) calendar days of the entry of this Order, Class Counsel, through the Claims Administrator, shall either (a) email the Summary Notice to Settlement Class Members for whom the Claims Administrator is able to obtain email addresses, substantially in the form annexed to the Settlement Stipulation as Exhibit A-3 or (b) cause the Postcard Notice, substantially in the form annexed to the Settlement Stipulation as Exhibit A-4, if no electronic mail address can

be obtained, mailed, by first class mail, postage prepaid, to Settlement Class Members who can be identified with reasonable effort by Class Counsel, through the Claims Administrator.

14. Class Counsel, through the Claims Administrator, shall make all reasonable efforts to give notice to nominees or custodians who held PixarBio securities during the Settlement Class Period as record owners but not as beneficial owners. Such nominees or custodians shall, within ten (10) calendar days of receipt of the notice, either: (i) request copies of the Postcard Notice sufficient to send the Postcard Notice to all beneficial owners for whom they are nominee or custodian, and within ten (10) calendar days after receipt thereof send copies to such beneficial owners; (ii) request an electronic copy of the Summary Notice and email the Summary Notice in electronic format to each beneficial owner for whom they are nominee or custodian within ten (10) calendar days after receipt thereof; or (iii) provide the Claims Administrator with lists of the names, last known addresses and email addresses (to the extent known) of such beneficial owners, in which event the Claims Administrator shall promptly deliver the Postcard Notice to such beneficial owners. If the Claims Administrator receives an email address, it will send a Summary Notice electronically. Nominees or custodians who elect to email the Summary Notice or send the Postcard Notice to their beneficial owners shall send a written certification to the Claims Administrator confirming that the mailing has been made as directed. Copies of the Postcard Notice shall be made available to any nominee or custodian requesting same for the purpose of distribution to beneficial owners. The Claims Administrator shall, if requested, reimburse nominees or custodians out of the Settlement Fund solely for their reasonable out-of-pocket expenses, incurred in providing notice to beneficial owners, which expenses would not have been incurred except for the providing names and addresses up to \$0.05 per name and address; mailing of Postcard Notice up to \$0.05 per unit, plus postage at the rate used by the Claims Administrator;

or emailing of notice up to \$0.05 per email, and subject to further order of this Court with respect to any dispute concerning such reimbursement.

15. Class Counsel shall, at least seven (7) calendar days before the Settlement Hearing, serve upon counsel for Defendants and file with the Court proof of the mailing of the Postcard Notice as required by this Order.

16. Class Counsel, through the Claims Administrator, shall cause the Settlement Stipulation and its exhibits, this Order, and a copy of the Notice and Proof of Claim and Release Form to be posted on the Claims Administrator's website within sixteen (16) calendar days after entry of this Order.

17. Class Counsel, through the Claims Administrator, shall cause the Summary Notice to be published electronically once on the *GlobeNewswire* and in print once in the *Investor's Business Daily* within ten (10) calendar days after the Postcard Notice mailing or Summary Notice emailing. Class Counsel shall, at least seven (7) calendar days before the Settlement Hearing, serve upon counsel for Defendants and file with the Court proof of publication of the Summary Notice.

18. The forms and methods set forth herein of notifying the Settlement Class Members and PixarBio shareholders of the Settlement and its terms and conditions meet the requirements of due process, Rules 23 and 23.1 of the Federal Rules of Civil Procedure, and Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995; constitute the best notice practicable under the circumstances; and constitute due and sufficient notice to all persons and entities entitled thereto. No Settlement Class Member or PixarBio shareholder will be relieved from the terms and conditions of the Settlement, including the releases provided for therein, based upon the contention or proof that such Settlement Class Member or PixarBio shareholder failed to receive actual or adequate notice.

19. In order to be entitled to participate in recovery from the Net Settlement Fund after the Effective Date, each Settlement Class Member shall take the following action and be subject to the following conditions:

(a) A properly completed and executed Proof of Claim must be submitted to the Claims Administrator: (a) electronically through the Claims Administrator's website, www.strategicclaims.net by 11:59 p.m. EST on _____, 2019; or (b) at the Post Office Box indicated in the Notice, postmarked no later than _____, 2019 (thirty (30) calendar days prior to the Settlement Hearing). Such deadline may be further extended by Order of the Court. Each Proof of Claim shall be deemed to have been submitted when: (a) the claim receives a confirmation notice from Strategic Claims Services for electronic submissions; or (b) legibly postmarked (if properly addressed and mailed by first class mail) provided such Proof of Claim and Release Form is actually received before the filing of a motion for an Order of the Court approving distribution of the Net Settlement Fund. Any Proof of Claim submitted in any other manner shall be deemed to have been submitted when it was actually received by the Claims Administrator at the address designated in the Notice.

(b) The Proof of Claim submitted by each Settlement Class Member must satisfy the following conditions: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Claims

Administrator or Class Counsel; (iii) if the person executing the Proof of Claim and Release Form is acting in a representative capacity, a certification of his current authority to act on behalf of the Settlement Class Member must be provided with the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(c) Once the Claims Administrator has considered a timely submitted Proof of Claim, it shall determine whether such claim is valid, deficient or rejected. For each claim determined to be either deficient or rejected, the Claims Administrator shall send a deficiency letter or rejection letter as appropriate, describing the basis on which the claim was so determined. Persons who timely submit a Proof of Claim that is deficient or otherwise rejected shall be afforded a reasonable time (at least ten (10) calendar days) to cure such deficiency if it shall appear that such deficiency may be cured. If any Claimant whose claim has been rejected in whole or in part wishes to contest such rejection, the Claimant must, within ten (10) calendar days after the date of mailing of the notice, serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's ground for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If an issue concerning a claim cannot be otherwise resolved, Class Counsel shall thereafter present the request for review to the Court.

(d) As part of the Proof of Claim, each Settlement Class Member shall submit to the jurisdiction of the Court with respect to the claim submitted, and shall, upon the Effective Date, release all claims as provided in the Settlement Stipulation. No discovery shall be allowed on the merits of the Actions or the Settlement in connection with

processing of the Proof of Claim, nor shall any discovery from or of Defendants be allowed on any topic.

20. All Settlement Class Members who do not submit valid and timely Proof of Claim will be forever barred from receiving any payments from the Net Settlement Fund, but will in all other respects be subject to and bound by the provisions of the Settlement Stipulation and the Final Judgment, if entered.

21. Settlement Class Members and PixarBio shareholders shall be bound by all determinations and judgments in the Actions whether favorable or unfavorable, unless such Person's request exclusion from the Settlement Class in a timely and proper manner, as hereinafter provided. A Settlement Class Member wishing to make such request for exclusion from the Settlement of the Securities Class Action shall mail it, in written form, by first class mail, postage prepaid, or otherwise deliver it, so that it is received no later than _____, 2019 (twenty-one (21) calendar days prior to the Settlement Hearing) (the "Exclusion Deadline"), to the address listed in the Long Notice. In order to be valid, such request for exclusion (A) must clearly indicate the name and address and phone number and e-mail contact information (if any) of the Person seeking exclusion, and state that the sender specifically "requests to be excluded from the Settlement Class Action *Allen v. PixarBio Corporation, et al.*, Case No. 2:17-cv-00496-CCC-SCM (D.N.J.)" and (B) state the date, number of shares and dollar amount of each PixarBio securities stock purchase or acquisition during the Settlement Class Period, and any sale transactions as well as the number of shares of PixarBio securities stock held by the Person as of the Settlement Class Period. In order to be valid, such request for exclusion must be submitted with documentary proof: (i) of each purchase or acquisition and, if applicable, sale transaction of PixarBio securities during the Settlement Class Period; and (ii) demonstrating the Person's status as a beneficial owner of the

PixarBio securities. Any such request for exclusion must be signed and submitted by the beneficial owner under penalty of perjury. The request for exclusion shall not be effective unless it provides the required information, is legible, and is made within the time stated above, or the exclusion is otherwise accepted by the Court. Class Counsel may contact any Person filing a request for exclusion, or their attorney if one is designated, to discuss the exclusion.

22. The Claims Administrator shall provide all requests for exclusion and supporting documentation submitted therewith (including untimely requests and revocations of requests) to counsel for the Parties as soon as possible and no later than the Exclusion Deadline or upon the receipt thereof (if later than the Exclusion Deadline). The Settlement Class will not include any Person who delivers a valid and timely request for exclusion that has not been thereafter revoked.

23. Any Person that submits a request for exclusion may thereafter submit to the Claims Administrator a written revocation of that request for exclusion, provided that it is received no later than two (2) Business Days before the Settlement Hearing, in which event that Person will be included in the Settlement Class.

24. All Persons who submit a valid, timely and unrevoked request for exclusion will be forever barred from receiving any payments from the Net Settlement Fund.

25. The Court will consider comments and/or objections to the Settlement, the Plan of Allocation, or the Fee and Expense Application, provided, however, that no Settlement Class Member or other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement or, if approved, the Final Judgment, or any other order relating thereto, unless that Person has served copies of any objections, papers and briefs to each of the following counsel at least twenty-one (21) calendar days prior to the Settlement Hearing Date:

<u>COUNSEL FOR DEFENDANTS KATRIN HOLZHAUS, DEREK S. BRIDGES AND LAURA BARKER MORSE:</u> GIBBONS P.C. Lawrence S. Lustberg One Gateway Center Newark, NJ 07102	<u>CLASS COUNSEL:</u> THE ROSEN LAW FIRM, P.A. Leah Heifetz-Li 101 Greenwood Avenue, Suite 440 Jenkintown, PA 19046
<u>DERIVATIVE COUNSEL:</u> THE BROWN LAW FIRM, P.C. Timothy Brown 240 Townsend Square Oyster Bay, NY 11771	<u>COUNSEL FOR PIXARBIO CORPORATION AND DAVID A. CASS:</u> OBERMAYER REBMANN MAXWELL & HIPPEL LLP Mathieu J. Shapiro Woodland Falls Corp. Park 200 Lake Drive East, Suite 110 Cherry Hill, NJ 08002
<u>COUNSEL FOR DEFENDANT FRANCIS M. REYNOLDS:</u> CONRAD O'BRIEN PC Kevin D. Kent 1500 Market Street, Suite 3900 Centre Square, West Tower Philadelphia, PA 19102	<u>COUNSEL FOR DEFENDANT KENNETH A. STROMSLAND:</u> ZUKERMAN GORE BRANDEIS & CROSSMAN, LLP Justin A. Greenblum 11 Times Square New York, NY 10036

and that Person has (at least twenty-one (21) calendar days prior to the Settlement Hearing date) filed said objections, papers and briefs, showing due proof of service upon counsel identified above, with the Clerk of the Court, U.S. District Court, District of New Jersey, 50 Walnut Street, Newark, NJ 07102. To be a valid objection for the Securities Class Action, any such objection must contain the Settlement Class Member's: (1) name, address, and telephone number; (2) a list of all purchases and sales of PixarBio securities during the Settlement Class Period in order to show membership in the Settlement Class; (3) all grounds for the objection, including any legal support known to the Settlement Class Member and/or his, her, or its counsel; (4) the name, address

and telephone number of all counsel who represent the Settlement Class Member, including former or current counsel who may be entitled to compensation in connection with the objection; and (5) the number of times the Settlement Class Member and/or his, her, or its counsel has filed an objection to a class action settlement in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security or seller of the product or service at issue in each case. To be a valid objection for the Derivative Action, the PixarBio shareholder must include: (1) name, address, and telephone number; (2) proof of ownership of PixarBio securities as of the Settlement Class Period and through the date of the Settlement Hearing, including the number of shares of PixarBio securities held and the date of purchase; (3) all grounds for the objection, including any legal support known to the PixarBio shareholder and/or his, her, or its counsel; (4) the name, address and telephone number of all counsel who represent the PixarBio shareholder, including former or current counsel who may be entitled to compensation in connection with the objection; (5) the number of times the PixarBio shareholder and/or his, her, or its counsel has filed an objection to a class action or derivative settlement in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security or seller of the product or service at issue in each case; and (6) that the objection is to the settlement of the Derivative Action, *Schnieders v. Reynolds, et al.*, Case No. 2:17-cv-02987-CCC-SCM (D.N.J.). Attendance at the Settlement Hearing is not necessary, but Persons wishing to be heard orally in opposition to the approval of the Settlement Stipulation, the Plan of Allocation, and/or the Fee and Expense Application are required to indicate in their written objection (or in a separate writing that is submitted in accordance with the deadline and after instruction pertinent to the submission of a written objection) that they intend to appear at the Settlement Hearing and identify any witnesses they may

call to testify or exhibits they intend to introduce into evidence at the Settlement Hearing. Settlement Class Members and PixarBio shareholders do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

26. Any Settlement Class Member or PixarBio shareholder who does not object in the manner prescribed above shall be deemed to have waived all such objections and shall forever be foreclosed from making any objection to the fairness, adequacy or reasonableness of the Settlement, the Final Judgment to be entered approving the Settlement, the Plan of Allocation, and/or the Fee and Expense Application, unless otherwise ordered by the Court; shall be bound by all the terms and provisions of the Settlement Stipulation and by all proceedings, orders and judgments in the Action; and shall also be foreclosed from appealing from any judgment or order entered in this Action.

27. The Court reserves the right to adjourn the Settlement Hearing without any further notice other than entry of an Order on the Court's docket, and to approve the Settlement without further notice to the Settlement Class Members and PixarBio shareholders.

28. All papers in support of the Settlement, the Plan of Allocation and/or the Fee and Expense Application shall be filed and served no later than twenty-eight (28) calendar days before the Settlement Hearing.

29. Any submissions filed in response to any objections or in further support of the Settlement, the Plan of Allocation and/or the Fee and Expense Application shall be filed no later than seven (7) calendar days prior to the Settlement Hearing.

30. Defendants, their counsel, their Insurer and other Released Parties shall have no responsibility for, or liability with respect to, the Plan of Allocation or any application for attorneys' fees and interest, or expenses or payments to the Class Representatives and Schnieders

submitted by Class Counsel and Derivative Counsel, and such matters will be considered separately from the fairness, reasonableness, and adequacy of the Settlement.

31. Pending final determination of whether the Settlement should be approved, all Releasing Parties shall be enjoined from commencing, prosecuting, or attempting to prosecute any Released Claims against any Released Party in any court or tribunal or proceeding. Unless and until the Settlement Stipulation is cancelled and terminated pursuant to the Settlement Stipulation, all proceedings in the Action, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlement Stipulation, are hereby stayed and suspended until further order of the Court.

32. All funds held by the Escrow Agent shall be deemed and considered to be in the custody of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed or returned pursuant to the Settlement Stipulation and Plan of Allocation and/or further order(s) of the Court.

33. Neither the Settlement Stipulation, nor any of its terms or provision, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by Defendants, their counsel, their Insurer or any of the other Released Parties of the truth of any of the allegations in the Actions, or of any liability, fault, or wrongdoing or any kind and shall not be construed as, or deemed to be evidence of or an admission or concession that Class Representatives or any Settlement Class Members directly, or Schnieders derivatively have suffered any damages, harm, or loss. Further, neither the Settlement Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, nor this Order shall be construed as an admission or concession by Class Representatives or Schnieders of the

validity of any factual or legal defense or of the infirmity of any of the claims or facts alleged in the Actions.

34. In the event the Settlement is not consummated in accordance with the terms of the Settlement Stipulation, then the Settlement Stipulation and this Order (including any amendment(s) thereof, and except as expressly provided in the Settlement Stipulation or by order of the Court) shall be null and void, of no further force or effect, and without prejudice to any Party, and may not be introduced as evidence or used in any action or proceeding by any Person against the Parties or the Released Parties, and each Party shall be restored to his, her or its respective litigation positions as they existed prior to September 4 2019, pursuant to the terms of the Settlement Stipulation.

35. The Court reserves the right to alter the time or the date of the Settlement Hearing without further notice to the Settlement Class Members or PixarBio shareholders, provided that the time or the date of the Settlement Hearing shall not be set at a time or date earlier than the time and date set forth in ¶ 6 above. The Court retains exclusive jurisdiction over the Actions to consider all further matters arising out of, or relating to, the Settlement Stipulation, including by way of illustration and not limitation, any dispute concerning any Proof of Claim and Release Form submitted and any future requests by one or more of the Parties that the Final Judgment, the releases and/or the permanent injunction set forth in the Settlement Stipulation be enforced.

Dated: _____, 2019

HON. CLAIRE C. CECCHI
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

MARK ALLEN and SALVATORE RAPPA,
Individually and On Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

PIXARBIO CORPORATION f/k/a BMP
HOLDINGS INC., FRANCIS M.
REYNOLDS, KENNETH A.
STROMSLAND, KATRIN HOLZHAUS,
DAVID A. CASS, DEREK S. BRIDGES, and
LAURA BARKER MORSE,

Defendants.

Case No. 2:17-cv-00496-CCC-SCM

CLASS ACTION

MICHAEL SCHNIEDERS, derivatively on
behalf of PIXARBIO CORPORATION,

Plaintiff,

v.

FRANCIS M. REYNOLDS, KATRIN
HOLZHAUS, DAVID A. CASS, and
LAURA BARKER MORSE,

Defendants,

and

PIXARBIO CORPORATION,

Nominal Defendant.

Case No. 2:17-cv-02987

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF
CLASS ACTION AND DERIVATIVE ACTION**

If you purchased or acquired PixarBio Corporation (“PixarBio” or the “Company”) securities: (1) in an offering carried out continuously beginning in December 2015; (2) pursuant and/or traceable to PixarBio’s private placement that closed on October 30, 2016; and/or (3) publicly traded on the open market between October 31, 2016 and January 23, 2017, both dates inclusive (the “Settlement Class Period”), then you are a “Settlement Class Member” and you could get a payment from a class action settlement (the “Settlement”) and if you currently own PixarBio securities and owned them as of September 4, 2019 (“Current PixarBio Shareholder”), your rights may otherwise be affected by the Settlement.

Under law, a federal court has authorized this Notice. This is not attorney advertising.

- If approved by the Court, the Settlement will provide seven hundred fifty thousand dollars (\$750,000) (the “Settlement Fund”) with the possibility of the “Additional Settlement Amount,” which would be any remaining funds left in PixarBio’s insurance policy, plus interest as it accrues, minus attorneys’ fees, costs, administrative expenses, and net of any taxes on interest, to pay claims of investors who purchased PixarBio securities during the Settlement Class Period.
- “Additional Settlement Amount” means monies in excess of the Settlement Fund, that may remain in PixarBio’s directors & officers insurance policy by Chubb after all claims, fees, and expenses are paid from other related litigation including the actions *Securities and Exchange Commission v. PixarBio Corp, et al.*, Case No. 1:18-cv-10797 (D. Mass) and *United States of America v. Reynolds, et al.*, Case No. 18-CR-10154 (D. Mass). After the conclusion of these aforementioned actions, if any funds are to remain in the insurance policy, these funds will be distributed to Authorized Claimants in accordance with the Plan of Allocation. No separate notice will be sent to potential Claimants with respect to the Additional Settlement Amount.
- The Settlement would resolve all claims brought in the securities class action, *Allen v. PixarBio Corporation, et al.*, Case No. 2:17-cv-00496-CCC-SCM (D.N.J.) (the “Securities Class Action”) as well as the shareholder derivative action, *Schnieders v. Reynolds, et al.*, Case No. 2:17-cv-02987-CCC-SCM (D.N.J.) (the “Derivative Action”).
- The Settlement represents an estimated average recovery of \$0.0094 per share of PixarBio for the approximately 80,209,976 shares outstanding as of October 31, 2016. A share may have been traded more than once during the Settlement Class Period. This estimate solely reflects the average recovery per outstanding share of PixarBio securities.
- Attorneys for Class Plaintiffs (“Class Counsel”) will ask the Court to award them fees of up to \$200,000 (one-third of the portion of the Settlement Fund that is attributable to the efforts of Class Counsel in the Securities Class Action) plus the proportionate share of interest accrued on the Settlement Fund, and they will ask the Court to award attorneys for Schnieders (“Derivative Counsel”) up to \$50,000 (one-third of the portion of the Settlement Fund attributable to the efforts of Derivative Counsel in the Derivative Action) plus the proportionate share of interest accrued on the Settlement Fund. Class Counsel will also seek reimbursement of no more than \$45,000 in litigation expenses incurred by Class

Counsel and Derivative Counsel. Counsel will also seek an Award to Class Plaintiffs not to exceed \$23,000 in total (\$10,000 to each Lead Plaintiff and \$1,500 to each Named Plaintiff), and an Award to Schnieders not to exceed \$1,500. Collectively, if approved by the Court, the attorneys' fees and expenses and awards to Class Plaintiffs and Schnieders are estimated to average \$0.004 per outstanding share of PixarBio securities. If approved by the Court, these amounts will be paid from the Settlement Amount.

- The average approximate recovery, after deduction of attorneys' fees and interest and expenses approved by the Court, is \$0.0054 per outstanding share of PixarBio securities. This estimate is based on the assumptions set forth in the preceding paragraphs. This is not an estimate of the actual recovery per share you should expect. Your actual recovery if you are a Settlement Class Member, if any, will depend on the aggregate losses of all Settlement Class Members, the date(s) you purchased and sold PixarBio securities, the purchase and sales prices, and the total number of claims filed.
- The Settlement resolves the Securities Class Action concerning whether PixarBio and certain of its officers and directors, Francis M. Reynolds ("Reynolds"), Kenneth A. Stromsland ("Stromsland"), Katrin Holzhaus ("Holzhaus"), David A. Cass ("Cass"), Derek S. Bridges ("Bridges"), and Laura Barker Morse ("Morse") and collectively "Securities Defendants") violated federal securities laws by allegedly making misrepresentations and/or omissions of material fact in various public statements to the investing public concerning PixarBio's business operations, prospects, and financial health. Securities Defendants have denied and continue to deny each, any and all allegations of wrongdoing, fault, liability or damage whatsoever asserted by Class Plaintiffs. Securities Defendants have also denied, *inter alia*, the allegations that Class Plaintiffs or the Settlement Class have suffered damages or that Class Plaintiffs or the Settlement Class were harmed by the conduct alleged in the Securities Class Action. Securities Defendants continue to believe the claims asserted against them in the Securities Class Action are without merit.
- The Settlement also resolves the Derivative Action concerning whether certain PixarBio officers and directors, Reynolds, Holzhaus, Cass, and Morse (collectively "Derivative Defendants") breached their fiduciary duty to PixarBio by causing PixarBio to violate federal securities laws. Derivative Defendants have denied and continue to deny each, any and all allegations of wrongdoing, fault, liability or damage whatsoever asserted by Schnieders. Derivative Defendants have also denied, *inter alia*, the allegations that Schnieders or PixarBio have suffered damages or that Schnieders or PixarBio were harmed by the conduct alleged in the Derivative Action. Derivative Defendants continue to believe the claims asserted against them in the Derivative Action are without merit.
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Submit a Claim Form if You are a Settlement Class Member	Fill out the attached Proof of Claim and Release Form and submit it no later than _____. This is the only way to get a payment.
Exclude Yourself from the Class if You are a Settlement Class Member	Submit a request for exclusion no later than _____. This is the only way you can ever be part of any other lawsuit against the Defendants or the other Released Parties about the legal claims in the Securities Class Action. If you exclude yourself, you will receive no payment and cannot object or speak at the hearing.
Object if You are a Settlement Class Member or a Current PixarBio Shareholder	Write to the Court no later than _____ about why you do not like the Settlement. You can still submit a claim form if you are a Settlement Class Member. If the Court approves the Settlement, you will be bound by it.
Go to the Hearing if You are a Settlement Class Member or a Current PixarBio Shareholder	Ask to speak in Court about the fairness of the Settlement at the hearing on _____. If the Court approves the Settlement, you will be bound by it. You can still submit a claim form if you are a Settlement Class Member.
Do Nothing if You are a Settlement Class Member or a Current PixarBio Shareholder	If you are a Settlement Class Member, You will get no payment AND give up your right to bring your own individual action or to object to the Settlement. If you are a Current PixarBio Shareholder, you will give up your right to object to the Settlement.

INQUIRIES

Please do not contact the Court regarding this Notice. All inquiries concerning this Notice, the Proof of Claim and Release Form, or the Settlement should be directed to:

<p>PixarBio Corporation Securities and Derivative Litigation c/o Strategic Claims Services P.O. Box 230 600 N. Jackson St., Ste. 205 Media, Pennsylvania 19063 Tel.: 866-274-4004 Fax: 610-565-7985 info@strategicclaims.net</p>	<p>or</p>	<p>Leah Heifetz-Li THE ROSEN LAW FIRM, P.A. 101 Greenwood Avenue, Suite 440 Jenkintown, PA 19046 Tel: 215-600-2817 Fax: 212-202-3827 lheifetz@rosenlegal.com</p> <p><i>Class Counsel</i></p> <p>Timothy Brown THE BROWN LAW FIRM, P.C. 240 Townsend Square Oyster Bay, New York 11771 Tel: (516) 922-5427 Fax: (516) 344-6204 tbrown@thebrownlawfirm.net</p> <p><i>Derivative Counsel</i></p>
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DEFINITIONS

All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation and Agreement of Settlement, dated September 4, 2019 (the “Settlement Stipulation”).

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family may be a “Settlement Class Member” and may have purchased or acquired PixarBio securities: (1) in an offering carried out continuously beginning in December 2015; (2) pursuant and/or traceable to PixarBio’s private placement that closed on October 30, 2016; and/or (3) publicly traded on the open market between October 31, 2016 and January 23, 2017, both dates inclusive. You may be a Settlement Class Member and/or a “Current PixarBio Shareholder” if you currently own PixarBio securities and have owned them as of September 4, 2019, and may have seen this Notice posted on the website of the Claims Administrator, Strategic Claims Services.

2. What are these lawsuits about?

The Settlement proposes to resolve two actions pending in the United States District Court for the District of New Jersey. The Securities Class Action is known as *Allen v. PixarBio Corporation, et al.*, Case No. 2:17-cv-00496-CCC-SCM. The Securities Class Action involves allegations that Securities Defendants violated certain federal securities laws by making misrepresentations or omissions of material fact concerning PixarBio’s business, operations, and prospects. The complaint alleges that the misstatements or omissions

artificially inflated the price of PixarBio securities, and that the price of the securities dropped in response to certain subsequent disclosures. Securities Defendants have denied and continue to deny each, any and all allegations of wrongdoing, fault, liability or damage whatsoever asserted in the Securities Class Action. The Settlement shall in no event be construed as, or deemed to be evidence of, liability, fault, wrongdoing, injury or damages, or of any wrongful conduct, acts or omissions on the part of any of the Released Parties, or of any infirmity of any defense, or of any damages to the Class Plaintiffs or any other Settlement Class Member. The Settlement resolves all claims in the Securities Class Action, as well as certain other claims or potential claims, whether known or unknown.

The Settlement also proposes to resolve the Derivative Action, *Schnieders v. Reynolds, et al.*, Case No. 2:17-cv-02987-CCC-SCM. The Derivative Action alleges that the Derivative Defendants caused PixarBio to make the same violations of the federal securities laws as alleged in the Securities Class Action and asserts claims for breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. Derivative Defendants have denied and continue to deny each, any and all allegations of wrongdoing, fault, liability or damage whatsoever asserted in the Derivative Action. The Settlement shall in no event be construed as, or deemed to be evidence of, liability, fault, wrongdoing, injury or damages, or of any wrongful conduct, acts or omissions on the part of any of the Released Parties, or of any infirmity of any defense, or of any damages to Schnieders or PixarBio. The Settlement resolves all claims in the Derivative Action, as well as certain other claims or potential claims, whether known or unknown.

3. Why is one of these cases a class action?

In a class action, one or more persons and/or entities, called plaintiffs, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a class, and these individual persons and/or entities are known as class members. One court resolves all of the issues for all class members, except for those class members who exclude themselves from the class. Only the Securities Class Action is a class action.

The Derivative Action is not a class action. It is a lawsuit made derivatively by a shareholder on behalf of the company in which he owns stock. No individual shareholder has the right to be compensated as a result of a settlement of a derivative action.

4. Why is there a Settlement?

The Parties do not agree regarding the merits of Class Plaintiffs' and Schnieders' allegations and Defendants' defenses with respect to liability or the average amount of damages per share, if any, that would be recoverable if Class Plaintiffs' and Schnieders' were to prevail at trial on each claim. The issues on which the Class Plaintiffs and Securities Defendants disagree include: (1) whether the challenged statements were materially false or misleading or otherwise actionable under federal securities law; (2) whether Securities Defendants acted with scienter; (3) whether the alleged disclosures were corrective disclosures; (4) the causes of the loss in the value of the common stock; and (5) the amount of alleged damages, if any, that could be recovered at trial. Schnieders and Derivative Defendants also disagree whether Derivative Defendants: (1) breached their fiduciary

duties owed to PixarBio by causing PixarBio to violate the federal securities laws; (2) were unjustly enriched; (3) abused their control over PixarBio; (4) grossly mismanaged PixarBio; and (5) wasted PixarBio's corporate assets.

These matters have not gone to trial, and the Court has not decided in favor of any of the Parties. Instead, the Parties have agreed to settle the cases. Class Plaintiffs and Class Counsel believe the Settlement is best for all Settlement Class Members because of the risks associated with continued litigation and the nature of the defenses raised by Securities Defendants. Among the reasons that Class Plaintiffs and Class Counsel believe the Settlement is fair is the fact that there is uncertainty about whether they will be able to prove that any challenged statement was false or misleading, that the alleged misstatements and omissions actually caused the Settlement Class any damages, and the amount of damages, if any. Similarly, Schnieders and Derivative Counsel believe the Settlement is the best for PixarBio and its shareholders because of the risks associated with continued litigation and the nature of the defenses that could be raised by the Derivative Defendants.

Even if Class Plaintiffs and Schnieders were to win at their respective trials, and also prevail on any on appeals, Class Plaintiffs and Schnieders might not be able to collect some, or all, of any judgment they are awarded. Moreover, while litigation of this type is usually expensive, it appears that, even if Class Plaintiffs' and Schnieders' allegations were found to be true, the total amount of damages to which Settlement Class Members would be entitled could be substantially reduced.

5. How do I know if I am part of the Settlement?

For the Securities Class Action, the Settlement Class consists of all persons and entities, other than Defendants and their affiliates, who purchased or acquired PixarBio securities: (1) in an offering carried out continuously beginning in December 2015; (2) pursuant and/or traceable to PixarBio's private placement that closed on October 30, 2016; and/or (3) publicly traded on the open market between October 31, 2016 and January 23, 2017, both dates inclusive. Excluded from the Settlement Class are Securities Defendants and their immediate families, the officers and directors of PixarBio at all relevant times, their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest.

For the Derivative Action, you must currently own PixarBio securities and have owned them as of September 4, 2019 to have standing to comment or object to the Settlement.

6. Are there exceptions to being included in the Settlement Class?

Yes. Excluded from the Settlement Class are Securities Defendants and their immediate families, the officers and directors of the Company at all relevant times, their legal representatives, heirs, successors or assigns, and any entity in which Securities Defendants have or had a controlling interest. You are also excluded from the Settlement Class if you have a net profit in purchases and sales of PixarBio securities or otherwise suffered no compensable damages during the Settlement Class Period. You may also choose to be excluded from the Settlement Class by filing a valid and timely request for exclusion as described below in the response to question 11.

7. I am still not sure whether I am included in the Settlement Class.

If you are still not sure whether you are included in the Settlement Class, you can ask for free help. For more information, you can contact the Claims Administrator, Strategic Claims Services, by phone at (866) 274-4004 or by facsimile at (610) 565-7985, visit the website www.strategicclaims.net, or fill out and return the Proof of Claim and Release Form described in Question 9, to see if you qualify.

8. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement provides for Defendants' insurers to pay seven hundred fifty thousand dollars (\$750,000) into a settlement fund (the "Settlement Fund"). If there are funds in the Additional Settlement Amount, then those funds will be added to the Settlement Fund. The Settlement is subject to Court approval. Also, subject to the Court's approval, a portion of the Settlement Fund will be used to pay attorneys' fees with interest and reasonable litigation expenses to Class Counsel, Derivative Counsel, and any Awards to Class Plaintiffs and Schnieders. A portion of the Settlement Fund also will be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and the costs of the claims administration process, including the costs of printing and mailing and/or emailing notice and the costs of publishing notice. After the foregoing deductions from the Settlement Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Settlement Class Members who submit timely, valid claims, according to the Plan of Allocation to be approved by the Court.

b. What can you expect to receive under the proposed Settlement if you are a Settlement Class Member?

If you are a Settlement Class Member, your share of the Net Settlement Fund will or may depend on: (i) the number of claims filed by all Settlement Class Members; (ii) the dates you purchased and sold PixarBio securities; (iii) the prices of your purchases and sales; (iv) the amount of administrative costs, including the costs of notice; and (v) the amount awarded by the Court to Class Counsel and Derivative Counsel for attorneys' fees, costs, and expenses and the amounts awarded to the Class Plaintiffs and Schnieders.

The Net Settlement Fund will be distributed to Settlement Class Members who submit a Proof of Claim and Release Form and whose claims for recovery are allowed by the Claims Administrator pursuant to the terms of the Settlement Stipulation or by order of the Court under the below Plan of Allocation ("Authorized Claimants"), which reflects Class Plaintiffs' contention that because of the alleged misrepresentations made by Defendants, the price of PixarBio securities was artificially inflated during the Settlement Class Period and that certain subsequent disclosures caused changes in the inflated price of PixarBio securities. Defendants have denied and continue to deny these allegations and any and all allegations of wrongdoing, fault, liability or damage whatsoever asserted in the Action.

PROPOSED PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The 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.

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Loss. **Please Note:** The Recognized Loss formula, set forth below, is not intended to be an estimate of the amount of what a Settlement Class Member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Loss and subject to the provisions in the preceding paragraph. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Loss bears to the total Recognized Losses of all Authorized Claimants and subject to the provisions in the preceding paragraph (*i.e.*, "*pro rata* share"). Payment in this manner shall be deemed conclusive against all Authorized Claimants. No distribution will be made on a claim where the potential distribution amount is less than ten dollars (\$10.00) in cash.

If any funds remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, then any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be used: (i) first, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants; (ii) second, to pay any additional Administration Costs incurred in administering the Settlement; and (iii) finally, to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least \$10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. If six (6) months after such second distribution, if undertaken, or if such second distribution is not undertaken, any funds shall remain in the Net Settlement Fund after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in this Settlement cash their checks, any funds remaining in the Net Settlement Fund shall be donated to a non-profit charitable organization(s) selected by Plaintiffs' Counsel.

THE BASIS FOR CALCULATING YOUR RECOGNIZED LOSS:

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

I) For PixarBio securities purchased or acquired pursuant and/or traceable to the Company's private placement that closed on October 30, 2016, the Recognized Loss shall be calculated as follows:

- A. For securities held as of the close of trading on January 23, 2017, the Recognized Loss shall be \$1.75 per share¹.
- B. For securities sold on or before January 23, 2017², the Recognized Loss shall be zero.

II) For PixarBio securities purchased or acquired pursuant and/or traceable to the Company's Friends and Family Offering commencing in December 2015, the Recognized Loss shall be calculated as follows:

- A. For securities retained at the end of trading on January 23, 2017 the Recognized Loss shall be the lesser of:
 - (i) \$2.61 per share; or
 - (ii) the difference between the purchase price per share (not to exceed the offering price) and \$.25 per share.
- B. For securities sold on or before January 23, 2017, the Recognized Loss per share shall be \$0.

III) For PixarBio securities purchased between October 30, 2016 and January 23, 2017, inclusive, the Recognized Loss shall be calculated as follows:

- C. For securities retained at the end of trading on January 23, 2017 the Recognized Loss shall be the lesser of:
 - (iii) \$2.61 per share; or
 - (iv) the difference between the purchase price per share and \$.25 per share³.

¹ \$1.75 per share represents the difference between the Company's \$2.00 per share private placement purchase price, that closed on October 30, 2016, and the \$.25 per share 90-day look back price as described in footnote 3.

² This the end of the Class Period.

³ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title 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 ("90-day look back price")." \$.25 per share represents the Company's 90-day look back price.

- D. For securities sold on or before January 23, 2017, the Recognized Loss per share shall be \$0.

To the extent a Claimant had a trading gain or “broke even” from his, her or its overall transactions in PixarBio securities during the Class Period, the value of the Recognized Loss 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 PixarBio securities during the Class Period, but that trading loss was less than the Recognized Loss calculated above, then the Recognized Loss shall be limited to the amount of the Claimant’s actual trading loss.

For purposes of calculating your Recognized Loss, 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 PixarBio securities shall not be deemed a purchase, acquisition or sale of PixarBio securities for the calculation of an Authorized Claimant’s Recognized Loss. The covering purchase of a short sale is not an eligible purchase. Only publicly traded common securities are eligible purchases.

For purposes of calculating your Recognized Loss, all purchases, acquisitions and sales shall be matched on a First In First Out (“FIFO”) basis in chronological order. Therefore, on the Proof of Claim and Release Form enclosed with this Notice, you must provide (1) PixarBio securities purchased or acquired pursuant and/or traceable to the Company’s private placement that closed on October 30, 2016; and (2) all of your purchases and sales of PixarBio securities during the time period from October 30, 2016, through and including January 23, 2017.

Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Defendants, Defendants’ Counsel, Plaintiffs, Plaintiffs’ Counsel or the Claims Administrator or other agent designated by Plaintiffs’ Counsel based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant’s Proof of Claim and Release 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 Settlement Fund 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 Settlement Fund, 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.

9. How can I get a payment if I am a Settlement Class Member?

To qualify for a payment if you are a Settlement Class Member, you must send in a form titled “Proof of Claim and Release Form.” This Proof of Claim and Release Form is attached to this Notice. You may also obtain a Proof of Claim and Release Form at www.strategicclaims.net. Read the instructions carefully, fill out the form, sign it in the

location indicated. The Proof of Claim and Release Form may be completed in two ways: (1) by completing and submitting it electronically at www.strategicclaims.net **by 11:59 p.m. EST on _____, 2019**; or (2) by mailing the claim form together with all documentation requested in the form, **postmarked no later than _____, 2019**, to:

PixarBio Corporation Securities and Derivative Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson St., Ste. 205
Media, PA 19063
Fax: (610) 565-7985
info@strategicclaims.net

The Claims Administrator will process your claim and determine whether you are an Authorized Claimant.

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

Unless you exclude yourself from the Settlement Class by the _____, 2019 deadline, you will remain a member of the Settlement Class and will be bound by the release of claims against Defendants and other Released Parties if the Settlement is approved. That means you and all other Settlement Class Members and each of their respective parent entities, associates, affiliates, subsidiaries, predecessors, successors, assigns, attorneys, immediate family members, heirs, representatives, administrators, executors, devisees, legatees, and estates will release (agreeing never to sue, continue to sue, or be part of any other lawsuit) as against Defendants and other Released Parties, any and all claims that arise out of, are based upon or relate in any way to the purchase or acquisition of PixarBio securities during the Settlement Class Period. It means that all of the Court's orders will apply to you and legally bind you. That means you will accept a share of the Net Settlement Fund as sole compensation for any losses you suffered in the purchase, acquisitions, sale or ownership of PixarBio securities during the Settlement Class Period. The specific terms of the release are included in the Settlement Stipulation.

11. How do I get out of the Securities Class Action Settlement if I am a Settlement Class Member?

If you are a Settlement Class Member, but you do not want to receive a payment from the Securities Class Action Settlement, and you want to keep any right you may have to sue or continue to sue Securities Defendants or other Released Parties on your own about the claims made in the Securities Class Action, then you must take steps to exclude yourself from the Settlement. To exclude yourself from the Settlement, you must mail a letter that (A) clearly indicates your name, address, phone number and e-mail contact information (if any) and states that you "request to be excluded from the Settlement Class Action in *Allen v. PixarBio Corporation, et al.*, Case No. 2:17-cv-00496-CCC-SCM (D.N.J.)" and (B) states the date, number of shares and dollar amount of each PixarBio securities purchase or acquisition during the Settlement Class Period, any sale transactions, and the number of

shares of PixarBio securities held by you as of the Settlement Class Period. In order to be valid, such request for exclusion must be submitted with documentary proof: (i) of each purchase and, if applicable, sale transaction of PixarBio securities during the Settlement Class Period; and (ii) demonstrating your status as a beneficial owner of the PixarBio securities. Any such request for exclusion must be signed and submitted by you, as the beneficial owner, under penalty of perjury. You must mail your exclusion request, to be **received no later than** _____, **2019**, to the Claims Administrator at the following address:

PixarBio Corporation Securities and Derivative Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson St., Ste. 205
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail.

If you properly exclude yourself, you will not receive a payment from the Net Settlement Fund, you cannot object to the Settlement of the Securities Class Action, and you will not be legally bound by the judgment in this case.

12. If I am a Settlement Class Member and I do not exclude myself, can I sue Securities Defendants or the other Released Parties for the same thing later?

No. Unless you followed the procedure outlined in the Notice to exclude yourself, you give up any right to sue Securities Defendants or other Released Parties for the claims being released in this Settlement. If you have a pending lawsuit related to any Released Claims, speak to your lawyer in that case immediately because you must exclude yourself from this Settlement Class to continue your own lawsuit.

13. If I am a Settlement Class Member, do I have a lawyer in this case?

The Court appointed The Rosen Law Firm, P.A. as Lead Counsel to represent you and the other Settlement Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for The Rosen Law Firm, P.A. is provided below.

14. How will the lawyers be paid?

Class Counsel and Derivative Counsel have expended considerable time litigating the Securities Class Action and the Derivative Action on a contingent fee basis and have paid for the expenses of the cases themselves. They have not been paid attorneys' fees or been reimbursed for their expenses in advance of this Settlement. Class Counsel have done so with the expectation that, if they are successful in recovering money for the Settlement Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund, as is customary in this type of litigation. Class Counsel and Derivative Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses

except from the Settlement Fund. Therefore, Class Counsel will file a motion asking the Court at the Settlement Hearing to make a collective award of attorneys' fees for Class Counsel and Derivative Counsel in an amount not to exceed one-third of the Settlement Fund (\$200,000 for Class Counsel in the Securities Class Action and \$50,000 for Derivative Counsel in the Derivative Action) plus interest, reimbursement of litigation expenses of no more than \$45,000, an Award to Class Plaintiffs not to exceed \$23,000 in total (\$10,000 to each Lead Plaintiff and \$1,500 to each Named Plaintiff) and \$1,500 to Schnieders. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Settlement Fund.

15. If I am a Settlement Class Member or a Current PixarBio Shareholder, how do I tell the Court that I do not like the Settlement?

You can tell the Court you do not agree with the Settlement, any part of the Settlement, and/or to the motion for attorneys' fees and expenses for Class Counsel and Derivative Counsel and application for Awards to Class Plaintiffs and Schneiders, and that you think the Court should not approve the Settlement.

To object to any aspect of the settlement of the Securities Class Action, if you are a Settlement Class Member, you may do so by mailing a letter stating that you object to the Settlement in the matter of *Allen v. PixarBio Corporation, et al.*, Case No. 2:17-cv-00496-CCC-SCM (D.N.J.). Be sure to include: (1) your name, address, and telephone number; (2) a list of all purchases and sales of PixarBio securities during the Settlement Class Period in order to show membership in the Settlement Class; (3) all grounds for the objection, including any legal support known to you or your counsel; (4) the name, address and telephone number of all counsel, if any, who represent you, including your former or current counsel who may be entitled to compensation in connection with the objection; and (5) the number of times you and/or your counsel has filed an objection to a class action settlement in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security or seller of the product or service at issue in each case.

To object to any aspect of the settlement of the Derivative Action, if you are a Current PixarBio Shareholder, you may do so by mailing a letter stating that you object to the Settlement in the matter of *Schnieders v. Reynolds, et al.*, Case No. 2:17-cv-02987-CCC-SCM (D.N.J.). Be sure to include: (1) name, address, and telephone number; (2) proof of ownership of PixarBio securities as of September 4, 2019 and through the date of the Settlement Hearing, including the number of shares of PixarBio securities held and the date of purchase; (3) all grounds for the objection, including any legal support known to you and/or your counsel; (4) the name, address and telephone number of all counsel who represent you, including former or current counsel who may be entitled to compensation in connection with the objection; and (5) the number of times you and/or your counsel has filed an objection to a class action or derivative settlement in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security or seller of the product or service at issue in each case.

EXHIBIT A-1

Attendance at the Settlement Hearing is not necessary. Objectors wishing to be heard orally at the Settlement Hearing are required to indicate in their written objection (or in a separate writing that is submitted in accordance with the deadline and after instruction pertinent to the submission of a written objection) that they intend to appear at the Settlement Hearing and identify any witnesses they may call to testify or exhibits they intend to introduce into evidence at the Settlement Hearing. Be sure to serve copies of any objections, papers and briefs to **each** of the addresses listed below, to be **received no later than** _____, **2019**:

<p>Clerk of the Court United States District Court District of New Jersey Martin Luther King Building & U.S. Courthouse 50 Walnut Street Newark, NJ 07102</p>	<p><u>CLASS COUNSEL:</u></p> <p>THE ROSEN LAW FIRM, P.A. Leah Heifetz-Li 101 Greenwood Avenue, Suite 440 Jenkintown, PA 19046</p>
<p><u>DERIVATIVE COUNSEL:</u></p> <p>THE BROWN LAW FIRM, P.C. Timothy Brown 240 Townsend Square Oyster Bay, NY 11771</p>	<p><u>COUNSEL FOR PIXAR BIO CORPORATION AND DAVID A. CASS:</u></p> <p>OBERMAYER REBMANN MAXWELL & HIPPEL LLP Mathieu J. Shapiro Woodland Falls Corp. Park 200 Lake Drive East, Suite 110 Cherry Hill, NJ 08002</p>
<p><u>COUNSEL FOR DEFENDANT FRANCIS M. REYNOLDS:</u></p> <p>CONRAD O'BRIEN PC Kevin D. Kent 1500 Market Street, Suite 3900 Centre Square, West Tower Philadelphia, PA 19102</p>	<p><u>COUNSEL FOR DEFENDANT KENNETH A. STROMSLAND:</u></p> <p>ZUKERMAN GORE BRANDEIS & CROSSMAN, LLP Justin A. Greenblum 11 Times Square New York, NY 10036</p>
<p><u>COUNSEL FOR DEFENDANTS KATRIN HOLZHAUS, DEREK S. BRIDGES AND LAURA BARKER MORSE:</u></p> <p>GIBBONS P.C. Lawrence S. Lustberg One Gateway Center Newark, NJ 07102</p>	

16. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement or some portion thereof. You can object to the settlement of the Securities Class Action only if you stay in the Settlement Class. Requesting exclusion from the Settlement Class is telling the Court you do not want to be part of the Settlement Class and Settlement. If you exclude yourself, you cannot object to the settlement of the Securities Class Action because it no longer concerns you. If you stay in the Settlement Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

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

The Court will hold a Settlement Hearing on _____, 2019, at __:__ a.m., at the United States District Court, District of New Jersey, 50 Walnut Street, Courtroom MLK 5B, Newark, NJ 07102.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel and Derivative Counsel for attorneys' fees and expenses and how much to award Class Plaintiffs and Schnieders.

18. Do I have to come to the hearing?

No. Class Counsel and Derivative Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it.

19. What happens if I do nothing at all?

If you are a Settlement Class Member, but you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or the Released Parties about the claims made in the Securities Class Action ever again.

SPECIAL NOTICE TO BROKERS AND OTHER NOMINEES

If, during the Settlement Class Period, you purchased, otherwise acquired, or sold PixarBio securities for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN TEN (10) DAYS OF YOUR RECEIPT OF NOTICE, you either (a) provide to the Claims Administrator the name, email address, and last known address of each person or organization for whom or which you purchased such PixarBio securities during such time period; (b) request an electronic copy of the Summary Notice and, within ten (10) days after receiving the Summary Notice, email the Summary Notice to the email address to each beneficial purchaser/owner of PixarBio securities; or (c) request additional copies of the Postcard Notice, which will be provided to you free of charge, and within ten (10) days mail the Postcard Notice

EXHIBIT A-1

directly to the beneficial purchaser/owners of the PixarBio securities. If you choose to follow alternative procedures (b) or (c), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable out-of-pocket expenses actually incurred in connection with the foregoing up to \$0.05 for providing names, addresses and email addresses to the Claims Administrator; up to a maximum of \$0.05 per Postcard Notice mailed by you, plus postage at the rate used by the Claims Administrator; or \$0.05 per notice sent by email. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications regarding the foregoing should be addressed to the Claims Administrator at the address listed on page 5 above.

DATED:

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE DISTRICT OF
NEW JERSEY

EXHIBIT A-2

PROOF OF CLAIM AND RELEASE FORM

Deadline for Submission: _____

IF YOU PURCHASED OR ACQUIRED PIXARBIO CORPORATION (“PIXARBIO”) SECURITIES: (1) IN AN OFFERING CARRIED OUT CONTINUOUSLY BEGINNING IN DECEMBER 2015; (2) PURSUANT AND/OR TRACEABLE TO PIXARBIO’S PRIVATE PLACEMENT THAT CLOSED ON OCTOBER 30, 2016; AND/OR (3) PUBLICLY TRADED PIXARBIO SECURITIES FROM OCTOBER 31, 2016 THROUGH JANUARY 23, 2017, BOTH DATES INCLUSIVE (THE “SETTLEMENT CLASS PERIOD”) AND WERE ALLEGEDLY DAMAGED THEREBY, YOU ARE A “SETTLEMENT CLASS MEMBER” AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS. (EXCLUDED FROM THE SETTLEMENT CLASS ARE DEFENDANTS AND THEIR IMMEDIATE FAMILIES, THE OFFICERS AND DIRECTORS OF PIXARBIO AT ALL RELEVANT TIMES, THEIR LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS OR ASSIGNS, AND ANY ENTITY IN WHICH DEFENDANTS HAVE OR HAD A CONTROLLING INTEREST. ALSO EXCLUDED FROM THE SETTLEMENT CLASS ARE THOSE PERSONS WHO FILE VALID AND TIMELY REQUESTS FOR EXCLUSION IN ACCORDANCE WITH THE COURT’S ORDER OF PRELIMINARY APPROVAL OF SETTLEMENT.).

IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS PROOF OF CLAIM AND RELEASE FORM (“CLAIM FORM”) IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS. YOU CAN COMPLETE AND SUBMIT THE ELECTRONIC VERSION OF THIS CLAIM FORM BY 11:59 P.M. EST ON _____, 2019 AT WWW.STRATEGICCLAIMS.NET.

IF YOU DO NOT COMPLETE AND SUBMIT AN ELECTRONIC VERSION OF THIS CLAIM FORM, YOU MUST COMPLETE AND SIGN THIS CLAIM FORM AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN _____, 2019 TO STRATEGIC CLAIMS SERVICES, THE CLAIMS ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

PixarBio Corporation Securities and Derivative Litigation
c/o Strategic Claims Services
600 N. Jackson St., Ste. 205
P.O. Box 230
Media, PA 19063
Fax: (610) 565-7985
info@strategicclaims.net

YOUR FAILURE TO SUBMIT YOUR CLAIM BY _____, 2019 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOU FROM RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL, AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR. IF YOU ARE A SETTLEMENT CLASS MEMBER AND DO NOT SUBMIT A PROPER CLAIM, YOU WILL NOT SHARE IN THE SETTLEMENT, BUT YOU NEVERTHELESS WILL BE BOUND BY THE ORDER AND FINAL JUDGMENT OF THE COURT UNLESS YOU EXCLUDE YOURSELF. SUBMISSION OF A CLAIM FORM DOES NOT ASSURE THAT YOU WILL SHARE IN THE PROCEEDS OF THE SETTLEMENT.

CLAIMANT'S STATEMENT

1. I (we) purchased publicly traded PixarBio Corporation ("PixarBio") securities during the Settlement Class Period. (Do not submit this Proof of Claim and Release Form if you did not purchase PixarBio securities during the Settlement Class Period.)
2. By submitting this Proof of Claim and Release Form, I (we) state that I (we) believe in good faith that I am (we are) a Settlement Class Member(s) as defined above and in the Notice of Pendency and Proposed Settlement of Class Action and Derivative Action (the "Notice"), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Action or anyone excluded from the Settlement Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Settlement Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Settlement Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)
3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim and Release Form. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Settlement Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Actions or Settlement in connection with processing of the Proof of Claim and Release Form.
4. I (we) have set forth where requested below all relevant information with respect to each purchase of PixarBio securities, and each sale, if any, of such securities. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.
5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase and sale of PixarBio securities listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)
6. I (we) understand that the information contained in this Proof of Claim and Release Form is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Recognized Loss. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives securities such as options.)
7. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release, remise and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim and Release Form on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Released Parties" of all "Released Claims," as those terms are defined in the Stipulation and Agreement of Settlement, dated September 4, 2019 (the "Settlement Stipulation").

EXHIBIT A-2

8. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a covenant by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim and Release Form on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) to permanently refrain from prosecuting or attempting to prosecute any Released Claims against any of the Released Parties.
9. "Released Parties" has the meaning laid out in the Settlement Stipulation.
10. "Released Claims" has the meaning laid out in the Settlement Stipulation.
11. "Unknown Claims" has the meaning laid out in the Settlement Stipulation.
12. I (We) acknowledge that the inclusion of "Unknown Claims" in the definition of claims released pursuant to the Settlement Stipulation was separately bargained for and is a material element of the Settlement of which this release is a part.
13. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim and Release Form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at info@strategicclaims.net or visit their website at www.strategicclaims.net to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

EXHIBIT A-2

I. CLAIMANT INFORMATION

Name		
Address		
City	State	ZIP
Foreign Province	Foreign Country	
Day Phone	Evening Phone	
Email		
Social Security Number (for individuals):	OR	Taxpayer Identification Number (for estates, trusts, corporations, etc.):

II. SCHEDULE OF TRANSACTIONS IN PIXARBIO CORPORATION SECURITIES**Beginning Holdings:**

- A. State the total number of shares of PixarBio Corporation ("PixarBio") securities held as of the close of trading on October 30, 2016 (*must be documented*). If none, write "zero" or "0."

--

Purchases/Acquisitions:

- B. Separately list each and every purchase or acquisition of PixarBio securities between October 31, 2016 and January 23, 2017, both dates inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Price per Share	Total Cost (Excluding Commissions, Taxes, and Fees)

EXHIBIT A-2

Sales:

C. Separately list each and every sale of PixarBio securities between October 31, 2016 and January 23, 2017, both dates inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price per Share	Amount Received (Excluding Commissions, Taxes, and Fees)

Ending Holdings:

D. State the total number of shares of PixarBio securities held at the close of trading on January 23, 2017 (*must be documented*).

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.

III. SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service ("I.R.S.") requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number (for individuals)	or	Taxpayer Identification Number (for estates, trusts, corporations, etc.)

IV. CERTIFICATION

I (We) submit this Proof of Claim and Release Form under the terms of the Settlement Stipulation described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the District of New Jersey with respect to my (our) claim as a Settlement Class Member(s) and for purposes of enforcing the release and covenant not to sue set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered. I (We) have not submitted any other claim covering the same purchases or sales of PixarBio securities during the Settlement Class Period and know of no other Person having done so on my (our) behalf.

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding; or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of

EXHIBIT A-2

a failure to report all interest or dividends; or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY UNDER THE LAWS OF THE UNITED STATES, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made
on behalf of Joint Claimants, then each must sign):

(Signature)

(Signature)

(Capacity of person(s) signing, e.g. beneficial
purchaser(s), executor, administrator, trustee, etc.)

☐ Check here if proof of authority to file is enclosed.
(See Item 2 under Claimant's Statement)

Date: _____

THIS PROOF OF CLAIM AND RELEASE FORM MUST BE POSTMARKED NO LATER THAN _____, 2019 AND MUST BE MAILED TO:

PixarBio Corporation Securities and Derivative Litigation
c/o Strategic Claims Services
600 N. Jackson St., Ste. 205
P.O. Box 230
Media, PA 19063
Fax: (610) 565-7985
info@strategicclaims.net

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

You should be aware that it will take a significant amount of time to process fully all of the Proof of Claim and Release Forms and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim and Release Form. Please notify the Claims Administrator of any change of address.

REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim and Release Form on page 6. If this Proof of Claim and Release Form is submitted on behalf of joint claimants, then each claimant must sign.
- Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use highlighter on the Proof of Claim and Release Form or any supporting documents.
- If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested, or its equivalent.
- If you move or change your address, telephone number or email address, please submit the new information to the Claims Administrator, as well as any other information that will assist us in contacting you. NOTE: Failure to submit updated information to the Claims Administrator may result in the Claims Administrator's inability to contact you regarding issues with your claim or deliver payment to you.

EXHIBIT A-3

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

MARK ALLEN and SALVATORE RAPPA,
Individually and On Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

PIXARBIO CORPORATION f/k/a BMP
HOLDINGS INC., FRANCIS M.
REYNOLDS, KENNETH A.
STROMSLAND, KATRIN HOLZHAUS,
DAVID A. CASS, DEREK S. BRIDGES, and
LAURA BARKER MORSE,

Defendants.

Case No. 2:17-cv-00496-CCC-SCM

CLASS ACTION

MICHAEL SCHNIEDERS, derivatively on
behalf of PIXARBIO CORPORATION,

Plaintiff,

v.

FRANCIS M. REYNOLDS, KATRIN
HOLZHAUS, DAVID A. CASS, and
LAURA BARKER MORSE,

Defendants,

and

PIXARBIO CORPORATION,

Nominal Defendant.

Case No. 2:17-cv-02987

**SUMMARY NOTICE OF PENDENCY AND
PROPOSED CLASS ACTION AND DERIVATIVE ACTION SETTLEMENT**

TO: ALL PERSONS WHO PURCHASED OR ACQUIRED PIXARBIO CORPORATION SECURITIES: (1) IN AN OFFERING CARRIED OUT CONTINUOUSLY BEGINNING IN DECEMBER 2015; (2) PURSUANT AND/OR TRACEABLE TO THE COMPANY'S PRIVATE PLACEMENT THAT CLOSED ON OCTOBER 30, 2016; AND/OR (3) PUBLICLY TRADED ON THE OPEN MARKET BETWEEN OCTOBER 31, 2016 AND JANUARY 23, 2017, BOTH DATES INCLUSIVE; AND TO ALL PERSONS WHO CURRENTLY OWN PIXARBIO CORPORATION SECURITIES AND OWNED THEM AS OF SEPTEMBER 4, 2019

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the District of New Jersey, that a hearing will be held on _____, 2019, at ____:____.m. before the Honorable Claire C. Cecchi, United States District Judge of the District of New Jersey, 50 Walnut Street, Courtroom MLK 5B, Newark, New Jersey 07102 for the purpose of determining: (1) whether the proposed Settlement of the claims in the above-captioned Securities Class Action and Derivative Action for consideration including the sum of \$750,000, plus any amount that should remain in the Additional Settlement Amount, should be approved by the Court as fair, reasonable, and adequate; (2) whether the proposed plan to distribute the Settlement proceeds is fair, reasonable, and adequate; (3) whether the application of Class Counsel and Derivative Counsel for attorneys' fees of up to one-third of the Settlement Amount (\$250,000) plus a proportionate share of interest accrued on the Settlement Amount, Class Counsel's and Derivative Counsel's reimbursement of litigation expenses incurred of not more than \$45,000, and Awards to Class Plaintiffs of not more than \$23,000 in total, and Award to Schnieders of not more than \$1,500, should be approved; and (4) whether these Actions should be dismissed with prejudice as set forth in the Stipulation and Agreement of Settlement, dated September 4, 2019 (the "Settlement Stipulation").

The proposed Settlement would resolve the Securities Class Action alleging that, in violation of the federal securities laws, Defendants allegedly made misrepresentations and/or

EXHIBIT A-3

omissions of material fact in various public statements to the investing public concerning PixarBio Corporation's ("PixarBio" or the "Company") business operations, prospects, and financial health. Defendants deny the allegations. The Settlement would also resolve the Derivative Action on behalf of PixarBio alleging that Defendants breached their fiduciary duty to PixarBio by causing PixarBio to violate the federal securities laws. Defendants deny these allegations, too.

If you purchased or acquired PixarBio securities: (1) in an offering carried out continuously beginning in December 2015; (2) pursuant and/or traceable to the Company's private placement that closed on October 30, 2016; and/or (3) publicly traded on the open market between October 31, 2016 and January 23, 2017, both dates inclusive, ("Settlement Class Member"); and if you currently own Pixarbio securities and owned them as of September 4, 2019 ("Current PixarBio Shareholder"), your rights may be affected by this Settlement, including the release and extinguishment of claims you may possess relating to your ownership interest in PixarBio securities. You may obtain copies of the detailed Notice of Pendency and Proposed Settlement of Class Action and Derivative Action ("Notice") and the Proof of Claim and Release Form by writing to or calling the Claims Administrator: PixarBio Corporation Securities and Derivative Litigation, c/o Strategic Claims Services, 600 N. Jackson St., Ste. 205, P.O. Box 230, Media, PA 19063; (Tel) (866) 274-4004; (Fax) (610) 565-7985; info@strategicclaims.net. You can also download copies of the Notice and submit your Proof of Claim and Release Form online at www.strategicclaims.net. If you are a member of the Settlement Class, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release Form electronically or postmarked no later than _____, 2019 to the Claims Administrator, establishing that you are entitled to recovery. Unless you submit a written exclusion request, you will be bound by any judgment rendered in the Action whether or not you make a claim.

EXHIBIT A-3

If you are a Settlement Class Member and desire to be excluded from the Settlement Class, you must submit to the Claims Administrator a request for exclusion so that it is received no later than _____, 2019, in the manner and form explained in the detailed Notice. All members of the Settlement Class who have not requested exclusion from the Settlement Class will be bound by any judgment entered in the Action pursuant to the Settlement Stipulation.

Any objection by a Settlement Class Member and/or Current PixarBio Shareholder to the Settlement, Plan of Allocation, Class Counsel's and Derivative Counsel's requests for an award to Class Counsel and Derivative Counsel of attorneys' fees and reimbursement of expenses and Awards to Class Plaintiffs and Schnieders must be in the manner and form explained in the detailed Notice and received no later than _____, 2019, by each of the following:

Clerk of the Court
United States District Court
District of New Jersey
Martin Luther King Building
& U.S. Courthouse
50 Walnut Street
Newark, NJ 07102

DERIVATIVE COUNSEL:

THE BROWN LAW FIRM, P.C.
Timothy Brown
240 Townsend Square
Oyster Bay, NY 11771

COUNSEL FOR DEFENDANT
FRANCIS M. REYNOLDS:

CONRAD O'BRIEN PC
Kevin D. Kent
1500 Market Street, Suite 3900
Centre Square, West Tower
Philadelphia, PA 19102

CLASS COUNSEL:

THE ROSEN LAW FIRM, P.A.
Leah Heifetz-Li
101 Greenwood Avenue, Suite 440
Jenkintown, PA 19046

COUNSEL FOR PIXARBIO
CORPORATION AND DAVID A.
CASS:

OBERMAYER REBMANN
MAXWELL & HIPPEL LLP
Mathieu J. Shapiro
Woodland Falls Corp. Park
200 Lake Drive East, Suite 110
Cherry Hill, NJ 08002

COUNSEL FOR DEFENDANT
KENNETH A. STROMSLAND:

ZUKERMAN GORE BRANDEIS &
CROSSMAN, LLP
Justin A. Greenblum
11 Times Square
New York, NY 10036

COUNSEL FOR DEFENDANTS
KATRIN HOLZHAUS, DEREK S.
BRIDGES AND LAURA BARKER
MORSE:

GIBBONS P.C.
Lawrence S. Lustberg
One Gateway Center
Newark, NJ 07102

If you have any questions about the Settlement, you may call or write to Class Counsel and/or

Derivative Counsel:

THE ROSEN LAW FIRM, P.A.
Leah Heifetz-Li
101 Greenwood Avenue, Suite 440
Jenkintown, PA 19046
Tel: (215) 600-2817

THE BROWN LAW FIRM, P.C.
Timothy Brown
240 Townsend Square
Oyster Bay, New York 11771
Tel: (516) 922-5427

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

Dated: _____, 2019

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE DISTRICT
OF NEW JERSEY

EXHIBIT A-4

Fixer Bio Corporation Securities and Derivative
Litigation
c/o Strategic Claims Services
600 N. Jackson Street, Suite 205
Media, PA 19063

PRESORTED
FIRST-CLASS
MAIL U.S.
POSTAGE PAID

**Court-Ordered Legal Notice
Forwarding Service Requested**

*Important Notice about a Securities
Class Action and Derivative Action
Settlement*

*You may be entitled to a payment.
This Notice may affect your legal
rights.*

Please read it carefully.

Case Nos. 2:17-cv-00496 (DNJ)
2:17-cv-02987 (DNJ)

Cases Pending in the United States District Court for the
District of New Jersey

[NAME 1]
[NAME 2]
[NAME 3]
[ADDRESS 1]
[ADDRESS 2]

Alters, PixarBio Corporation, et al., Case No. 2:17-cv-00496-CCC-SCM (D.N.J.)
Schnieders v. Reynolds, et al., Case No. 2:17-cv-02987-CCC-SCM (D.N.J.)

THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE SETTLEMENT.
PLEASE VISIT WWW.STRATEGICCLAIMS.NET OR CALL 1-866-274-4004 FOR MORE INFORMATION.

The U.S. District Court for the District of New Jersey (the “Court”) has preliminarily approved a proposed Settlement of claims against Defendants in the above-referenced actions. The proposed Settlement would resolve a class action lawsuit alleging violations of the federal securities laws as well as a derivative action on behalf of PixarBio Corporation (“PixarBio”) alleging breaches of fiduciary duties to PixarBio causing PixarBio to violate the federal securities laws. Defendants deny the allegations in both actions.

You received this notice because you may have purchased or acquired PixarBio securities: (1) in an offering carried out continuously beginning in December 2015; (2) pursuant and/or traceable to PixarBio’s private placement that closed on October 30, 2016; and/or (3) publicly traded PixarBio securities on the open market between October 31, 2016 and January 23, 2017, both dates inclusive. The Settlement provides that, in exchange for the dismissal and release of claims against Defendants, a fund consisting of \$750,000, less attorneys’ fees and expenses, will be divided among Settlement Class Members who timely submit a valid Proof of Claim and Release Form (“Proof of Claim”). For a full description of the Settlement and your rights and to make a claim, please view the Stipulation and Agreement of Settlement and obtain a copy of the Notice of Pendency and Proposed Settlement of Class Action and Derivative Action (“Notice”) and Proof of Claim by visiting the website: www.strategicclaims.net. You may also request copies of the Notice and Proof of Claim from the Claims Administrator through any of the following ways: (1) mail: PixarBio Corporation Securities and Derivative Litigation, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson St, Ste. 205, Media, PA 19063; (2) call toll free: (866) 274-4004; (3) fax: (610) 565-7985; or (4) email: info@strategicclaims.net.

To qualify for payment, you must submit a Proof of Claim, which can be found on the website www.strategicclaims.net. PROOFS OF CLAIM ARE DUE BY _____, 2019 TO PIXARBIO CORPORATION SECURITIES AND DERIVATIVE LITIGATION, C/O STRATEGIC CLAIMS SERVICES, P.O. BOX 230, 600 N. JACKSON ST, STE 205, MEDIA, PA 19063 or submitted electronically at www.strategicclaims.net. If you do not want to be legally bound by the Settlement, you must exclude yourself by _____, 2019. If you exclude yourself, you cannot get money from this Settlement. If you stay in the Settlement, you may object to it by _____, 2019. The Notice explains how to exclude yourself or to object.

The Court will hold a hearing in this case on _____, 2019 at ____:____.m. at the U.S. District Court for the District of New Jersey, 50 Walnut Street, Courtroom MLK 5B, Newark, NJ, 07102, to consider whether to approve the Settlement, the Plan of Allocation, and a request by Class Counsel and Derivative Counsel for up to one-third of the Settlement Fund for counsel’s attorneys’ fees, for up to \$45,000 in expenses, and Awards to Class Plaintiffs of no more than \$23,000 in total and to Schnieders of no more than \$1,500 for litigating the cases and negotiating the Settlement. You may, but do not have to, attend the hearing and ask to be heard by the Court.

EXHIBIT B

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

MARK ALLEN and SALVATORE RAPPA,
Individually and On Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

PIXARBIO CORPORATION f/k/a BMP
HOLDINGS INC., FRANCIS M.
REYNOLDS, KENNETH A.
STROMSLAND, KATRIN HOLZHAUS,
DAVID A. CASS, DEREK S. BRIDGES, and
LAURA BARKER MORSE,

Defendants.

Case No. 2:17-cv-00496-CCC-SCM

CLASS ACTION

[PROPOSED] ORDER AND FINAL JUDGMENT

On the ____ day of _____, 2019 a hearing having been held before this Court to determine: (1) whether the terms and conditions of the Stipulation and Agreement of Settlement dated September 4, 2019 (the “Settlement Stipulation”) are fair, reasonable and adequate for the settlement of all claims asserted by the Settlement Class directly and by Schnieders derivatively against Defendants (as defined in the Settlement Stipulation), including the release of the Released Claims against the Released Parties, and should be approved; (2) whether judgment should be entered dismissing the Action with prejudice; (3) whether to approve the proposed Plan of Allocation as a fair and reasonable method to allocate the Net Settlement Fund among Settlement Class Members; (4) whether and in what amount to award Class Counsel and Derivative Counsel as fees and reimbursement of expenses; and (5) whether and in what amount to award Class Plaintiffs as incentive fees; and

The Court having considered all matters submitted to it at the hearing and otherwise; and

It appearing in the record that the Notice substantially in the form approved by the Court in the Court’s Order Granting Motion for Preliminary Approval of Class Action and Derivative Action Settlement, dated _____, 2019 (“Preliminary Approval Order”) was mailed to all reasonably identifiable Settlement Class Members and posted to the website of the Claims Administrator, both in accordance with the Preliminary Approval Order and the specifications of the Court; and

It appearing in the record that the Summary Notice substantially in the form approved by the Court in the Preliminary Approval Order was published and emailed to identifiable Settlement Class Members when an email address was provided to the Claims Administrator in accordance with the Preliminary Approval Order and the specifications of the Court;

It appearing in the record that the Summary Notice substantially in the form approved by the Court in the Preliminary Approval Order was published electronically once on the *GlobeNewswire* and in print once in the *Investor's Business Daily*;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. This Order and Final Judgment incorporates by reference the definitions in the Settlement Stipulation, and all capitalized terms used herein shall have the same meanings as set forth therein.

2. The Court has jurisdiction over the subject matter of the Actions, Class Plaintiffs, all Settlement Class Members, Schnieders, and Defendants.

3. The Court finds that, for settlement purposes only, the prerequisites for a class action under Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that:

(a) the number of Settlement Class Members is so numerous that joinder of all members thereof is impracticable;

(b) there are questions of law and fact common to the Settlement Class;

(c) the claims of the Class Plaintiffs are typical of the claims of the Settlement Class they seek to represent;

(d) Class Plaintiffs and Class Counsel fairly and adequately represent the interests of the Settlement Class;

(e) questions of law and fact common to the members of the Settlement Class predominate over any questions affecting only individual members of the Settlement Class; and

(f) a class action is superior to other available methods for the fair and efficient adjudication of this Action, considering:

- i. the interests of the Settlement Class Members in individually controlling the prosecution of the separate actions;
- ii. the extent and nature of any litigation concerning the controversy already commenced by Settlement Class Members;
- iii. the desirability or undesirability of concentrating the litigation of these claims in this particular forum; and
- iv. the difficulties likely to be encountered in the management of the class action.

The Settlement Class is being certified for settlement purposes only.

4. The Court hereby finally certifies this action as a class action for purposes of the Settlement, pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, on behalf of all Persons (including, without limitation, their beneficiaries) all persons and entities, other than Defendants and their affiliates, who purchased or acquired PixarBio securities: (1) in an offering carried out continuously beginning in December 2015; (2) pursuant and/or traceable to the Company's private placement that closed on October 30, 2016; and/or (3) publicly traded on the open market between October 31, 2016 and January 23, 2017, both dates inclusive. Excluded from the Settlement Class are Defendants and their immediate families, the officers and directors of PixarBio at all relevant times, their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Settlement Class are those persons who file valid and timely requests for exclusion in accordance with the Preliminary Approval Order.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, for the purposes of this Settlement only, Class Plaintiffs are certified as the class representatives on behalf of the Settlement Class (“Class Representatives”) and Lead Counsel and Additional Counsel previously selected by Class Plaintiffs and appointed by the Court is hereby appointed as Class Counsel for the Settlement Class (“Class Counsel”).

6. In accordance with the Court’s Preliminary Approval Order, the Court hereby finds that the forms and methods of notifying the Settlement Class of the Settlement and its terms and conditions met the requirements of due process, Rules 23 and 23.1 of the Federal Rules of Civil Procedure, and Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995; constituted the best notice practicable under the circumstances; and constituted due and sufficient notice of these proceedings and the matters set forth herein, including the Settlement and Plan of Allocation, to all persons and entities entitled to such notice. No Settlement Class Member or PixarBio shareholder is relieved from the terms and conditions of the Settlement, including the releases provided for in the Settlement Stipulation, based upon the contention or proof that such Settlement Class Member or PixarBio shareholder failed to receive actual or adequate notice. A full opportunity has been offered to the Settlement Class Members and PixarBio shareholders to object to the proposed Settlement and to participate in the hearing thereon. The Court further finds that the notice provisions of the Class Action Fairness Act, 28 U.S.C. § 1715, were fully discharged. Thus, it is hereby determined that all Settlement Class Members and PixarBio shareholders are bound by this Order and Final Judgment except those persons listed on Exhibit A to this Order and Final Judgment.

7. The Settlement is approved as fair, reasonable and adequate under Rules 23 and 23.1 of the Federal Rules of Civil Procedure. This Court further finds that the Settlement set forth in the Settlement Stipulation is the result of good faith, arm's-length negotiations between experienced counsel representing the interests of Class Representatives, Settlement Class Members, PixarBio and the other Defendants. The Parties are directed to consummate the Settlement in accordance with the terms and provisions of the Settlement Stipulation.

8. The Actions and all claims contained therein, as well as all of the Released Claims, are dismissed with prejudice as against Defendants and the Released Parties. The Parties are to bear their own costs, except as otherwise provided in the Settlement Stipulation.

9. The Releasing Parties, on behalf of themselves, their successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them, regardless of whether any such Releasing Party ever seeks or obtains by any means, including without limitation by submitting a Proof of Claim and Release Form, any disbursement from the Settlement Fund, shall be deemed to have, and by operation of this Order and Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Parties. The Releasing Parties shall be deemed to have, and by operation of this Order and Final Judgment shall have, covenanted not to sue the Released Parties with respect to any and all Released Claims in any forum and in any capacity. The Releasing Parties shall be and hereby are permanently barred and enjoined from asserting, commencing, prosecuting, instituting, assisting, instigating, or in any way participating in the commencement or prosecution of any action or other proceeding, in any forum, asserting any Released Claim, in any capacity, against any of the Released Parties, including Defendants' Counsel. Nothing contained herein shall,

however, bar the Releasing Parties from bringing any action or claim to enforce the terms of the Settlement Stipulation or this Order and Final Judgment.

10. Defendants, on behalf of themselves and their Related Parties, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged Class Representatives, Settlement Class Members, Schnieders, Class Counsel, Derivative Counsel and their respective Related Parties from all Claims, whether known or unknown, which arise out of, concern or relate to the institution, prosecution, settlement or dismissal of the Actions (the “Defendants’ Released Claims”), and shall be permanently enjoined from prosecuting the Defendants’ Released Claims against Class Representatives, Settlement Class Members, Schnieders Class Counsel, Derivative Counsel and their respective Related Parties. Nothing contained herein shall, however, bar the Defendants or their Related Parties from bringing any action or claim to enforce the terms of the Settlement Stipulation or this Order and Final Judgment.

11. To the fullest extent permitted by law, all Persons shall be permanently enjoined, barred and restrained from bringing, commencing, prosecuting or asserting any claims, actions, or causes of action for contribution, indemnity or otherwise against any of the Released Parties seeking as damages or otherwise the recovery of all or any part of any liability, judgment or settlement that they pay or are obligated to pay or agree to pay to the Settlement Class or any Settlement Class Member arising out of, relating to or concerning such Persons’ participation in any acts, facts, statements or omissions that were or could have been alleged in the Actions, whether arising under state, federal or foreign law as claims, cross-claims, counterclaims, third-party claims or otherwise, in the Court or any other federal, state, or foreign court, or in any arbitration proceeding, administrative agency proceeding, tribunal, or any other proceeding or

forum. Further, nothing in the Settlement Stipulation or this Order and Final Judgment shall apply to bar or otherwise affect any claim for insurance coverage by any Defendant.

12. The Court hereby finds that the proposed Plan of Allocation is a fair and reasonable method to allocate the Net Settlement Fund among Settlement Class Members, and Class Counsel and the Claims Administrator are directed to administer the Plan of Allocation in accordance with its terms and the terms of the Settlement Stipulation.

13. The Court finds that the Parties and their counsel have complied with all requirements of Rule 11 of the Federal Rules of Civil Procedure and the Private Securities Litigation Record Act of 1995 as to all proceedings herein.

14. Neither this Order and Final Judgment, the Settlement Stipulation (nor the Settlement contained therein), nor any of its terms and provisions, nor any of the negotiations, documents or proceedings connected with them:

(a) is or may be deemed to be, or may be used as an admission, concession, or evidence of, the validity or invalidity of any Released Claims, the truth or falsity of any fact alleged by Class Representatives or Schnieders, the sufficiency or deficiency of any defense that has been or could have been asserted in the Actions, or of any wrongdoing, liability, negligence or fault of Defendants, the Released Parties, or each or any of them;

(b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or misrepresentation or omission with respect to any statement or written document attributed to, approved or made by Defendants or Released Parties in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal;

(c) is or may be deemed to be or shall be used, offered or received against the Parties, Defendants or the Released Parties, or each or any of them, as an admission,

concession or evidence of the validity or invalidity of the Released Claims, the infirmity or strength of any claim raised in the Actions, the truth or falsity of any fact alleged by Class Representatives, the Settlement Class, or Schnieders, or the availability or lack of availability of meritorious defenses to the claims raised in the Actions;

(d) is or may be deemed to be or shall be construed as or received in evidence as an admission or concession against Defendants, or the Released Parties, or each or any of them, that any of Class Representatives', Settlement Class Members', or Schnieders' claims are with or without merit, that a litigation class should or should not be certified, that damages recoverable in the Actions would have been greater or less than the Settlement Fund or that the consideration to be given pursuant to the Settlement Stipulation represents an amount equal to, less than or greater than the amount that could have or would have been recovered after trial.

15. The Released Parties may file the Settlement Stipulation and/or this Order and Final Judgment in any other action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, full faith and credit, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim. The Parties may file the Settlement Stipulation and/or this Order and Final Judgment in any proceedings that may be necessary to consummate or enforce the Settlement Stipulation, the Settlement, or this Order and Final Judgment.

16. Except as otherwise provided herein or in the Settlement Stipulation, all funds held by the Escrow Agent shall be deemed to be in *custodia legis* and shall remain subject to the jurisdiction of the Court until such time as the funds are distributed or returned pursuant to the Settlement Stipulation and/or further order of the Court.

17. Without affecting the finality of this Order and Judgment in any way, this Court hereby retains continuing exclusive jurisdiction over the Parties and the Settlement Class Members for all matters relating to the Actions, including the administration, interpretation, effectuation or enforcement of the Settlement Stipulation and this Order and Final Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the Settlement proceeds to the Settlement Class Members.

18. Without further order of the Court, Defendants and Class Representatives may agree to reasonable extensions of time to carry out any of the provisions of the Settlement Stipulation.

19. There is no just reason for delay in the entry of this Order and Final Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

20. The finality of this Order and Final Judgment shall not be affected, in any manner, by rulings that the Court may make on Class Counsel's and Schnieders' application for an award of attorneys' fees and expenses to Class Counsel and Derivative Counsel or awards to Class Representatives and Schnieders.

21. In the event the Settlement is not consummated in accordance with the terms of the Settlement Stipulation, then the Settlement Stipulation and this Order and Final Judgment (including any amendment(s) thereof, and except as expressly provided in the Settlement Stipulation or by order of the Court) shall be null and void, of no further force or effect, and without prejudice to any Party, and may not be introduced as evidence or used in any action or proceeding by any Person against the Parties or the Released Parties, and each Party shall be restored to his,

her or its respective litigation positions as they existed prior to September 4, 2019, pursuant to the terms of the Settlement Stipulation.

Dated: _____, 2019

HON. CLAIRE C. CECCHI
UNITED STATES DISTRICT JUDGE