

1 Robert V. Prongay (SBN 270796)  
 2 Casey E. Sadler (SBN 274241)  
**3 GLANCY PRONGAY & MURRAY LLP**  
 4 1925 Century Park East, Suite 2100  
 Los Angeles, California 90067  
 Telephone: (310) 201-9150  
 5 Facsimile: (310) 201-9160  
 Email: rprongay@glancylaw.com  
 6 Email: csadler@glancylaw.com

7  
 8 *Counsel for Lead Plaintiff Michael G.*  
*Quinn and Lead Counsel for the Class*  
 9

10 **UNITED STATES DISTRICT COURT**  
 11 **CENTRAL DISTRICT OF CALIFORNIA**

12 JEFFREY N. SCHNEIDER,  
 13 Individually and On Behalf of All  
 14 Others Similarly Situated,

15 Plaintiff,

16 v.

17 CHAMPIGNON BRANDS INC.,  
 18 GARETH BIRDSALL, and  
 19 MATTHEW FISH,

20 Defendants.  
 21  
 22

Case No. 2:21-cv-03120-JVS-KES

**SUPPLEMENTAL DECLARATION  
 OF CASEY E. SADLER IN  
 SUPPORT OF LEAD PLAINTIFF’S  
 UNOPPOSED MOTION FOR  
 (I) PRELIMINARY APPROVAL OF  
 CLASS ACTION SETTLEMENT,  
 (II) CERTIFICATION OF THE  
 SETTLEMENT CLASS, AND  
 (III) APPROVAL OF NOTICE TO  
 THE SETTLEMENT CLASS**

1 I, Casey E. Sadler, declare as follows:

2 1. I am an attorney admitted to practice before this Court. I am a partner  
3 with the law firm of Glancy Prongay & Murray LLP, the Court-appointed Lead  
4 Counsel for Lead Plaintiff Michael G. Quinn (“Plaintiff”) and the proposed  
5 Settlement Class. I have personal knowledge of the facts set forth herein and if  
6 called upon to testify thereto, I could and would do so. I submit this declaration,  
7 together with the attached exhibits, in support of Plaintiff’s Unopposed Motion for  
8 (I) Preliminary Approval of Class Action Settlement, (II) Certification of the  
9 Settlement Class, and (III) Approval of Notice to the Settlement Class (the  
10 “Motion”).

11 2. On August 9, 2022, the Court provided the Parties with its tentative  
12 order denying the Motion without prejudice (the “Tentative Order”). While the  
13 Tentative Order found that most of the prerequisites for preliminary approval of the  
14 proposed settlement were satisfied, the Court found there was insufficient  
15 information provided as to the several issues, which Plaintiff seeks to cure with the  
16 instant declaration.

17 **THE FAIRNESS AND REASONABLENESS OF THE SETTLEMENT**

18 3. Plaintiff believes that the Settlement Amount, which obtains  
19 \$1,000,000 for the Settlement Class, is an eminently fair, reasonable, and adequate  
20 recovery.

21 4. For the superiority prong of Federal Rule of Civil Procedure 23(b)(3),  
22 Plaintiff contends that the damages suffered by individual Settlement Class  
23 members are not sufficient to make it economical to prosecute separate actions in  
24 order to recover individual losses sustained as a result of Defendants’ violations of  
25 the securities laws. The Court found that this argument was “conclusory without any  
26 evidence of the amount of the alleged damages that are actually at issue.” Tentative  
27 Order at 16-17. Relatedly, to assess the adequacy of class relief among the factors  
28 pursuant to Rule 23(e)(2), the Court sought evidence to support the assertion that the

1 \$1,000,000 Settlement Amount is reasonable, including a report or affidavit from  
2 Plaintiff's expert explaining how he estimated the total maximum damages as \$7.9  
3 million, as well as evidence of the number of shares, individuals, or entities that  
4 were harmed by Defendants' conduct. *Id.* at 20. "Specifically, Plaintiff must provide  
5 evidence of the maximum recovery amount and an explanation as to how that  
6 amount was calculated." *Id.* at 24-25.

7         5. During the course of litigation, Lead Counsel retained damages  
8 consultant Michael A. Marek, CFA, of Financial Markets Analysis, LLC, to assist  
9 Plaintiff in understanding the materiality of information allegedly misstated and/or  
10 omitted by Defendants, the causation of damages to members of the Settlement  
11 Class, and the quantification of those damages. Mr. Marek estimates that the  
12 maximum available damages, if Plaintiff were to entirely prevail on his claims and  
13 recover 100% of the damages flowing from the two alleged corrective disclosures,  
14 would total \$7,926,522. *See* Declaration of Michael A. Marek in Support of Lead  
15 Plaintiff's Unopposed Motion for Preliminary Approval of Class Action Settlement  
16 ("Marek Decl."), attached hereto as Exhibit 1, at ¶ 17.

17         6. As further explained in Mr. Marek's declaration, through the  
18 application of an empirical event study that was based on Plaintiff's allegations, he  
19 was able to determine the abnormal returns for Braxia common stock during the  
20 Class Period that were purportedly related to Braxia's disclosures. *Id.* at ¶¶ 4-10.  
21 Specifically, Mr. Marek's event study first identified events of interest, which was  
22 done by reviewing databases of publicly available information regarding Braxia and  
23 then measuring significance by the change in common stock price. *Id.* at ¶ 7. He  
24 then created a "market model" that quantifies the mathematical and statistical  
25 relationships between changes in the price of Braxia common stock and changes in  
26 the general stock market and/or stocks of companies whose primary business is  
27 related to that of the Company. *Id.* at ¶ 8. Using a regression equation, which is a  
28 widely accepted practice for determining abnormal returns (*see id.* at ¶ 9), Mr.

1 Marek calculated the predicted and abnormal returns for Braxia common stock  
2 during the Class Period. *Id.* at ¶ 10.

3         7. The estimation of class-wide damages depends in part on the drop in  
4 value of Braxia’s stock price following the alleged corrective disclosures. The  
5 estimate also depends on the number of damaged shares (*i.e.*, the number of shares  
6 purchased at allegedly inflated prices during the Settlement Class Period, which  
7 were still held as of the time of the alleged corrective disclosure). As in any  
8 securities case, the precise number of damaged shares in this case is unknown.  
9 Instead, economic experts attempting to estimate damages in securities cases such as  
10 this one use a company’s “float” (the number of shares available for trading) and  
11 various probability-based trading models to estimate the frequency with which the  
12 *same* shares may be traded multiple times during a given period. This informs an  
13 estimation of how many *distinct* shares of common stock may have been purchased  
14 or acquired during the Settlement Class Period and held through each alleged  
15 corrective disclosure – *i.e.*, an estimate of the number of shares alleged to have been  
16 damaged.

17         8. Here, Mr. Marek employed a widely accepted “multi-trader model” to  
18 estimate the number of damaged shares. This type of model assumes that some  
19 traders have a greater propensity to trade than others. Marek Decl., at ¶¶ 13-15. The  
20 model thus divides a company’s shares into two groups – those held by active  
21 traders and those held by passive traders – and from those assumptions, estimates  
22 the trading volume attributed to each group. The “float” is adjusted over the course  
23 of the Class Period to reflect issuances of additional shares pursuant to secondary  
24 offerings and business acquisitions, insider trading activity, changes in the short  
25 interest position, warrant exercises and repurchases made by Braxia. *Id.* at ¶ 15.  
26 Because Braxia common stock traded both in Canada and in the United States, Mr.  
27 Marek used the reported trading volume during the Settlement Class Period to  
28

1 conclude that the percent of float held in the United States was equal to  
2 approximately 46% of the total. *Id.* at ¶ 16.

3 9. Mr. Marek ultimately estimates that there are 53,716,176 shares that  
4 were purchased and damaged. *Id.* at ¶ 17. According to Mr. Marek, this results in a  
5 total estimated damages under Section 10(b) of the Securities Exchange Act of 1934  
6 of \$7,926,522, meaning the Settlement Amount is approximately 12.7% of the total  
7 estimated damages. *Id.*

8 10. As a result, the following are certain relevant statistics regarding  
9 damages and the Settlement: average compensable damage per share (\$0.148) and  
10 average settlement recovery per share (\$0.019); attorney's fees and expenses per  
11 share (\$0.007); and average recovery per share after attorney's fees and expenses  
12 (\$0.012).<sup>1</sup> Thus, it would not be economical for individual Settlement Class  
13 members to prosecute separate actions in order to recover individual losses  
14 sustained as a result of Defendants' violations of the securities laws.

15 11. Plaintiff respectfully submits that the Settlement Amount, which Mr.  
16 Marek estimates is approximately 12.7% of the maximum available damages,  
17 compares favorably to other securities class action settlements, and indeed, is an  
18  
19

---

20 <sup>1</sup> As I consulted with Plaintiff's damages consultant to prepare this supplemental  
21 declaration to address the Court's Tentative Order, I discovered that incorrect  
22 figures for the average settlement recovery and average cost per share were used in  
23 the Postcard Notice and Notice. The average settlement recovery per share of \$0.12  
24 per share in the Postcard Notice and Notice (*see* ECF No. 65-1 at pp. 59 & 98 of  
25 111) should actually be \$0.019. Additionally, the average cost per share of \$0.04 per  
share, if the Court approves Lead Counsel's fee and expense application (ECF No.  
65-1 at p. 59 of 111), listed in the Notice should actually be \$0.007.

26 Proposed revised Postcard Notice and Notice to reflect these corrections are  
27 attached hereto as Exhibits 2 & 3 for the Court's review. Defendants have agreed to  
28 these revisions.

1 excellent recovery for the Settlement Class. *See* ECF No. 64 at 10 (median recovery  
2 for securities class actions in 2020 was approximately 1.7% of estimated damages).

3 12. Plaintiff also recognizes that there were significant risks in proving and  
4 prevailing in recovery of the maximum estimated damages. The most immediate  
5 risk is that Plaintiff might not advance past the pleading stage thereby eliminating  
6 any benefit potentially available to the Settlement Class. *See also* Tentative Order at  
7 21 (recognizing costs, risks, and delay of continued litigation).

8 13. In light of these risks, Plaintiff and his counsel believe that the  
9 \$1,000,000 Settlement Amount is a reasonable recovery for the Settlement Class.

10 **EXTENT OF DISCOVERY**

11 14. To assess the adequacy of representation of Lead Plaintiff when  
12 considering the factors for the fairness of the settlement under Rule 23(e)(2), the  
13 Court found that “Plaintiff provides little information about the extent of the  
14 discovery that has been conducted” and that “Plaintiff does not explain why it was  
15 sufficient to only review Braxia’s public records.” *Id.* at 18-19.

16 15. This action alleges claims pursuant to the Securities Exchange Act of  
17 1934, as amended by the Private Securities Litigation Reform Act of 1995 (the  
18 “PSLRA”). The PSLRA provides that “all discovery and other proceedings shall be  
19 stayed during the pendency of any motion to dismiss, unless the court finds upon the  
20 motion of any party that particularized discovery is necessary to prevent undue  
21 prejudice to that party.” 15 U.S.C. § 78u-4(b)(3)(B). Defendants responded to the  
22 Amended Complaint by filing a motion to dismiss, thereby staying discovery in this  
23 action.

24 16. As Plaintiff was precluded from discovery due to the PSLRA and only  
25 able to review publicly available documents, Plaintiff would have needed to meet  
26 the heightened pleading standard set forth by the PSLRA without any non-public  
27 information. As such, Lead Counsel have extensive experience meeting this  
28 standard through their expertise in analyzing corporate securities filings and other

1 public information as well as retaining subject matter experts, such as an accounting  
2 expert in the instant action. Since all securities class action plaintiffs are prevented  
3 from conducting discovery until after a motion to dismiss has been defeated, “[i]n  
4 the context of class action settlements, formal discovery is not a necessary ticket to  
5 the bargaining table where the parties have sufficient information to make an  
6 informed decision about settlement.” *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d  
7 454, 459 (9th Cir. 2000) (cleaned up). In fact, courts often approve the settlement of  
8 securities class actions absent discovery. *See, e.g., Rieckborn v. Velti PLC*, 2015 WL  
9 468329, at \*6 (N.D. Cal. Feb. 3, 2015) (approving settlement reached “before  
10 formal discovery or any significant motion practice”); *Scott v. ZST Dig. Networks,*  
11 *Inc.*, 2013 WL 12126744, at \*5-6 (C.D. Cal. Aug. 5, 2013) (Lead Counsel informed  
12 by public filings and expert reports); *Patel v. Axesstel, Inc.*, 2015 WL 6458073, at  
13 \*6 (S.D. Cal. Oct. 23, 2015) (similar).

#### 14 **CONFIDENTIAL AGREEMENTS**

15 17. To evaluate the fairness of the Parties’ confidential agreement  
16 concerning Defendants’ termination option (the “Opt-Out Agreement”), the Court  
17 required the Parties to submit a copy of it for in-camera review. *Id.* at 23, 25.

18 18. Plaintiff has lodged a copy of the Opt-Out Agreement for the Court’s  
19 in-camera review.

20 19. The Opt-Out Agreement, which provides the conditions under which  
21 Defendants may terminate the Settlement if a threshold number of Settlement Class  
22 members opt-out, is standard in securities fraud class actions and does not preclude  
23 approval of the Settlement. *Cheng Jiangchen v. Rentech, Inc.*, 2019 WL 5173771, at  
24 \*7 (C.D. Cal. Oct. 10, 2019) (such an agreement is “common in securities fraud  
25 actions and does not weigh against preliminary approval”); *see also* MANUAL FOR  
26 COMPLEX LITIGATION, FOURTH, 21.631 (2015) (“Opt-out agreements in  
27 which a defendant conditions its agreement on a limit on the number or value of opt  
28 outs that will vitiate a settlement might encourage third parties to solicit class

1 members to opt out. A common practice is to receive information about such  
2 agreements in camera.”).

3 I declare under the penalty of perjury under the laws of the United States of  
4 America that the foregoing is true and correct. Executed this 31st day of August  
5 2022, in Los Angeles California.

6 /s/ Casey E. Sadler  
7 Casey E. Sadler

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**PROOF OF SERVICE BY ELECTRONIC POSTING**

I, the undersigned say:

I am not a party to the above case, and am over eighteen years old. On August 31, 2022, I served true and correct copies of the foregoing document, by posting the document electronically to the ECF website of the United States District Court for the Central District of California, for receipt electronically by the parties listed on the Court’s Service List.

I affirm under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on August 31, 2022, at Los Angeles, California.

*s/ Casey E. Sadler*  
\_\_\_\_\_

Casey E. Sadler

# EXHIBIT 1

1 Robert V. Prongay (SBN 270796)  
2 Casey E. Sadler (SBN 274241)  
3 **GLANCY PRONGAY & MURRAY LLP**  
4 1925 Century Park East, Suite 2100  
5 Los Angeles, California 90067  
6 Telephone: (310) 201-9150  
7 Facsimile: (310) 201-9160  
8 Email: rprongay@glancylaw.com  
9 Email: csadler@glancylaw.com

10 *Counsel for Lead Plaintiff Michael G.*  
11 *Quinn and Lead Counsel for the Class*

12 **UNITED STATES DISTRICT COURT**  
13 **CENTRAL DISTRICT OF CALIFORNIA**

14 JEFFREY N. SCHNEIDER,  
15 Individually and On Behalf of All  
16 Others Similarly Situated,

17 Plaintiff,

18 v.

19 CHAMPIGNON BRANDS INC.,  
20 GARETH BIRDSALL, and  
21 MATTHEW FISH,

22 Defendants.

Case No. 2:21-cv-03120-JVS-KES

**DECLARATION OF MICHAEL A. MAREK IN SUPPORT OF LEAD PLAINTIFF’S UNOPPOSED MOTION FOR (I) PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT, (II) CERTIFICATION OF THE SETTLEMENT CLASS, AND (III) APPROVAL OF NOTICE TO THE SETTLEMENT CLASS**

Date:  
Time:  
Crtm: 10C  
Judge: James V. Selna

23  
24  
25  
26  
27  
28

1 I, Michael A. Marek, declare as follows:

2 1. I submit this declaration in support of Lead Plaintiff's Unopposed  
3 Motion for (I) Preliminary Approval of Class Action Settlement, (II) Certification of  
4 the Settlement Class, and (III) Approval of Notice to the Settlement Class (ECF No.  
5 63) and in accordance with the Court's August 15, 2022 Order (ECF No. 71). I have  
6 personal knowledge of the facts set forth herein and if called upon to testify thereon,  
7 I could and would do so truthfully and accurately.

8 2. I am a founding member of Financial Markets Analysis, LLC ("FMA"),  
9 a securities analysis firm located in Newtown, Pennsylvania. A summary of my  
10 employment background, experience, and qualifications is set forth in Exhibit A  
11 attached hereto. I was retained by Lead Plaintiff to consult on matters in this litigation  
12 including the materiality of information allegedly misstated and/or omitted by  
13 Defendants, the causation of damages to members of the Settlement Class (as defined  
14 in the Stipulation and Agreement of Settlement (the "Stipulation, ECF No. 65-1)<sup>1</sup> and  
15 the quantification of those damages. This declaration is submitted to describe my  
16 work in estimating aggregate damages available on a Class-wide basis.

17 3. In preparing my analysis I reviewed:

18 A. Daily price and trading volume data for Champignon Brands Inc.  
19 n/k/a Braxia Scientific Corp. ("Braxia" or the "Company")  
20 common shares before, during, and following the Settlement Class  
21 Period;

22 B. Historical data for general equity market and pharmaceutical  
23 industry indices, including the Russell 3000 Index and the Russell  
24 3000 Index Pharmaceuticals Subsector;

25

26

27 

---

<sup>1</sup> Unless otherwise described, all capitalized terms have the meanings ascribed to them  
28 in the Stipulation.

- 1 C. Filings made by Braxia with on the System for Electronic
- 2 Document Analysis and Retrieval (“SEDAR”) during and after the
- 3 Settlement Class Period, including the Initial Public Offering
- 4 Prospectus, Business Acquisition Reports, Listing Statements,
- 5 Financial Statements, Management Discussion & Analysis and
- 6 Early Warning Reports;
- 7 D. Press releases issued by Braxia before, during, and after the
- 8 Settlement Class Period;
- 9 E. News articles about Braxia published in the general, financial and
- 10 industry press before, during, and after the Settlement Class
- 11 Period; and
- 12 F. Filings made in connection with this matter, including, the
- 13 Complaint.

14 **I. EMPIRICAL “EVENT STUDY” METHODOLOGY**

15 4. Lead Plaintiff claims that during the Settlement Class Period (March 27,

16 2020 through February 17, 2021, inclusive), Braxia issued statements relating to the

17 Company’s pending and future acquisitions which were materially false and

18 misleading because of the failure to disclose, and/or misrepresentation of, adverse

19 facts including that: (1) the brother of the Company’s then-CEO was a shareholder in

20 each of the four acquired companies making him a related party to the transactions;

21 (2) the Company lacked a legitimate basis to allocate much of the purchase price of

22 these acquisitions to purported “intellectual property;” and (3) the Company’s

23 financial statements inaccurately accounted for the acquisitions.

24 5. Under a reasonable reading of loss and/or damage causation related to

25 Lead Plaintiff’s allegations in this matter, the Company made two potentially relevant

26 announcements that constituted disclosure of information alleged by Lead Plaintiff to

27 have been previously misstated and/or omitted: (1) the June 22, 2020 announcement

28 that the Company would be subject to a regulatory review surrounding the recent

1 acquisitions by the Company; and (2) the February 17, 2021 announcement that the  
2 Company had determined to withdraw and refile its condensed interim consolidated  
3 financial statements and management’s discussion and analysis for the three and six  
4 month periods ended March 31, 2020 as a result of a review by the British Columbia  
5 Securities Commission.

6         6. To arrive at a reliable measure of artificial price inflation in a security, it  
7 is generally necessary to generate empirical, statistical evidence of the materiality of  
8 the statements and disclosures that relate to Lead Plaintiff’s allegations. To estimate  
9 the financial effects of these statements and disclosures, both defendants’ and  
10 plaintiffs’ damages experts often employ a generally accepted methodology  
11 commonly referred to as an “event study” (or “market model”). This is an empirical  
12 technique that is supported by published literature, employs procedures based  
13 on objective standards, and has a known rate of error. It is a standard research method  
14 that provides a statistical measure of whether a particular “event” or disclosure caused  
15 a significant change in the total mix of information that determines the price of a  
16 security.

17         7. Generally, the first step of an “event study” involved identification of the  
18 events of interest and the definition of the event window. In this matter, I first  
19 retrieved and reviewed databases of publicly available information regarding Braxia.  
20 These events included disclosures made directly by Braxia as well as other Company-  
21 specific events including media coverage. I used a one-day window to measure  
22 significance. For example, if the Company issued a press release during or before  
23 market hours (*i.e.*, an event date), the relevant measurement was the difference  
24 between the previous trading date’s closing price and the event date’s closing price.  
25 If a press release or other information became available only after the close of trading,  
26 the next trading date was effectively the “effective news date.”

27         8. The next step involved assessment of the Company’s common share  
28 price sensitivity to market-wide and industry changes during the Settlement Class

1 Period in this matter. Simply put, this is the creation of a “market model” that  
2 quantifies the mathematical and statistical relationships between changes in the price  
3 of Braxia common shares and changes in the general stock market and/or stocks of  
4 companies whose primary business is related to that of the Company. I estimated  
5 various “market models” during the Settlement Class Period using different  
6 combinations of market and industry indices. I then compared these models’  
7 statistical properties and the extent to which they captured the effect of general market  
8 and industry forces on Braxia’s common share price. I employed a model that  
9 included daily returns on the following independent variables: (1) the Russell 3000  
10 Index; and (2) the Russell 3000 Index Pharmaceuticals Subsector.

11 9. Next, the event study involved prediction of a normal return during the  
12 event window (in the absence of the event) and estimation of the “residual” or  
13 “abnormal” return within the event window, which is defined as the difference  
14 between the actual and predicted returns. A market model such as the one that I  
15 employed in this matter is a generally accepted, widely used method to obtain  
16 estimates of abnormal returns. The approach of this methodology is to use the  
17 statistical method of linear regression to extract market-wide and industry effects from  
18 overall Company-specific effects of events, for example, the disclosure of  
19 information. I employed standard statistical tests to test for significant Company  
20 specific price changes (commonly referred to as “residuals”) on a daily basis. Finally,  
21 statistical testing is performed in order to determine whether the abnormal return is  
22 statistically different from zero.

23 10. Using the regression equation described above, I calculated daily  
24 predicted and abnormal (residual) returns for Braxia common shares during the  
25 Settlement Class Period. For the purpose of estimating plaintiff damages in this  
26 matter, I included the abnormal returns of Braxia shares associated with corrective  
27 disclosure dates identified above, namely June 22, 2020 (\$0.16 per share); and  
28 February 17, 2021 (\$0.09 per share).

1 **II. AGGREGATE DAMAGES CALCULATION BASED ON EVENT**  
2 **STUDY AND “MULTI-TRADER” MODEL**

3 11. I have been asked by Lead Counsel to express my opinion regarding the  
4 maximum total recoverable damages in this Action on an aggregate, Class-wide basis  
5 (as opposed to a per share basis).

6 12. Calculation of a gross damages figure requires the use of a trading model  
7 to estimate, *inter alia*, the number of common shares actually traded during the  
8 Settlement Class Period and, more particularly, in this case, those that traded during  
9 the following two inflationary sub-periods:

<u>Purchase Date Range</u>	<u>Estimated Artificial Inflation per Share</u>	
03/27/2020 – 06/19/2020	\$0.25	(\$0.16 + \$0.09)
06/22/2020 – 02/16/2021	\$0.09	(\$0.09)

10  
11  
12  
13  
14 13. I estimated aggregate Settlement Class Member damages on a daily basis  
15 through the use of a “multi-trader” model. The model incorporates empirical and  
16 observable data regarding ownership and trading in Braxia common shares during the  
17 Settlement Class Period and ninety (90) days thereafter,<sup>2</sup> as well as parameters derived  
18 from published research. My model allowed me to reliably estimate damages suffered  
19 by Settlement Class Members through the estimation of the number of shares  
20 purchased on each trading date as well as the disposition of those shares.

21 14. Based upon empirical evidence, I divided Settlement Class Members  
22 into two trading categories. The first category encompasses high activity traders, who  
23 accounted for 20% of non-insider ownership and account for 80% of reported trading.  
24 The second category encompasses low activity traders, who accounted for 80% of  
25

26 \_\_\_\_\_  
27 <sup>2</sup> In accordance with Sections 21(D)(e)(1) and 21(D)(e)(2) of the Private Securities  
28 Litigation Reform Act of 1995 (“PSLRA”) which set forth certain limitations on  
damages (the “PSLRA 90-Day Lookback Period”).

1 non-insider ownership and account for 20% of reported trading.<sup>3</sup> Based on these  
2 parameters, high activity traders had a relative propensity to trade of 16. That is, high  
3 activity traders were 16 times more likely to trade than low activity traders. These  
4 parameters are consistent with publicly available research in this area.

5 15. In the model, the number of shares held by potential Settlement Class  
6 Members as of the beginning of the Settlement Class Period was set equal to the  
7 number of total Braxia common shares outstanding as of the beginning of the  
8 Settlement Class Period less shares owned by Company insiders at that point in time.  
9 I made adjustments to this initial figure, commonly referred to as the “float”, on a  
10 daily basis for potential additions/subtractions. These adjustments were due to  
11 issuances of additional shares pursuant to secondary offerings and business  
12 acquisitions, insider trading activity, changes in the short interest position, warrant  
13 exercises and repurchases made by Braxia.

14 16. Braxia common stock traded both in Canada (Canadian Securities  
15 Exchange (“CSE”)) and in the United States (Over-the-Counter (“OTC”). For  
16 purposes of estimating damages to Settlement Class Members only, I made the  
17 simplifying assumption that the percent of float held in the United States was equal  
18 to approximately 46% of the total. This was the same percentage as reported OTC  
19 trading volume compared to combined OTC and CSE reported trading volume during  
20 the Settlement Class Period.

21  
22  
23  
24  
25 <sup>3</sup> As is also customary in this type of model, I excluded estimated trading volume  
26 executed by a third category of traders, commonly known as high-frequency traders,  
27 (or day-traders). Intra-day matched purchase and sale transactions would generally  
28 not result in a Recognized Loss under a Plan of Allocation such as the one in this  
matter.

1 17. Using the above-detailed method, my analysis in this matter indicates  
2 that the total amount of damages shares is 53,716,176<sup>4</sup> and the estimated damages  
3 under §10(b) are \$7,926,522.

4 **III. SUMMARY AND CONCLUSION**

5 18. Based on my analysis of the issues, including the quantification of  
6 damages in this matter, it is my opinion that the maximum aggregate amount of  
7 damages potentially available in this Action equal \$7,926,522.

8 I declare under penalty of perjury under the laws of the United States of  
9 America that the foregoing is true and correct. Executed this 26th day of August  
10 2022, at Newtown, Pennsylvania.

11  
12 

13 

---

Michael A. Marek

14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25 <sup>4</sup> This is comprised of: (1) 32,245,111 shares estimated as purchased during the  
26 Settlement Class Period and still held as of the end of the PSLRA 90-Day Lookback  
27 Period (“Retained Shares”); plus (2) 21,471,065 shares purchased and sold at a  
28 Recognized Loss between the two Settlement Class sub-periods described above or  
during the PSLRA 90-Day Lookback Period.

# **Exhibit A**

**MICHAEL A. MAREK, CFA**

100 North State Street

Newtown, PA 18940

Phone: (215) 968-4142

Fax: (215) 968-4183

e-mail: [mmarek@fmavalue.com](mailto:mmarek@fmavalue.com)

**Professional Experience**

- 05/01 – Present      **Financial Markets Analysis, LLC**      Princeton, NJ / Newtown, PA  
12/97 - 04/01      **Triumph Partners, LLC**      Princeton, NJ
- Founding Member  
Provide financial analysis, valuation services and expert litigation support and testimony. Areas of concentration include valuation of securities and businesses, securities law and economic issues. Testimonial experience in securities class action litigation. Clients include corporations, government agencies (SEC), law firms, institutional and individual investors.
- 10/86 - 12/97      **Princeton Venture Research, Inc.**      Princeton, NJ
- Vice President  
Performed securities valuation and financial analysis in connection with investment banking, venture capital and securities law expert consulting operations. Prepared company and industry research reports, valuations and fairness opinions. Responsible for project management and supervision of financial analysts and research personnel.
- 05/85 - 06/86      **Sage Data, Inc.**      Princeton, NJ
- Research Analyst  
Developed and maintained econometric models and business forecasting systems for Fortune 500 clients. Created, produced and instructed customized PC hardware and software application seminars.

**Education**

- 1984      **Wharton School of Finance, University of Pennsylvania**  
B.S. Economics  
Double Major: Finance / Decision Sciences

**Professional Designations and Affiliations**

- Chartered Financial Analyst (CFA)  
Member, New York Society of Security Analysts (NYSSA)  
Member, CFA Institute

## EXHIBIT 2

<p><i>Schneider v. Champignon Brands Inc.</i>                  c/o Strategic Claims Services                  P.O. Box 230                  600 N. Jackson St., Ste. 205                  Media, PA 19063</p> <p><b><i>COURT-ORDERED LEGAL NOTICE</i></b></p> <p><b>Important Notice about a Securities Class Action Settlement.</b></p> <p><b>You may be entitled to a CASH payment. This Notice may affect your legal rights. Please read it carefully.</b></p> <p><i>Schneider v. Champignon Brands Inc.</i>                  Case No. 2:21-cv-03120</p>	<p style="text-align: right;">[Postage Prepaid]</p> <p>Name _____                  Address _____                  City, State _____                  Zip _____</p>
---	--

***THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE SETTLEMENT. PLEASE VISIT [WWW.STRATEGICCLAIMS.NET/BRAXIA/](http://WWW.STRATEGICCLAIMS.NET/BRAXIA/) FOR MORE INFORMATION.***

There has been a proposed Settlement of claims against Champignon Brands Inc. n/k/a Braxia Scientific Corp., (“Braxia”) and certain executives of Braxia (collectively, the “Defendants”). The Settlement would resolve a lawsuit in which Plaintiff alleges that Defendants disseminated materially false and misleading information to the investing public in violation of the federal securities laws. Defendants deny any wrongdoing. You received this Postcard Notice because you or someone in your family may have purchased or acquired Braxia shares on the OTC stock market between March 27, 2020 and February 17, 2021, inclusive, and been damaged thereby.

Defendants have agreed to pay a Settlement Amount of \$1,000,000. The Settlement provides that the Settlement Fund, after deduction of any Court-approved attorneys’ fees and expenses, notice and administration costs, and taxes, is to be divided among all Settlement Class Members who submit a valid Claim Form, in exchange for the settlement of this case and the Releases by Settlement Class Members of claims related to this case. **For all details of the Settlement, read the Stipulation and full Notice, available at [www.strategicclaims.net/Braxia/](http://www.strategicclaims.net/Braxia/).**

Your share of the Settlement proceeds will depend on the number of valid Claims submitted, and the number, size and timing of your transactions in Braxia shares. If every eligible Settlement Class Member submits a valid Claim Form, the average recovery will be ~~\$0.42~~ \$0.019 per eligible share before expenses and other Court-ordered deductions. Your award will be determined *pro rata* based on the number of claims submitted. This is further explained in the detailed Notice found on the Settlement website.

**To qualify for payment, you must submit a Claim Form.** The Claim Form can be found on the website or will be mailed to you upon request to the Claims Administrator (866-274-4404). **Claim Forms must be postmarked by \_\_\_\_\_.** If you do not want to be legally bound by the Settlement, you must exclude yourself by \_\_\_\_\_, or you will not be able to sue Defendants about the legal claims in this case. If you exclude yourself, you cannot get money from this Settlement. If you want to object to the Settlement, you may file an objection by \_\_\_\_\_. The detailed Notice explains how to submit a Claim Form, exclude yourself or object.

The Court will hold a hearing in this case on \_\_\_\_\_, to consider whether to approve the Settlement and a request by the lawyers representing the Settlement Class for up to 33⅓% of the Settlement Fund in attorneys’ fees, plus actual expenses up to \$25,000 for litigating the case and negotiating the Settlement, which may include an application for reimbursement of Plaintiff’s costs and expenses related to his representation of the Settlement Class. You may attend the hearing and ask to be heard by the Court, but you do not have to. For more information, call toll-free (866-274-4404) or visit the website [www.strategicclaims.net/Braxia/](http://www.strategicclaims.net/Braxia/) and read the detailed Notice.

# EXHIBIT 3

**Exhibit A-1**

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

JEFFREY N. SCHNEIDER,  
Individually and On Behalf of All  
Others Similarly Situated,

Plaintiff,

v.

CHAMPIGNON BRANDS INC.,  
GARETH BIRDSALL, and  
MATTHEW FISH,

Defendants.

Case No. 2:21-cv-03120-JVS-KES

Honorable James V. Selna

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

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

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”) pending in the United States District Court for the Central District of California (the “Court”), if, during the period between March 27, 2020 and February 17, 2021, inclusive (the “Settlement Class Period”), you purchased or acquired Braxia shares on the OTC stock market and were damaged thereby.<sup>1</sup>

**NOTICE OF SETTLEMENT:** Please also be advised that the Court-appointed Lead Plaintiff, Michael G. Quinn (“Lead Plaintiff”), on behalf of himself and the Settlement Class (as defined in ¶ 22 below), have reached a proposed settlement of the Action for \$1,000,000 in cash that, if approved, will resolve all claims in the

---

<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated April 6, 2022 (the “Stipulation”), which is available at [www.strategicclaims.net/Braxia/](http://www.strategicclaims.net/Braxia/).

Action (the “Settlement”).

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

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact Braxia, any other Defendants in the Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 81 below).**

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that defendants Champignon Brands Inc. n/k/a Braxia Scientific Corp., (“Braxia”), Gareth Birdsall (“Birdsall”), Roger McIntyre (“McIntyre”), Stephen Brohman (“Brohman”), and Matthew Fish (“Fish”) (collectively, the “Defendants”)<sup>2</sup> violated the federal securities laws by making false and misleading statements regarding Braxia. A more detailed description of the Action is set forth in paragraphs 11-21 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in paragraph 22 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of himself and the Settlement Class, has agreed to settle the Action in exchange for a settlement payment of \$1,000,000 in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, and (d) any attorneys’ fees awarded by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth on pages \_\_ - \_\_ below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff’s damages expert’s estimates of the number of Braxia shares purchased on the OTC stock market during the Settlement Class Period that may have been affected by the conduct at issue in the Action and assuming that all Settlement

---

<sup>2</sup> Defendants Birdsall, McIntyre, Brohman, and Fish are collectively referred to herein as the “Individual Defendants.”

Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs as described herein) per eligible share is \$0.~~12~~019. Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, the number of Braxia shares purchased, when and at what prices they purchased/acquired or sold their Braxia shares, and the total number of valid Claim Forms submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* pages \_\_ - \_\_ below) or such other plan of allocation as may be ordered by the Court.

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

5. **Attorneys' Fees and Expenses Sought:** Plaintiff's Counsel, which have been prosecuting the Action on a wholly contingent basis since its inception in 2021, have not received any payment of attorneys' fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Lead Counsel, Glancy Prongay & Murray LLP, will apply to the Court for an award of attorneys' fees for all Plaintiff's Counsel in an amount not to exceed 33 $\frac{1}{3}$ % of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$25,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to his representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. Estimates of the average cost per affected share of Braxia stock, if the Court approves Lead Counsel's fee and expense application, is \$0.~~04~~007 per eligible share.

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

7. **Reasons for the Settlement:** Lead Plaintiff's principal reason for entering

into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a trial of the Action and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM ONLINE OR POSTMARKED NO LATER THAN _____, 2022.</b>	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiff's Claims (defined in ¶ 31 below) that you have against Defendants and the other Defendants' Releasees (defined in ¶ 32 below), so it is in your interest to submit a Claim Form.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN _____, 2022.</b>	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants' Releasees concerning the Released Plaintiff's Claims.

<p><b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN _____, 2022.</b></p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.</p>
<p><b>GO TO A HEARING ON _____, 2022 AT ____:____.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN _____, 2022.</b></p>	<p>Filing a written objection and notice of intention to appear by _____, 2022 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys’ fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.</p>
<p><b>DO NOTHING.</b></p>	<p>If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

**WHAT THIS NOTICE CONTAINS**

Why Did I Get The Postcard Notice? ..... Page [ ]

What Is This Case About? ..... Page [ ]

How Do I Know If I Am Affected By The Settlement? Who Is Included  
     In The Settlement Class? ..... Page [ ]

What Are Lead Plaintiff’s Reasons For The Settlement? ..... Page [ ]

What Might Happen If There Were No Settlement? ..... Page [ ]

How Are Settlement Class Members Affected By The Action And  
     The Settlement? ..... Page [ ]

How Do I Participate In The Settlement? What Do I Need To Do? . . . . .Page [ ]  
How Much Will My Payment Be? . . . . .Page [ ]  
What Payment Are The Attorneys For The Settlement Class Seeking?  
    How Will The Lawyers Be Paid? . . . . . Page [ ]  
What If I Do Not Want To Be A Member Of The Settlement Class?  
    How Do I Exclude Myself? . . . . . Page [ ]  
When And Where Will The Court Decide Whether To Approve The Settlement?  
    Do I Have To Come To The Hearing? May I Speak At The Hearing If I  
    Don't Like The Settlement? . . . . . Page [ ]  
What If I Bought Shares On Someone Else's Behalf? . . . . .Page [ ]  
Can I See The Court File? Whom Should I Contact If I Have Questions? . .Page [ ]

**WHY DID I GET THE POSTCARD NOTICE?**

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

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). See paragraph 72 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide

whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

### WHAT IS THIS CASE ABOUT?

11. On April 10, 2021, a class action complaint was filed in the United States District Court for the Central District of California (the “Court”), styled *Schneider v. Champignon Brands, Inc., et al.*, Case No. 2:21-cv-03120.

12. On June 9, 2021, a number of movants applied for appointment as lead plaintiff pursuant to the Private Securities Litigation Reform Act (the “PSLRA”), including Kenneth Kessler, Michael G. Quinn, and Tim Ryan. On June 21, 2021, Tim Ryan filed a statement of non-opposition to the appointment of Mr. Kessler or Mr. Quinn. Messrs. Kessler and Quinn each filed oppositions on June 21, 2021 and replies on June 28, 2021.

13. By Order dated June 29, 2021, the appointed Michael G. Quinn as Lead Plaintiff for the action; and approved Lead Plaintiff’s selection of Glancy Prongay & Murray LLP as Lead Counsel for the class.

14. On November 3, 2021, Lead Plaintiff filed and served the Amended Class Action Complaint for Violations of Federal Securities Laws (the “Complaint”) asserting claims against all Defendants under Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, and against the Individual Defendants under Section 20(a) of the Exchange Act. Among other things, the Complaint alleged that Defendants made materially false and misleading statements about the Company’s pending and future acquisitions. The Complaint further alleged that the prices of Braxia’s shares were artificially inflated as a result of Defendants’ allegedly false and misleading statements, and declined when the truth was revealed.

15. On December 20, 2021, Defendants moved to dismiss the Complaint and requested judicial notice of 29 exhibits.

16. Beginning in January 2022, while Lead Plaintiff was researching and preparing his opposition to Defendants’ motion to dismiss, the Parties began exploring to possibility of resolving this Action. Discussions included numerous telephone calls and emails exchanged amongst the Parties.

17. On January 14, 2022, the Parties entered a joint stipulation extending Lead Plaintiff’s deadline to respond to Defendants’ motion to dismiss for thirty (30) days and informed the Court that the Parties had begun earnest settlement

discussions through their respective counsel and, based on those discussions, Lead Plaintiff served a confidential settlement demand on Defendants on January 13, 2022. The Court granted the Parties request for an extension on January 18, 2022.

18. On February 18, 2022, the Parties notified the Court of an agreement in principle to settle the Action and were working to memorialize their agreement. The Parties then conducted further discussions which culminated in a memorialization of the material terms of the Settlement in a term sheet (the “Term Sheet”) executed on February 25, 2022. The Term Sheet sets forth, among other things, the Parties’ agreement to settle and release all claims asserted against Defendants in the Action in return for a cash payment by or on behalf of Defendants of \$1,000,000 for the benefit of the Settlement Class, subject to certain terms and conditions and the execution of a customary “long form” stipulation and agreement of settlement and related papers

19. Based on the investigation and prosecution of the case and Lead Plaintiff’s direct oversight of the prosecution of this matter and with the advice of his counsel, Lead Plaintiff has agreed to settle and release the claims raised in the Action pursuant to the terms and provisions of the Stipulation, after considering, among other things, (a) the substantial financial benefit that Lead Plaintiff and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

20. Defendants are entering into the Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Defendants denies any wrongdoing, and the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Defendants’ Releasees (defined in ¶ 32 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of Lead Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants’ defenses to liability had any merit.

21. On \_\_\_\_\_, 2022, the Court preliminarily approved the Settlement, authorized the Postcard Notice to be emailed or mailed to potential Settlement Class Members and this Notice to be posted online and mailed to potential Settlement Class Members upon request, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

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

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

all persons and entities that purchased or acquired Braxia shares on the OTC stock market between March 27, 2020 and February 17, 2021, inclusive (the “Settlement Class Period”) and were damaged thereby.

Excluded from the Settlement Class are (a) persons who suffered no compensable losses; and (b) (i) Defendants; (ii) the legal representatives, heirs, successors, assigns, and members of the immediate families of the Individual Defendants; (iii) the parents, subsidiaries, assigns, successors, predecessors and affiliates of Braxia; (iv) any person who served as an Officer and/or director of Braxia during the Settlement Class Period; (v) any entity in which any of the foregoing (i)-(iv) excluded persons have or had a majority ownership interest during the Settlement Class Period; (c) any trust of which any Individual Defendant is the grantor or settlor or which is for the benefit of any Individual Defendant and/or member(s) of his or her immediate family; and (d) Defendants’ liability insurance carriers. Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself,” on page [ ] below.

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

**If you are a Settlement Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Claim Form that is available online at [www.strategicclaims.net/Braxia/](http://www.strategicclaims.net/Braxia/) or which can be mailed to you upon request to the Claims Administrator, and the required supporting documentation as set forth therein, submitted online or postmarked no later than \_\_\_\_\_, 2022.**

**WHAT ARE LEAD PLAINTIFF’S REASONS FOR THE SETTLEMENT?**

23. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the remaining Defendants through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. Even if the hurdles to establishing liability were overcome, the amount of damages available for recovery would be hotly contested. Lead Plaintiff would have to prevail at several stages – motions for summary judgment, trial, and if he prevailed on those, on the appeals that were likely to follow. Thus, there were very significant risks attendant to the continued prosecution of the Action.

24. In light of these risks, the amount of the Settlement and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$1,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future.

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

#### **WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

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

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

27. As a Settlement Class Member, you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice

at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” on page \_\_\_ below.

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

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

30. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and their respective successors or assigns, in their capacities as such, will have fully, finally and forever waived, released, discharged, and dismissed each and every Released Plaintiff’s Claim (as defined in ¶ 31 below) against the Defendants and the other Defendants’ Releasees (as defined in ¶ 32 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiff’s Claims against any of the Defendants’ Releasees.

31. “Released Plaintiff’s Claims” means any and all claims, debts, duties, losses, actions, suits, demands, controversies, rights, liabilities, obligations, judgments, damages, costs, restitution, rescission, interest, attorneys’ fees, expert or consulting fees, expenses, matters, arguments, causes of action, and issues whatsoever, whether known claims or Unknown Claims, asserted or unasserted, accrued or unaccrued, liquidated or unliquidated, whether arising under federal, state, local, statutory, common foreign or administrative law or any other law, rule or regulation, whether fixed or contingent, at law or in equity, whether in the nature of class, individual, representative, or in other capacity, that Lead Plaintiff or any other member of the Settlement Class: (i) asserted in the Complaint; or (ii) could

have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and that relate to the purchase, acquisition, or sale of Braxia shares that traded on the OTC Market during the Settlement Class Period. Released Plaintiff's Claims do not include: (i) any claims relating to the enforcement of the Settlement or its terms; (ii) any claims related to the purchase, acquisition or sale of Braxia stock on the Canadian Stock Exchange or any other exchange besides the OTC Market; or (iii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

32. "Defendants' Releasees" means Defendants and their current and former officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, and attorneys, in their capacities as such.

33. "Unknown Claims" means any Released Plaintiff's Claims which Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants' Claims which any Defendant or any other Defendants' Releasee does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiff and Defendants shall expressly waive, and each of the other Settlement Class Members and each of the other Defendants' Releasees shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

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

34. Lead Plaintiff and Defendants acknowledge, and each of the other Settlement Class Members and each of the other Defendants' Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

35. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their successors or assigns, in

their capacities as such, will have fully, finally and forever waived, released, discharged, and dismissed each and every Released Defendants' Claim (as defined in ¶ 36 below) against Lead Plaintiff and the other Plaintiff's Releasees (as defined in ¶ 37 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Plaintiff's Releasees.

36. "Released Defendants' Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against Defendants. Released Defendants' Claims do not include any claims relating to the enforcement of the Term Sheet or the Settlement or any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

37. "Plaintiff's Releasees" means Lead Plaintiff, all other plaintiffs in the Action, and any other Settlement Class Member, and their respective current and former officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, and attorneys, in their capacities as such.

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

38. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **submitted online or postmarked no later than \_\_\_\_\_, 2022**. A Claim Form is available on the website maintained by the Claims Administrator for the Settlement, [www.strategicclaims.net/Braxia/](http://www.strategicclaims.net/Braxia/), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-866-274-4004. Please retain all records of your ownership of and transactions in Braxia shares traded on the OTC stock market, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

### **HOW MUCH WILL MY PAYMENT BE?**

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

40. Pursuant to the Settlement, Defendants have agreed to pay or caused to be

paid one million dollars (\$1,000,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

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

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

43. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

44. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form online or postmarked on or before \_\_\_\_\_, 2022 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiff’s Claims (as defined in ¶ 31 above) against the Defendants’ Releasees (as defined in ¶ 32 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiff’s Claims against any of the Defendants’ Releasees whether or not such Settlement Class Member submits a Claim Form.

45. Participants in and beneficiaries of a plan covered by ERISA (“ERISA

Plan”) should NOT include any information relating to their transactions in Braxia shares held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan’s purchases or acquisitions of Braxia shares traded on the OTC stock market during the Settlement Class Period may be made by the plan’s trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the ERISA Plan.

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

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

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

#### **PROPOSED PLAN OF ALLOCATION**

49. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

50. The Plan of Allocation generally measures the amount of loss that a Settlement Class Member can claim for purposes of making *pro rata* allocations of the cash in the Net Settlement Fund to Authorized Claimants. The Plan of

Allocation is not a formal damage analysis. Recognized Loss Amounts are based primarily on the price declines observed over the period which Lead Plaintiff alleges corrective information was entering the market place. In this case, Lead Plaintiff alleges that Defendants made false statements and omitted material facts between March 27, 2020 through and including February 17, 2021, which had the effect of artificially inflating the prices of Braxia shares traded on the OTC stock market.

51. In order to have recoverable damages, disclosure of the alleged misrepresentations must be the cause of the decline in the price of the Braxia shares traded on the OTC stock market. Alleged corrective disclosures that removed the artificial inflation from the price of the Braxia shares traded on the OTC stock market occurred on June 22, 2020 and February 17, 2021. Accordingly, in order to have a Recognized Loss Amount:

**THE BASIS FOR CALCULATING YOUR RECOGNIZED LOSS:**

**Recognized Loss for the Company's Common Stock Purchased During the Settlement Class Period will be calculated as follows:**

- (A) For shares purchased during the Settlement Class Period and sold during the Settlement Class Period, the Recognized Loss per share will be the *lesser* of: (1) the inflation per share upon purchase (as set forth in Inflation Table A below) less the inflation per share upon sale (as set forth in Inflation Table A below); or (2) the purchase price per share minus the sales price per share.
- (B) For shares purchased during the Settlement Class Period and sold during the period February 18, 2021 through May 18, 2021, inclusive, the Recognized Loss will be the *lesser* of: (1) the inflation per share upon purchase (as set forth in Inflation Table A below); or (2) the difference between the purchase price per share and the average closing price per share as of date of sale provided in Table B below.
- (C) For shares purchased during the Settlement Class Period and retained as of the close of trading on May 18 2021 the Recognized Loss will be the *lesser* of: (1) the inflation per share upon purchase

(as set forth in Inflation Table A below); or (2) the purchase price per share minus the 90-day lookback price of \$.42<sup>3</sup> per share.

<b>INFLATION TABLE A</b>	
Common Stock Purchased During the Settlement Class Period	
<b>Period</b>	<b>Inflation</b>
March 27, 2020 to June 21, 2020, inclusive	\$.25 per share
June 22, 2020 to February 16, 2021, inclusive	\$.09 per share
February 17, 2021	\$.00 per share

---

<sup>3</sup> 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 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.” \$.42 per share was the mean (average) daily closing trading price of the Company’s common stock during the 90-day period beginning on February 18, 2021 through and including May 18, 2021.

		<u>Average</u>			Average
<u>Date</u>	<u>Closing Price</u>	<u>Closing Price</u>		<u>Date</u>	<u>Closing Price</u>
2/18/2021	\$0.66	\$0.66		4/6/2021	\$0.35
2/19/2021	\$0.64	\$0.65		4/7/2021	\$0.34
2/22/2021	\$0.63	\$0.64		4/8/2021	\$0.34
2/23/2021	\$0.58	\$0.62		4/9/2021	\$0.34
2/24/2021	\$0.59	\$0.62		4/12/2021	\$0.35
2/25/2021	\$0.52	\$0.60		4/13/2021	\$0.34
2/26/2021	\$0.52	\$0.59		4/14/2021	\$0.32
3/1/2021	\$0.57	\$0.59		4/15/2021	\$0.31
3/2/2021	\$0.55	\$0.58		4/16/2021	\$0.33
3/3/2021	\$0.55	\$0.58		4/19/2021	\$0.32
3/4/2021	\$0.46	\$0.57		4/20/2021	\$0.28
3/5/2021	\$0.46	\$0.56		4/21/2021	\$0.29
3/8/2021	\$0.44	\$0.55		4/22/2021	\$0.29
3/9/2021	\$0.47	\$0.54		4/23/2021	\$0.51
3/10/2021	\$0.46	\$0.54		4/26/2021	\$0.60
3/11/2021	\$0.47	\$0.53		4/27/2021	\$0.55
3/12/2021	\$0.48	\$0.53		4/28/2021	\$0.49
3/15/2021	\$0.50	\$0.53		4/29/2021	\$0.48
3/16/2021	\$0.49	\$0.53		4/30/2021	\$0.47
3/17/2021	\$0.46	\$0.52		5/3/2021	\$0.45
3/18/2021	\$0.43	\$0.52		5/4/2021	\$0.41
3/19/2021	\$0.43	\$0.52		5/5/2021	\$0.40
3/22/2021	\$0.40	\$0.51		5/6/2021	\$0.40
3/23/2021	\$0.37	\$0.50		5/7/2021	\$0.39
3/24/2021	\$0.41	\$0.50		5/10/2021	\$0.38
3/25/2021	\$0.37	\$0.50		5/11/2021	\$0.36
3/26/2021	\$0.37	\$0.49		5/12/2021	\$0.33
3/29/2021	\$0.37	\$0.49		5/13/2021	\$0.32
3/30/2021	\$0.34	\$0.48		5/14/2021	\$0.30
3/31/2021	\$0.38	\$0.48		5/17/2021	\$0.29
4/1/2021	\$0.37	\$0.47		5/18/2021	\$0.32
4/5/2021	\$0.38	\$0.47			

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

53. Based on the formula set forth below, a “Recognized Loss Amount” shall be calculated for each purchase or acquisition of Braxia shares traded on the OTC stock market during the Settlement Class Period that is listed in the Claim Form

and for which adequate documentation is provided. In the calculations below, if a Recognized Loss Amount calculates to a negative number, that Recognized Loss Amount shall be zero.

### **ADDITIONAL PROVISIONS**

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

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

56. A Claimant’s “Recognized Claim” under the Plan of Allocation shall be the sum of his, her or its Recognized Loss Amounts for all Braxia shares.

57. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which shall be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant.

58. Purchases or acquisitions and sales of Braxia shares shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of Braxia shares during the Settlement Class Period shall not be deemed a purchase, acquisition or sale of Braxia shares for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any Braxia shares unless (i) the donor or decedent purchased or otherwise acquired such Braxia shares during the Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Braxia shares ; and (iii) it is specifically so provided in the instrument of gift or assignment.

59. The date of covering a “short sale” is deemed to be the date of purchase or

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

60. Option contracts are not securities eligible to participate in the Settlement. With respect to Braxia shares purchased or sold through the exercise of an option, the purchase/sale date of the Braxia shares is the exercise date of the option and the purchase/sale price of the Braxia shares is the exercise price of the option.

61. To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in Braxia shares during the Settlement Class Period, the value of the Claimant’s Recognized Claim shall be zero. Such Claimants shall in any event be bound by the Settlement. To the extent that a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in Braxia shares during the Settlement Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant’s Recognized Claim shall be limited to the amount of the actual market loss.

62. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions in Braxia shares during the Settlement Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount<sup>4</sup> and (ii) the sum of the Total Sales Proceeds<sup>5</sup> and Total Holding Value.<sup>6</sup> This difference shall be deemed a Claimant’s market gain or loss with respect to his, her, or its overall transactions in Braxia shares during the Settlement Class Period.

---

<sup>4</sup> The “Total Purchase Amount” is the total amount the Claimant paid (excluding commissions and other charges) for all Braxia shares purchased or acquired during the Settlement Class Period.

<sup>5</sup> The Claims Administrator shall match any sales of Braxia shares during the Settlement Class Period, first against the Claimant’s opening position in the like security (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of Braxia shares sold during the Settlement Class Period shall be the “Total Sales Proceeds.”

<sup>6</sup> The Claims Administrator shall ascribe a holding value to Braxia shares purchased or acquired during the Settlement Class Period and still held as of the close of trading on February 17, 2021, which shall be \$0.69 per share. The total calculated holding values for all Braxia shares shall be the Claimant’s “Total Holding Value.”

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

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

65. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiff after consultation with his damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, [www.strategicclaims.net/Braxia/](http://www.strategicclaims.net/Braxia/).

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

66. Plaintiff's Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have Plaintiff's Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiff's Counsel in an amount not to exceed 33 $\frac{1}{3}$ % of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$25,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to his representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

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

67. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *Schneider v. Champignon Brands, Inc.*, EXCLUSIONS, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063. The exclusion request must be *received* no later than \_\_\_\_\_, 2022. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Class in *Schneider v. Champignon Brands, Inc.*, Case No. 2:21-cv-03120"; (c) identify and state the number of Braxia shares that the person or entity requesting exclusion purchased/acquired and/or sold on the OTC stock market during the Settlement Class Period (*i.e.*, between March 27, 2020 and February 17, 2021, inclusive), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative.

A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

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

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

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

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

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

72. The Settlement Hearing will be held on \_\_\_\_\_, 2022 at \_\_:\_\_.m., before the Honorable James V. Selna at the United States District Court for the Central District of California, United States Courthouse, Courtroom 10C, 411 West 4th Street, Room 1053, Santa Ana, CA 92701. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

73. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Central District of California at

the address set forth below on or before \_\_\_\_\_, 2022. You must also serve the papers on Lead Counsel and on Defendants' Counsel at the addresses set forth below so that the papers are *received on or before* \_\_\_\_\_, 2022.

<u>Clerk's Office</u>	<u>Lead Counsel</u>	<u>Defendants' Counsel</u>
United States District Court Central District of California Clerk of the Court United States Courthouse 411 West 4th Street, Room 1053 Santa Ana, CA 92701	<b>Glancy Prongay &amp; Murray LLP</b> Casey Sadler, Esq. 1925 Century Park East, Suite 2100 Los Angeles, CA 90067	<b>Katten Muchin &amp; Rosenman LLP</b> Bruce G. Vanyo Jonathan A. Rotenberg Caroline Sabatier 50 Rockefeller Plaza New York, NY 10020

74. Any objection: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the number of Braxia shares that the objecting Settlement Class Member purchased/acquired and/or sold on the OTC stock market during the Settlement Class Period (*i.e.*, between March 27, 2020 and February 17, 2021, inclusive), as well as the dates and prices of each such purchase/acquisition and sale. You may not object to the Settlement, the Plan of Allocation or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

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

76. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth above so that it is *received on or before* \_\_\_\_\_, 2022. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice

of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

77. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 73 above so that the notice is **received on or \_\_\_\_\_, 2022.**

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

**79. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

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

80. If you purchased or acquired Braxia shares traded on the OTC stock market between March 27, 2020 and February 17, 2021, inclusive, for the beneficial interest of persons or organizations other than yourself, you must within seven (7) calendar days of receipt of the notice, either: (a) request from the Claims Administrator sufficient copies of the Postcard Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Postcard Notices forward them to all such beneficial owners; or (b) request links to the webpage hosting the Notice and Claim Form and email that link(s) to each beneficial owner for whom you are a nominee or custodian within seven (7) calendar days of receipt thereof; or (c) provide a list of the names and addresses of all such beneficial owners to *Schneider v. Champignon Brands Inc.*, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063. If you choose the third option, the Claims Administrator will send a copy of the Postcard Notice to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought, up to a

maximum of \$0.03\_ per name and address provided to the Claims Administrator; mailing of Postcard Notice up to \$0.03 per unit, plus postage at the rate used by the Claims Administrator; or emailing of notice up to \$0.03 per email. Any dispute concerning the reasonableness of reimbursement costs shall be resolved by the Court. Copies of this Notice and the Claim Form may be obtained from the website maintained by the Claims Administrator, [www.strategicclaims.net/Braxia/](http://www.strategicclaims.net/Braxia/), or by calling the Claims Administrator toll-free at 1-866-274-4004.

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

81. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the United States District Court for the Central District of California, Office of the Clerk, United States Courthouse, 411 West 4th Street, Room 1053, Santa Ana, CA 92701. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.strategicclaims.net/Braxia/](http://www.strategicclaims.net/Braxia/).

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

*Schneider v. Champignon Brands* and/or  
*Inc.*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson St., Ste. 205  
Media, PA 19063  
Tel.: 866-274-4004  
Fax: 610-565-7985  
[info@strategicclaims.net](mailto:info@strategicclaims.net)

Casey Sadler, Esq.  
GLANCY PRONGAY &  
MURRAY LLP  
1925 Century Park East, Suite 2100  
Los Angeles, CA 90067  
(888) 773-9224  
[settlements@glancylaw.com](mailto:settlements@glancylaw.com)

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

Dated: \_\_\_\_\_, 2022

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