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13 UNITED STATES DISTRICT COURT

14 DISTRICT OF ARIZONA

15
16 TEAMSTERS LOCAL 617 PENSION)
AND WELFARE FUNDS, on behalf of)
17 itself and all other similarly situated,)

18 Plaintiff,)

19 vs.)

20 APOLLO GROUP, INC., et al.,)

21 Defendants.)

No. 2:06-cv-02674-DLR

CLASS ACTION

STIPULATION OF SETTLEMENT

1 This Stipulation of Settlement dated as of January 12, 2015 (this “Stipulation”), is
2 made and entered into by and among the following Settling Parties to the above-entitled
3 litigation (the “Litigation”): (i) the Lead Plaintiff Pension Trust Fund for Operating
4 Engineers (on behalf of itself and each of the Settlement Class Members) (“Lead
5 Plaintiff”), by and through its counsel of record in the Litigation; and (ii) Defendants
6 Apollo Education Group, Inc., formerly known as Apollo Group, Inc. (“Apollo”), Terri
7 Bishop, Darby Shupp, and Peter V. Sperling, in their capacity as personal representatives
8 of John G. Sperling (collectively, “Personal Representatives”), Todd S. Nelson, Kenda B.
9 Gonzales, Daniel E. Bachus, John Blair, John R. Norton III, Hedy Govenar, Brian E.
10 Mueller, Dino J. Deconcini, Peter V. Sperling, in his individual capacity, and Laura
11 Palmer Noone (collectively, “Defendants”), by and through their counsel of record in the
12 Litigation. This Stipulation is intended by the Settling Parties to fully, finally, and
13 forever resolve, discharge, and settle the Litigation and Released Claims, as defined
14 herein, upon and subject to the approval of the Court and the terms and conditions set
15 forth in this Stipulation.

16 **I. THE LITIGATION**

17 On November 2, 2006, a class action complaint alleging violations of the
18 Securities Exchange Act of 1934 on behalf of persons who purchased or otherwise
19 acquired Apollo securities during the period between November 28, 2001 and October
20 18, 2006 was filed in the United States District Court for the District of Arizona (the
21 “Court”).

22 On September 11, 2007, pursuant to the Private Securities Litigation Reform Act
23 of 1995 (“PLSRA”), 15 U.S.C. §78u-4(a)(3)(B), the Court issued an Order appointing the
24 Pension Trust Fund for Operating Engineers as Lead Plaintiff and appointing Robbins
25 Geller Rudman & Dowd LLP as Lead Counsel. Dkt. No. 66. Pursuant to the parties’
26 agreement, Lead Plaintiff’s First Amended Complaint (the “FAC”) was filed on
27 November 23, 2007. Dkt. No. 71.

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1 Thereafter, on January 22, 2008, Defendants filed their motions to dismiss the
2 FAC. Lead Plaintiff filed its oppositions to the motions to dismiss on March 24, 2008,
3 and Defendants filed their replies on April 28, 2008. On March 31, 2009, the Court
4 issued an Order granting in part, and denying in part Defendants' motions to dismiss, and
5 granting Lead Plaintiff leave to amend. Dkt. No. 105.

6 On April 30, 2009, Lead Plaintiff filed the Second Amended Complaint (the
7 "SAC"). Defendants filed their motions to dismiss the SAC on June 15, 2009. Lead
8 Plaintiff filed its oppositions to the motions to dismiss on August 3, 2009, and
9 Defendants filed their replies on August 24, 2009. On March 31, 2011, the Court issued
10 an Order granting Defendants' motions to dismiss with prejudice and without leave to
11 amend, and directing the entry of judgment in Defendants' favor. Dkt. No. 144. Among
12 other things, the Court found that the SAC: (i) had not sufficiently alleged that
13 Defendants engaged in backdating of stock options; and (ii) did not allege with
14 particularity that any of the statements contained in the SAC were false or misleading.
15 *Id.*

16 On April 28, 2011, Lead Plaintiff filed a Motion to Alter or Amend Judgment.
17 Dkt. No. 146. On March 30, 2012, the Court issued an Order denying Lead Plaintiff's
18 Motion to Alter or Amend Judgment. Dkt. No. 151.

19 On April 27, 2012, Lead Plaintiff timely filed a Notice of Appeal to the United
20 States Court of Appeals for the Ninth Circuit (the "Ninth Circuit"). Dkt. No. 152. After
21 the filing of the Notice of Appeal, the parties participated in numerous telephonic
22 conferences with the Ninth Circuit mediator, resulting in extensions of time for briefing
23 Lead Plaintiff's appeal, as well as an agreement by the parties to participate in mediation.
24 On April 17, 2013, the parties attended a full-day mediation with the Honorable William
25 J. Cahill (Ret.), however, no agreement to resolve the Litigation was reached at that time.
26 The parties continued thereafter to engage in settlement discussions with Judge Cahill.

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1 On December 10, 2013, Lead Plaintiff filed its Opening Appellants' Brief with the
2 Ninth Circuit. On March 3, 2014, Defendants filed their Answering Brief with the Ninth
3 Circuit. Thereafter, Judge Cahill made a mediator's proposal, which was separately
4 accepted by the parties, resulting in an agreement to settle the Litigation as reflected in
5 this Stipulation. On September 26, 2014, the parties filed a joint motion requesting that
6 the Ninth Circuit enter an order remanding the action to the Court for the purpose of
7 considering the settlement contemplated by this Stipulation (the "Settlement"). On
8 September 30, 2014, the Ninth Circuit entered an order denying the motion for limited
9 remand without prejudice to a renewed motion that demonstrates the Court has indicated
10 its willingness to consider the proposed Settlement. The Settling Parties then completed
11 their negotiations of and executed this Stipulation in order that it may be provided to the
12 Court along with a joint motion for an indicative ruling under Fed. R. Civ. P. 62.1(a)(3)
13 regarding the Court's willingness to entertain motions for approval of the Settlement.
14 Subject to the Court's ruling thereon and the grant of a limited remand of the action by
15 the Ninth Circuit, Lead Plaintiff will thereafter file with the Court a motion for
16 preliminary approval of the Settlement.

17 **II. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

18 Defendants have denied and continue to deny each and all of the claims and
19 contentions alleged in the Litigation. Defendants have expressly denied and continue to
20 deny all allegations of wrongdoing or liability against them arising out of any of the
21 conduct, statements, acts, or omissions alleged, or that could have been alleged, in the
22 Litigation. Defendants also have denied and continue to deny, *inter alia*, the allegations
23 that Lead Plaintiff or the Settlement Class suffered any damage, that the prices of Apollo
24 Securities were artificially affected as a result of any purported misrepresentation,
25 omission, or other asserted wrongdoing or that Lead Plaintiff or the Settlement Class
26 were harmed in any way by any of the Defendants or by the conduct alleged in the
27 Litigation. Defendants believe that the facts and law support their position that they
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1 acted properly at all times, that the Litigation is without merit, and that the Court
2 correctly dismissed the SAC with prejudice and denied Lead Plaintiff's motion to amend
3 or alter the judgment for Defendants.

4 Nonetheless, Defendants and their counsel have concluded that it is desirable that
5 the Litigation be fully and finally settled in the manner and upon the terms and conditions
6 set forth in this Stipulation. Defendants and their counsel have taken into account the
7 uncertainty and risks inherent in any litigation, especially in complex cases like the
8 Litigation, including the risks presented by Lead Plaintiff's appeal, the potential risks and
9 expense of further proceedings, and the expense and likely protracted nature of continued
10 conduct of the Litigation should Lead Plaintiff's claims be reinstated following the
11 conclusion of appellate review. Defendants and their counsel have, therefore, determined
12 that it is desirable and beneficial to Defendants that the Litigation be settled in the
13 manner and upon the terms and conditions set forth in this Stipulation.

14 **III. CLAIMS OF LEAD PLAINTIFF AND BENEFITS OF**
15 **SETTLEMENT**

16 The Lead Plaintiff believes that the claims asserted in the Litigation have merit.
17 However, Lead Plaintiff and its counsel recognize and acknowledge the expense and
18 length of continued proceedings necessary to prosecute the Litigation against the
19 Defendants through trial and through any subsequent appeals. Lead Plaintiff and its
20 counsel also have taken into account the uncertain outcome and the risks of any litigation,
21 especially in complex actions such as the Litigation, and the difficulties and delays
22 inherent in such litigation. In particular, Lead Plaintiff and its counsel are aware of the
23 difficulties and uncertainties inherent in prevailing on their appeal of the Court's orders
24 dismissing the action with prejudice. Lead Plaintiff and its counsel also are mindful of
25 the inherent problems of proof under and possible defenses to the violations asserted in
26 the Litigation. Lead Plaintiff and its counsel believe that the Settlement set forth in this
27 Stipulation confers substantial benefits upon the Settlement Class. Based on their
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1 evaluation, Lead Plaintiff and its counsel have determined that the Settlement set forth in
2 this Stipulation is in the best interests of the Settlement Class.

3 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

4 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and
5 among Lead Plaintiff (for itself and the Settlement Class Members) and the Defendants,
6 by and through their respective counsel or attorneys of record, that, subject to the
7 approval of the Court, the Litigation and the Released Claims shall be finally and fully
8 compromised, settled and released, and the Litigation shall be dismissed with prejudice,
9 as to all Settling Parties, upon and subject to the terms and conditions of this Stipulation,
10 as follows.

11 **1. Definitions**

12 As used herein the following terms have the meanings specified below:

13 1.1 “Apollo” means Apollo Education Group, Inc., formerly known as Apollo
14 Group, Inc.

15 1.2 “Apollo Securities” means and includes Apollo Education Group Class A
16 common stock, University of Phoenix Online common stock, and any call options or put
17 options on the same. With respect to put options, references to “purchases” of Apollo
18 Securities mean writing of put options.

19 1.3 “Authorized Claimant” means any Settlement Class Member whose claim
20 for recovery has been allowed pursuant to the terms of this Stipulation.

21 1.4 “Claims Administrator” means Gilardi & Co. LLC.

22 1.5 “Complaints” means the Original Complaint in the Litigation, filed on
23 November 2, 2006, the First Amended Complaint, filed on November 23, 2007, the
24 Second Amended Complaint, filed on April 30, 2009, and the [Draft] Third Amended
25 Complaint, submitted on May 23, 2011.

26 1.6 “Court” means the United States District Court for the District of Arizona,
27 Phoenix Division.

1 1.7 “Defendants” means Apollo Education Group, Inc., formerly known as
2 Apollo Group, Inc., and the Individual Defendants.

3 1.8 “Effective Date” means the first date by which all of the events and
4 conditions specified in ¶8.1 of this Stipulation have been met and have occurred.

5 1.9 “Escrow Agent” means Robbins Geller Rudman & Dowd LLP or its
6 successor(s).

7 1.10 “Final” means the time when the Judgment approving this Stipulation,
8 substantially in the form of Exhibit B attached hereto, has not been reversed, vacated, or
9 modified in any way and is no longer subject to review on appeal, either because of
10 disposition on appeal and conclusion of all proceedings on appeal or because of the
11 passage of the time to seek appellate review without action. More specifically, Final
12 means the time when the last of the following shall have occurred with respect to the
13 Judgment: (i) the expiration of the time to file a motion to alter or amend the Judgment
14 under Federal Rule of Civil Procedure 59(e) has passed without any such motion having
15 been filed; (ii) the expiration of the time in which to appeal the Judgment has passed
16 without any appeal having been taken; and (iii) if a motion to alter or amend is filed or if
17 an appeal is taken, the determination of that motion or appeal, dismissal of the appeal, the
18 expiration of any time for reconsideration or further appellate review, and/or the
19 affirmance of the Judgment in a manner that permits the consummation of the Settlement
20 in accordance with the terms and conditions of this Stipulation. For purposes of this
21 paragraph, an “appeal” and “appellate review” shall include any petition for a writ of
22 certiorari or other writ that may be filed in connection with approval or disapproval of the
23 Settlement, provided, however, that “appeal” and “appellate review” shall not include any
24 appeal which concerns only issues relating to attorneys’ fees, costs, or expenses, any Plan
25 of Allocation of the Settlement Fund, or the procedures for determining Authorized
26 Claimants’ recognized claims, and any such appeal shall not delay or affect the time for
27 the Judgment to become Final.

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1 1.11 “Final Approval Hearing” means the hearing, pursuant to Rule 23(e) of the
2 Federal Rules of Civil Procedure, to determine whether the Settlement embodied by this
3 Stipulation is fair, reasonable, and adequate to the Settlement Class, and whether the
4 Court should enter a Judgment approving the Settlement, whether the Plan of Allocation
5 is fair, reasonable, and adequate, and to consider Lead Counsel’s request for an award of
6 attorneys’ fees and expenses.

7 1.12 “Individual Defendants” means the Personal Representatives, Todd S.
8 Nelson, Kenda B. Gonzales, Daniel E. Bachus, John Blair, John R. Norton III, Hedy
9 Govenar, Brian E. Mueller, Dino J. Deconcini, Peter V. Sperling and Laura Palmer
10 Noone.

11 1.13 “Judgment” means the Final Order Approving Settlement and Judgment of
12 Dismissal with Prejudice to be rendered by the Court, substantially in the form attached
13 hereto as Exhibit B.

14 1.14 “Lead Counsel” means Robbins Geller Rudman & Dowd LLP, 655 West
15 Broadway, Suite 1900, San Diego, CA 92101.

16 1.15 “Lead Plaintiff” means Pension Trust Fund for Operating Engineers.

17 1.16 “Net Settlement Fund” means the portion of the Settlement Fund that shall
18 be distributed to Authorized Claimants, as described in ¶6.2(d).

19 1.17 “Person” means an individual, corporation, partnership, limited partnership,
20 association, joint stock company, joint venture, limited liability company, professional
21 corporation, estate, legal representative, trust, unincorporated association, government or
22 any political subdivision or agency thereof, and any business or legal entity and their
23 spouses, heirs, predecessors, successors, representatives, or assignees.

24 1.18 “Plan of Allocation” means a plan or formula of allocation of the Net
25 Settlement Fund whereby the Net Settlement Fund shall be distributed to Authorized
26 Claimants after payment of expenses of notice and administration of the Settlement,
27 Taxes and Tax Expenses, and such attorneys’ fees, costs, expenses, and interest as may
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1 be awarded by the Court. Any Plan of Allocation is not part of this Stipulation and
2 neither Defendants nor their respective Related Parties shall have any responsibility or
3 liability with respect thereto.

4 1.19 "Preliminary Approval Order" means the preliminary approval order
5 (substantially in the form attached hereto as Exhibit A) to be entered by the Court for
6 mailing and publication of notice to the Settlement Class.

7 1.20 "Related Parties" means each of a Defendant's past or present directors
8 (including, without limitation, Thomas C. Weir and J. Jorge Klor de Alva), officers,
9 employees, partners, insurers, co-insurers, reinsurers, principals, controlling shareholders,
10 attorneys, accountants or auditors, personal or legal representatives, predecessors,
11 successors, parents, subsidiaries, divisions, affiliates, joint ventures, assigns, spouses,
12 heirs, estates, related or affiliated entities (including, without limitation, the University of
13 Phoenix), any entity in which a Defendant has a controlling interest, any members of any
14 Individual Defendant's immediate family, or any trust of which any Individual Defendant
15 is the settlor or which is for the benefit of any Individual Defendant's family.

16 1.21 "Released Claims" means any and all claims, debts, demands, disputes,
17 rights, causes of action, suits, matters, damages, or liabilities of any kind, nature, and
18 character whatsoever (including, without limitation, any claims for damages, interest,
19 attorneys' fees, expert or consulting fees, and any and all other costs, expenses, or
20 liabilities whatsoever), under state, federal, local, statutory, common law, foreign law, or
21 any other law, rule, or regulation, whether fixed or contingent, accrued or unaccrued,
22 liquidated or unliquidated, at law or equity, matured or unmatured ("Claims"), including
23 "Unknown Claims" as defined in ¶1.30 hereof, that arise from, are related to, or are based
24 upon both (a) the purchase or acquisition of Apollo Securities during the Settlement Class
25 Period; and (b) the acts, facts, statements or omissions that were alleged or could have
26 been alleged by Lead Plaintiff or any Settlement Class Member against any of the
27 Released Persons in the Litigation. Released Claims include, without limitation, all
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1 Claims asserted by the Settlement Class against the Released Persons in the Complaints
2 in the Litigation.

3 1.22 “Released Persons” means each and all of the Defendants and each of their
4 respective Related Parties.

5 1.23 “Settlement” means the settlement contemplated by this Stipulation.

6 1.24 “Settlement Amount” means Thirteen Million One Hundred and Twenty
7 Five Thousand Dollars (\$13,125,000.00) in cash to be paid by wire transfer to the Escrow
8 Agent pursuant to ¶2.1 of this Stipulation.

9 1.25 “Settlement Class,” “Settlement Class Member,” or “Members of the
10 Settlement Class” means all Persons who purchased or otherwise acquired Apollo
11 Securities from November 28, 2001 through and including October 18, 2006. Excluded
12 from the Settlement Class are Defendants, members of their immediate families, their
13 legal representatives, heirs, successors, or assigns, officers and directors of Apollo during
14 the Settlement Class Period, and any entity in which Defendants have or had a controlling
15 interest. Persons who make a timely and valid request for exclusion from the Settlement
16 Class are also excluded.

17 1.26 “Settlement Class Period” means November 28, 2001 to October 18, 2006,
18 inclusive.

19 1.27 “Settlement Fund” means the Settlement Amount plus all interest and
20 returns earned and received thereon, which fund may be reduced by payments or
21 deductions therefrom as authorized in this Stipulation or by order of the Court.

22 1.28 “Settling Parties” means, collectively, Defendants and Lead Plaintiff, on
23 behalf of itself and the Settlement Class Members.

24 1.29 “Supplemental Agreement” means the agreement described in ¶8.6.

25 1.30 “Unknown Claims” means any Released Claims which the Lead Plaintiff or
26 any Settlement Class Member, as of the Effective Date, does not know or suspect to exist
27 in his, her, or its favor, whether direct, indirect, or derivative, including those which, if
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1 known by him, her, or it, might have affected his, her, or its settlement with and release
2 of the Released Persons, or might have affected his, her, or its decision not to object to
3 this Settlement. With respect to any and all Released Claims, the Settling Parties
4 stipulate and agree that, upon the Effective Date, Lead Plaintiff shall expressly waive and
5 each of the Settlement Class Members shall be deemed to have, and by operation of the
6 Judgment shall have, expressly waived, the provisions, rights, and benefits of California
7 Civil Code §1542, which provides:

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

11 Lead Plaintiff shall expressly waive and each of the Settlement Class Members shall be
12 deemed to have, and by operation of the Judgment shall have, expressly waived, any and
13 all provisions, rights, and benefits conferred by any law of any state or territory of the
14 United States, or principle of common law that is similar, comparable, or equivalent to
15 California Civil Code §1542, or that might otherwise operate to bar or limit the release of
16 Unknown Claims. Lead Plaintiff and Settlement Class Members may hereafter discover
17 facts in addition to or different from those which he, she, or it now knows or believes to
18 be true with respect to the subject matter of the Released Claims, but Lead Plaintiff shall
19 expressly release and each Settlement Class Member, upon the Effective Date, shall be
20 deemed to have, and by operation of the Judgment shall have, expressly, fully, finally,
21 and forever settled and released any and all Released Claims, known or unknown,
22 suspected or unsuspected, contingent or non-contingent, whether or not concealed or
23 hidden, which now exist, or heretofore have existed, upon any theory of law or equity
24 now existing or coming into existence in the future, including, but not limited to, conduct
25 that is negligent, intentional, with or without malice, or a breach of any duty, law, or rule,
26 without regard to and notwithstanding the subsequent discovery or existence of such
27 different or additional facts. Lead Plaintiff acknowledges, and the Settlement Class
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1 Members shall be deemed by operation of the Judgment to have acknowledged, that the
2 foregoing waiver was separately bargained for and a key element of the Settlement of
3 which this release is a part.

4 **2. The Settlement**

5 **a. The Settlement Fund**

6 2.1 Apollo shall pay or cause to be paid the principal amount of
7 \$13,125,000.00 in cash to the Escrow Agent no later than ten (10) business days after the
8 later of: (i) the filing of this Stipulation with the Court; (ii) the filing with the Court of a
9 motion for preliminary approval of the Settlement; and (iii) the receipt by Apollo's
10 counsel of wire instructions and a Form W-9 providing the tax identification number of
11 the escrow account. The Individual Defendants and their Related Parties shall have no
12 obligation to pay or to cause to be paid any amount under this ¶2.1, or otherwise, in
13 connection with the Settlement. Upon delivery to the Escrow Agent of the Settlement
14 Amount as provided in this ¶2.1, Apollo shall have fully satisfied and discharged its
15 payment obligations to the Settlement Class and shall have no further obligations to pay
16 or to cause to be paid any additional amounts in connection with the Settlement. If the
17 entire Settlement Amount is not timely transferred to the Escrow Agent, the unpaid
18 balance shall earn interest at 5% per annum until paid.

19 **b. The Escrow Agent**

20 2.2 The Escrow Agent shall invest the Settlement Fund deposited pursuant to
21 ¶2.1 in instruments backed by the full faith and credit of the United States Government or
22 fully insured by the United States Government or an agency thereof and shall reinvest the
23 proceeds of these instruments as they mature in similar instruments at their then-current
24 market rates. The Settlement Fund shall bear all risks related to investment of the
25 Settlement Fund in accordance with the guidelines set forth in this paragraph, and the
26 Released Persons shall have no responsibility for, interest in, or liability whatsoever with
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1 respect to investment decisions or other actions of the Escrow Agent, or any transactions
2 conducted by the Escrow Agent.

3 2.3 The Escrow Agent shall not disburse the Settlement Fund except as
4 provided in this Stipulation, by an order of the Court, or with the written agreement of
5 counsel for Apollo.

6 2.4 Subject to further order(s) and/or direction(s) as may be made by the Court,
7 or as provided in this Stipulation, the Escrow Agent is authorized to execute such
8 transactions as are consistent with the terms of this Stipulation.

9 2.5 All funds held by the Escrow Agent shall be deemed and considered to be
10 *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court,
11 from the time of their receipt by the Escrow Agent until such time as such funds shall be
12 distributed pursuant to this Stipulation and/or further order(s) of the Court.

13 2.6 The Escrow Agent may pay to the Claims Administrator from the
14 Settlement Fund, without prior approval from Defendants or the Court, the costs and
15 expenses reasonably and actually incurred in connection with the administration of the
16 Settlement, including, but not limited to, the cost of identifying and locating Members of
17 the Settlement Class, mailing the Notice of Pendency and Proposed Settlement of Class
18 Action and Proof of Claim and Release and publishing notice (such amount shall include,
19 without limitation, the actual costs of publication, printing and mailing the Notice, and
20 reimbursement to nominee owners for forwarding notice to their beneficial owners),
21 soliciting Settlement Class claims, assisting with the filing of claims, administering and
22 distributing the Net Settlement Fund to Authorized Claimants, processing Proof of Claim
23 and Release forms, and paying escrow fees and costs, if any, and the administrative
24 expenses incurred and fees charged by the Claims Administrator in connection with
25 providing notice and processing the submitted claims.

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1 **c. Taxes**

2 2.7 (a) The Settling Parties and the Escrow Agent agree to treat the
3 Settlement Fund as being at all times a “qualified settlement fund” within the meaning of
4 Treas. Reg. §1.468B-1. In addition, the Escrow Agent shall timely make such elections
5 as necessary or advisable to carry out the provisions of this ¶2.7, including the “relation-
6 back election” (as defined in Treas. Reg. §1.468B-1) back to the earliest permitted date.
7 Such elections shall be made in compliance with the procedures and requirements
8 contained in such regulations. It shall be the responsibility of the Escrow Agent to timely
9 and properly prepare and deliver the necessary documentation for signature by all
10 necessary parties, and thereafter to cause the appropriate filing to occur.

11 (b) For the purpose of §468B of the Internal Revenue Code of 1986, as
12 amended, and the regulations promulgated thereunder, the “administrator” shall be the
13 Escrow Agent. The Escrow Agent shall timely and properly cause to be filed all
14 informational and other tax returns necessary or advisable with respect to the Settlement
15 Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)).
16 Such returns (as well as the election described in ¶2.7(a) hereof) shall be consistent with
17 this ¶2.7(b) and in all events shall reflect that all Taxes (including any estimated Taxes,
18 interest or penalties) on the income earned by the Settlement Fund shall be paid out of the
19 Settlement Fund as provided in ¶2.7(c) hereof.

20 (c) All (i) taxes (including any interest, penalties, or estimated taxes)
21 arising with respect to the income earned by the Settlement Fund, including any taxes or
22 tax detriments that may be imposed upon the Released Persons or their counsel with
23 respect to any income earned by the Settlement Fund for any period during which the
24 Settlement Fund does not qualify as a “qualified settlement fund” for federal or state
25 income tax purposes (“Taxes”), and (ii) expenses and costs incurred in connection with
26 the operation and implementation of this ¶2.7 (including, without limitation, expenses of
27 tax attorneys and/or accountants and mailing and distribution costs and expenses relating
28 to filing (or failing to file) the returns described in this ¶2.7) (“Tax Expenses”), shall be

1 paid out of the Settlement Fund; in no event shall the Defendants, their respective Related
2 Parties, or their counsel have any liability or responsibility for Taxes or Tax Expenses.
3 Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of
4 administration of the Settlement Fund and shall be timely paid by the Escrow Agent out
5 of the Settlement Fund without prior order from the Court and the Escrow Agent shall be
6 obligated (notwithstanding anything herein to the contrary) to withhold from distribution
7 to Authorized Claimants any funds necessary to pay such amounts, including the
8 establishment of adequate reserves for any Taxes and Tax Expenses (as well as any
9 amounts that may be required to be withheld under Treas. Reg. §1.468B-2(1)(2)); neither
10 the Defendants, their respective Related Parties, nor their counsel are responsible for any
11 Taxes or Tax Expenses nor shall they have any liability therefor. The Settling Parties
12 agree to cooperate with the Escrow Agent, each other, and their tax attorneys and
13 accountants to the extent reasonably necessary to carry out the provisions of this ¶2.7.

14 **d. Termination of Settlement**

15 2.8 In the event that the Settlement is not approved, or terminated, canceled, or
16 fails to become effective for any reason, the provisions of ¶¶8.3, 8.4, and/or 8.5 herein
17 shall be followed.

18 **3. Certification of the Settlement Class**

19 3.1 Solely for purposes of this Settlement, and subject to the Court's approval,
20 the Settling Parties agree that the Settlement Class shall be certified and Lead Plaintiff, as
21 well as Lead Counsel, shall be appointed as representatives of the Settlement Class
22 pursuant to Federal Rule of Civil Procedure 23, as set forth in the Preliminary Approval
23 Order.

24 **4. Preliminary Approval Order and Final Approval Hearing**

25 4.1 Promptly after execution of this Stipulation, the Settling Parties shall
26 submit this Stipulation together with its exhibits (the "Exhibits") to the Court and shall
27 jointly apply for entry of the Preliminary Approval Order substantially in the form of
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1 Exhibit A attached hereto, requesting, *inter alia*, the preliminary approval of the
2 Settlement set forth in this Stipulation, conditional certification of the Settlement Class,
3 and approval for the mailing of a settlement notice (the “Notice”) to Settlement Class
4 Members and publication of a summary notice, substantially in the forms of Exhibits A-1
5 and A-3 attached hereto. The Notice shall include the general terms of the Settlement set
6 forth in this Stipulation, the proposed Plan of Allocation, the general terms of the Fee and
7 Expense Application by Lead Counsel and the date of the Final Approval Hearing. Lead
8 Counsel will be responsible for providing the Notice to the Settlement Class. Any costs
9 associated with the Notice shall be paid from the Settlement Fund as provided in §§2.6
10 and 6.2(a) hereof.

11 4.2 The Settling Parties shall request that, after notice is given, the Court hold a
12 Final Approval Hearing and approve the Settlement of the Litigation and enter the
13 Judgment substantially in the form of Exhibit B, as set forth herein. Lead Counsel will
14 also request that the Court approve the proposed Plan of Allocation and the Fee and
15 Expense Application.

16 4.3 The Settling Parties shall request that the Final Approval Hearing be no less
17 than 100 days after the filing of the Stipulation with the Court. Upon the Effective Date,
18 Lead Plaintiff shall request that the Ninth Circuit dismiss Lead Plaintiff’s pending appeal.

19 **5. Releases**

20 5.1 Upon the Effective Date, Lead Plaintiff and all Settlement Class Members
21 shall be deemed to have, and by operation of the Judgment shall have, fully, finally and
22 forever released, relinquished, dismissed, waived, and discharged each and every one of
23 the Released Claims (including Unknown Claims) against each and every one of the
24 Released Persons with prejudice and on the merits, whether or not the Lead Plaintiff or
25 Settlement Class Member executes and delivers a Proof of Claim and Release, and
26 whether or not the Lead Plaintiff or Settlement Class Member ever seeks or obtains any
27 distribution from the Settlement Fund.

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1 5.2 The Proof of Claim and Release to be executed by the Lead Plaintiff and
2 Settlement Class Members shall release all Released Claims against the Released Persons
3 and shall be substantially in the form contained in Exhibit A-2 attached hereto.

4 5.3 Upon the Effective Date, each of the Released Persons shall be deemed to
5 have, and by operation of the Judgment shall have, fully, finally, and forever released,
6 relinquished, and discharged Lead Plaintiff, each and all of the Settlement Class
7 Members, and their attorneys (including, without limitation, Lead Counsel), employees,
8 heirs, successors, and assigns from all Claims (including, without limitation, Unknown
9 Claims) arising out of, relating to, or in connection with, the institution, prosecution,
10 assertion, settlement, or resolution of the Litigation; provided, however, that this release
11 shall not apply to, and nothing in this Stipulation shall constitute or operate as, a release
12 or waiver of any Claims that Apollo, the Individual Defendants, and/or their Related
13 Parties may have against any insurer or reinsurer and their successors and assigns for
14 reimbursement of the Settlement Amount or otherwise arising from or related to the
15 Litigation, all such Claims against insurers, reinsurers, and their successors and assigns
16 being expressly reserved.

17 5.4 Upon the Effective Date, Lead Plaintiff and all Settlement Class Members
18 and anyone claiming through or on behalf of any of them, are forever barred and enjoined
19 from commencing, instituting, or continuing to prosecute any action or proceeding in any
20 court of law or equity, arbitration tribunal, administrative forum, or other forum of any
21 kind, asserting any of the Released Claims against any of the Released Persons, and each
22 of them.

23 **6. Administration and Calculation of Claims, Final Awards and**
24 **Supervision and Distribution of the Settlement Fund**

25 6.1 The Claims Administrator, subject to such supervision and direction from
26 the Court and/or Lead Counsel as may be necessary or as circumstances may require,
27 shall administer and calculate the claims submitted by Settlement Class Members and
28 shall oversee distribution of the Net Settlement Fund to Authorized Claimants.

1 6.2 At the times set forth and in accordance with this Stipulation, the
2 Settlement Fund shall be applied as follows:

3 (a) to pay all the costs and expenses reasonably and actually incurred in
4 connection with providing the Notice, locating Settlement Class Members, assisting with
5 the filing of claims, administering, and distributing the Net Settlement Fund to
6 Authorized Claimants, processing Proof of Claim and Release forms, and paying escrow
7 fees and costs, if any;

8 (b) to pay the Taxes and Tax Expenses described in ¶2.7 hereof;

9 (c) to pay Lead Plaintiff’s expenses, including any lost wages, as
10 provided for by 15 U.S.C. §78u-4(a)(4), and Lead Plaintiff’s attorneys’ fees and expenses
11 with interest thereon at the same rate and for the same time period as earned by the
12 Settlement Fund, if and to the extent allowed by the Court (the “Fee and Expense
13 Award”); and

14 (d) to distribute the balance of the Settlement Fund (the “Net Settlement
15 Fund”) to Authorized Claimants as allowed by this Stipulation, the Plan of Allocation, or
16 the Court.

17 6.3 Upon the Effective Date and thereafter, and in accordance with the terms of
18 this Stipulation, the Plan of Allocation, or such further approval and further order(s) of
19 the Court as may be necessary or as circumstances may require, the Claims
20 Administrator, subject to the Court’s jurisdiction, shall distribute the Net Settlement Fund
21 to Authorized Claimants, subject to and in accordance with the following:

22 (a) Within ninety (90) days after the mailing of the Notice or such other
23 time as may be set by the Court, each Person claiming to be an Authorized Claimant shall
24 be required to submit to the Claims Administrator a completed Proof of Claim and
25 Release, substantially in the form of Exhibit A-2 attached hereto, signed under penalty of
26 perjury and supported by such documents as are specified in the Proof of Claim and
27 Release and as are reasonably available to such Person;

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1 (b) Except as otherwise ordered by the Court, any and all Settlement
2 Class Members who fail to timely submit a Proof of Claim and Release within such
3 period, or such other period as may be ordered by the Court, or otherwise allowed, shall
4 be forever barred from receiving any payments pursuant to this Stipulation and the
5 Settlement set forth herein, but will in all other respects be subject to and bound by the
6 provisions of this Stipulation, the releases contained herein, and the Judgment, and will
7 be permanently barred and enjoined from bringing any action, claim, or other proceeding
8 of any kind against any Released Persons concerning any Released Claims.
9 Notwithstanding the foregoing, Lead Counsel shall have the discretion to accept late-
10 submitted claims for processing by the Claims Administrator so long as distribution of
11 the Net Settlement Fund is not materially delayed thereby;

12 (c) The Claims Administrator shall calculate the claims of Authorized
13 Claimants in accordance with the Plan of Allocation. Following the Effective Date, the
14 Claims Administrator shall send to each Authorized Claimant his, her, or its *pro rata*
15 share of the Net Settlement Fund; and

16 (d) Defendants shall not have a reversionary interest in the Net
17 Settlement Fund. If there is any balance remaining in the Net Settlement Fund after six
18 (6) months from the date of the initial distribution of the Net Settlement Fund (whether
19 by reason of tax refunds, uncashed checks, returned distributions, or otherwise), Lead
20 Counsel shall, if feasible, distribute such remaining balance *pro rata* among Authorized
21 Claimants who negotiated the checks sent to them. Thereafter, any balance which still
22 remains in the Net Settlement Fund shall be donated to Community Legal Services, Inc.,
23 a Phoenix-based non-profit organization that provides legal services in certain civil areas
24 of the law that affect the critical needs of the low income community.

25 6.4 The Defendants and their respective Related Parties shall have no
26 responsibility for, interest in, or liability whatsoever with respect to the distribution of the
27 Settlement Fund, any investment or other disposition of the Settlement Fund, the
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1 proposed or actual Plan of Allocation, the determination, administration, or calculation of
2 claims or final awards, the timing or supervision of distributions from the Settlement
3 Fund, any application for attorneys' fees and expenses, the payment or withholding of
4 Taxes, or any losses incurred in connection therewith. No Person shall have any claim of
5 any kind against the Defendants or their Related Parties with respect to the matters set
6 forth in §§2.2-2.4, 2.6-2.7, and 6.1-6.3 hereof; and the Settlement Class Members, Lead
7 Plaintiff, and Lead Counsel release the Defendants and their Related Parties from any and
8 all Claims and liability arising from or with respect to the investment, distribution, or
9 other disposition of the Settlement Fund.

10 6.5 No Person shall have any claim against Lead Plaintiff, Lead Counsel,
11 Defendants, or the Claims Administrator, or their respective Related Parties, or other
12 Person designated by Lead Counsel based on the distributions made substantially in
13 accordance with this Stipulation and the Settlement contained herein, the Plan of
14 Allocation, or further order(s) of the Court. This does not include any claim by any party
15 for breach of this Stipulation.

16 6.6 It is understood and agreed by the Settling Parties that any proposed Plan of
17 Allocation of the Net Settlement Fund, including, but not limited to, any adjustments to
18 an Authorized Claimant's claim set forth therein, is not a part of or a condition to this
19 Stipulation and the Settlement set forth herein, and is to be considered by the Court
20 separately from the Court's consideration of the fairness, reasonableness, and adequacy
21 of the Settlement set forth in this Stipulation, and any order or proceeding relating to the
22 Plan of Allocation shall not operate to terminate or cancel this Stipulation or the releases
23 set forth herein, or affect or delay the finality of the Court's Judgment approving this
24 Stipulation and the releases and Settlement set forth herein, or any other orders entered
25 pursuant to this Stipulation.

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1 **7. Attorneys' Fees and Expenses**

2 7.1 The procedure for and the allowance by the Court of any applications by
3 Lead Counsel for attorneys' fees and expenses, or the Lead Plaintiff's expenses
4 (including lost wages) paid pursuant to 15 U.S.C. §78u-4(a)(4), to be paid out of the
5 Settlement Fund, are not part of or a condition to the Settlement set forth in this
6 Stipulation, and are to be considered by the Court separately from the Court's
7 consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in
8 this Stipulation. Any order or proceeding relating to the Fee and Expense Application, or
9 the Lead Plaintiff's expense application pursuant to 15 U.S.C. §78u-4(a)(4), or any
10 appeal from any order relating thereto or reversal or modification thereof, shall not
11 operate to terminate or cancel this Stipulation or the releases set forth herein, and shall
12 not affect or delay the finality of the Judgment approving this Stipulation and the releases
13 and Settlement of the Litigation set forth herein.

14 7.2 Lead Counsel may submit an application or applications (the "Fee and
15 Expense Application") for distributions from the Settlement Fund for: (a) an award of
16 attorneys' fees; (b) the payment of reasonable expenses in connection with prosecuting
17 the Litigation, including Lead Plaintiff's expenses (including lost wages) paid pursuant to
18 15 U.S.C. §78u-4(a)(4); (c) the cost of fees of experts or consultants incurred in
19 connection with prosecuting the Litigation; plus (d) any interest on such fees and
20 expenses at the same rate and for the same periods as earned by the Settlement Fund
21 (until such fees and expenses are paid) as may be awarded by the Court. Lead Counsel
22 reserves the right to make additional applications to the Court from the Settlement Fund
23 for fees and expenses incurred.

24 7.3 The Fee and Expense Award shall be paid to Lead Counsel from the
25 Settlement Fund, as ordered, immediately after the Court executes an order awarding
26 such fees and expenses and enters the Judgment. Lead Counsel may thereafter allocate
27 the attorneys' fees among any other plaintiff's counsel in a manner in which Lead
28 Counsel, in good faith, believes reflects the contributions of such counsel to the initiation,

1 prosecution, assertion, settlement, and resolution of the Litigation. Defendants and their
2 respective Related Parties shall have no responsibility for, interest in, or liability
3 whatsoever with respect to such allocation or distribution, and Defendants take no
4 position with respect to such matters.

5 7.4 In the event that the Effective Date does not occur, or the Judgment or the
6 order making the Fee and Expense Award is reversed or modified by final non-
7 appealable order, or this Stipulation is canceled or terminated for any other reason, and in
8 the event that the Fee and Expense Award has been paid to any extent, then, within ten
9 (10) days from receiving notice from counsel or from a court of appropriate jurisdiction,
10 Lead Counsel shall refund to the Settlement Fund such fees and expenses previously paid
11 to Lead Counsel or any other plaintiff's counsel from the Settlement Fund in an amount
12 consistent with such reversal or modification, plus interest thereon at the same rate as
13 earned on the Settlement Fund. Lead Counsel and each such plaintiff's counsel's law
14 firm receiving fees and expenses, as a condition of receiving such fees and expenses, on
15 behalf of itself and each partner and/or shareholder of it, agrees that the law firm and its
16 partners and/or shareholders are subject to the jurisdiction of the Court for the purpose of
17 enforcing the provisions of this paragraph. Without limitation, Lead Counsel and its
18 partners agree that the Court may, upon notice to Lead Counsel, summarily issue orders
19 including, but not limited to, judgments and attachment orders, and may make
20 appropriate findings of or sanctions for contempt, should such law firm fail timely to
21 repay fees and expenses pursuant to this ¶7.4.

22 7.5 Any fees and expenses awarded by the Court shall be paid solely from the
23 Settlement Fund. Defendants and their respective Related Parties shall have no
24 responsibility or liability for any payment of attorneys' fees and expenses to Lead
25 Plaintiff's counsel, or to any other plaintiff's or Settlement Class Members' attorneys,
26 with respect to the Settlement or the Released Claims. For the avoidance of doubt, none
27 of Defendants nor their Related Parties shall have any responsibility for any payment of
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1 attorneys' fees and expenses whatsoever over and above such amounts as may be paid
2 out of the Settlement Fund pursuant to this Stipulation and any order of the Court.

3 **8. Conditions of Settlement, Effect of Disapproval, Cancellation or**
4 **Termination**

5 8.1 The Effective Date of this Stipulation shall be the first date when all of the
6 following events have occurred, and is conditioned on the occurrence of all of the
7 following events:

8 (a) Apollo has made or caused to be made the contribution to the
9 Settlement Fund as set forth in ¶2.1 hereof;

10 (b) the Court has entered the Preliminary Approval Order, as set forth in
11 ¶4.1 hereof;

12 (c) Apollo has not exercised its option to terminate the Settlement, as set
13 forth in ¶8.6 hereof;

14 (d) the Court has entered the Judgment substantially in the form of
15 Exhibit B attached hereto; and

16 (e) the Judgment has become Final, as defined in ¶1.10 hereof.

17 8.2 Upon the occurrence of all of the events referenced in ¶8.1 hereof, any and
18 all remaining interest or right of Apollo in or to the Settlement Fund, if any, shall, subject
19 to ¶¶8.5, 8.7 and 8.8, be absolutely and forever extinguished. If all of the conditions
20 specified in ¶8.1 hereof are not met, then this Stipulation shall be canceled and terminated
21 subject to ¶8.3 hereof unless Lead Counsel and counsel for the Defendants mutually
22 agree in writing to proceed with this Stipulation.

23 8.3 In the event this Stipulation shall terminate, be canceled, or shall not
24 become effective for any reason, within ten (10) days after written notification of such
25 event is sent by counsel for Defendants or Lead Counsel to the Escrow Agent, the
26 Settlement Fund (including accrued interest), less expenses which have either been
27 incurred or disbursed pursuant to ¶¶2.6 and 2.7 hereof, shall be refunded and transferred
28 by the Escrow Agent pursuant to written instructions from Apollo's counsel. At the

1 request of Apollo's counsel, the Escrow Agent or its designee shall apply for any tax
2 refund owed on the Settlement Fund and pay the proceeds, after deduction of any fees or
3 expenses incurred in connection with such application(s) for refund, at the written
4 direction of Apollo's counsel.

5 8.4 In the event that the Court declines to approve this Stipulation or the
6 Settlement set forth in this Stipulation is terminated or fails to become effective in
7 accordance with its terms, the Settling Parties shall be restored to their respective
8 positions in the Litigation as of April 17, 2014. In such event, the terms and provisions
9 of this Stipulation, with the exception of §§1.1-1.30, 2.6-2.7, 8.3-8.5, and 10.4 hereof,
10 shall have no further force and effect with respect to the Settling Parties and shall not be
11 used in the Litigation or in any other proceeding for any purpose, and any judgment or
12 order entered by the Court in accordance with the terms of this Stipulation shall be
13 treated as vacated, *nunc pro tunc*. Any order of the Court concerning the Plan of
14 Allocation, or the amount of any attorneys' fees, costs, expenses, and interest awarded by
15 the Court to Lead Counsel or Lead Plaintiff, or a modification or reversal on appeal of
16 any such order of the Court, shall not constitute grounds for cancellation or termination
17 of this Stipulation.

18 8.5 If the Effective Date does not occur, or if this Stipulation is terminated
19 pursuant to its terms, neither the Lead Plaintiff nor any of its counsel shall have any
20 obligation to repay any amounts actually and properly incurred or disbursed pursuant to
21 §§2.6 or 2.7 hereof.

22 8.6 Apollo shall have the option to terminate this Stipulation and the Settlement
23 set forth herein in the event that Persons who purchased or otherwise acquired more than
24 a certain quantity of Apollo Securities during the Settlement Class Period choose to
25 exclude themselves from the Settlement Class ("Opt-Out Threshold"), as set forth in a
26 separate agreement (the "Supplemental Agreement") executed between Lead Counsel
27 and Apollo's counsel. The Opt-Out Threshold may be disclosed to the Court, if
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1 requested by the Court in connection with its review of the Settlement set forth in this
2 Stipulation. Unless requested by the Court or unless a dispute arises among the Settling
3 Parties concerning its interpretation, the Supplemental Agreement shall not be filed with
4 the Court. In the event of any filing of the Supplemental Agreement and/or disclosure of
5 the Opt-Out Threshold, the Settling Parties will use their best efforts to maintain the
6 confidentiality of the Supplemental Agreement and Opt-Out Threshold, including filing
7 materials related thereto for the Court's *in camera* review and/or under seal.

8 8.7 If (a) a case is commenced with respect to Apollo under Title 11 of the
9 United States Code (Bankruptcy), or a trustee, receiver or conservator is appointed under
10 any similar law; and (b) a final order of a court of competent jurisdiction is entered
11 determining the transfer of the Settlement Fund, or a material portion thereof, by or on
12 behalf of Apollo to be a preference, voidable transfer, fraudulent transfer or similar
13 transaction; and (c) any portion of the Settlement Fund is required to be returned and is
14 returned to Apollo, then the releases given and judgment entered in favor of Apollo
15 pursuant to this Stipulation shall be null and void. The releases given and the judgment
16 entered in favor of other Defendants (and their respective Related Parties) shall remain in
17 full force and effect.

18 8.8 In the event that the releases and judgment in favor of Apollo become void
19 pursuant to ¶8.7, Apollo, in its sole and absolute discretion, shall have the option to
20 terminate the Settlement set forth in this Stipulation.

21 8.9 Apollo warrants and represents that it is not "insolvent" within the meaning
22 of 11 U.S.C. §101(32) as of the time this Stipulation is executed and as of the time any
23 payments are transferred or made as required by this Stipulation.

24 **9. Requests for Exclusion**

25 9.1 A Settlement Class Member requesting exclusion from the Settlement Class
26 shall be required to provide the following information, signed under oath, to the Claims
27 Administrator: (a) name; (b) address; (c) telephone number; (d) quantity of Apollo
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1 Securities purchased (or otherwise acquired) and sold (or otherwise disposed of) during
2 the Settlement Class Period; (e) prices paid or received for each purchase or sale of
3 Apollo Securities; (f) the date of each purchase or sale transaction; and (g) a statement
4 that the Person wishes to be excluded from the Settlement Class. Unless otherwise
5 ordered by the Court, any Settlement Class Member who does not submit a timely written
6 request for exclusion as provided by this ¶9.1 shall be bound by the Settlement in this
7 Stipulation. The parties shall request that the deadline for submitting requests for
8 exclusion be at least twenty-one (21) days prior to the Final Approval Hearing.

9 9.2 The Claims Administrator shall electronically send copies of all requests
10 for exclusion in PDF format (or such other format as shall be mutually agreed by the
11 Settling Parties) to Defendants' counsel and to Lead Counsel expeditiously (but not more
12 than five (5) days) after the Claims Administrator receives such a request. As part of the
13 motion papers in support of the Settlement of the Litigation, Lead Counsel will cause to
14 be provided to the Court a list of all the persons who have validly requested exclusion
15 from the Settlement Class.

16 **10. Miscellaneous Provisions**

17 10.1 The Settling Parties (a) acknowledge that it is their intent to consummate
18 the Settlement and the terms and conditions set forth in this Stipulation; and (b) agree to
19 cooperate to the extent reasonably necessary to effectuate and implement all terms and
20 conditions of this Stipulation and to exercise their best efforts to accomplish the
21 foregoing terms and conditions of this Stipulation.

22 10.2 The Settling Parties intend this Settlement to be a final and complete
23 resolution of all disputes between them with respect to the Litigation. The Settlement
24 compromises claims which are contested and shall not be deemed an admission by any
25 Settling Party as to the merits of any allegations, claims or defenses whatsoever. The
26 Judgment will contain a finding that, during the course of the Litigation, the parties and
27 their respective counsel at all times complied with the requirements of Federal Rule of
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1 Civil Procedure 11. The Settling Parties agree that the Settlement Amount and the other
2 terms of the Settlement were negotiated in good faith by the Settling Parties, and reflect a
3 settlement that was reached voluntarily after consultation with competent legal counsel.
4 The Settling Parties reserve their right to rebut, in a manner that such party determines to
5 be appropriate, any contention made in any public forum that the Litigation was brought
6 or defended in bad faith or without a reasonable basis.

7 10.3 This Stipulation is the product of arm's length negotiations among the
8 Settling Parties, and all Settling Parties have contributed substantially and materially to
9 the preparation of this Stipulation. Accordingly, this Stipulation shall not be construed
10 more strictly against one Settling Party than another merely by virtue of the fact that it, or
11 any part of it, may have been prepared by counsel for one of the Settling Parties; rather,
12 the Stipulation shall in all respects be construed in accordance with its terms and its
13 purpose to effectuate the final termination of the Litigation and settlement of the
14 Released Claims.

15 10.4 Neither this Stipulation nor the Settlement, nor any act performed or
16 document executed pursuant to or in furtherance of this Stipulation or the Settlement: (a)
17 is or may be deemed to be or may be used as an admission of, or evidence of, the validity
18 of any of the Released Claims, or of any wrongdoing or liability of the Released Persons;
19 or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any
20 fault or omission of any of the Released Persons in any civil, criminal, or administrative
21 proceeding in any court, administrative agency, or other tribunal. Released Persons may
22 file this Stipulation and/or the Judgment in any action that may be brought against them
23 in order to support a defense or counterclaim based on principles of *res judicata*,
24 collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other
25 theory of claim preclusion or issue preclusion or similar defense or counterclaim.

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1 10.5 All agreements made and orders entered during the course of the Litigation
2 relating to the confidentiality of information shall survive this Stipulation, pursuant to
3 their terms.

4 10.6 All of the Exhibits to this Stipulation are material and integral parts hereof
5 and are fully incorporated herein by this reference.

6 10.7 This Stipulation may be amended or modified only by a written instrument
7 signed by or on behalf of all Settling Parties affected thereby or their respective
8 successors-in-interest.

9 10.8 This Stipulation, the Exhibits attached hereto, and the Supplemental
10 Agreement constitute the entire agreement among the Settling Parties and no
11 representations, warranties, or inducements have been made to any party concerning this
12 Stipulation or its Exhibits or the Supplemental Agreement other than the representations,
13 warranties, and covenants contained and memorialized in such documents. Except as
14 otherwise provided herein, each party shall bear its own costs.

15 10.9 Lead Counsel, on behalf of the Settlement Class, is expressly authorized by
16 Lead Plaintiff to take all appropriate action required or permitted to be taken by the
17 Settlement Class pursuant to this Stipulation to effectuate its terms and also is expressly
18 authorized to enter into any modifications or amendments to this Stipulation made
19 pursuant to ¶10.7 on behalf of the Settlement Class which it deems appropriate.

20 10.10 Each counsel or other Person executing this Stipulation or any of its
21 Exhibits on behalf of any party hereto hereby warrants that such Person has the full
22 authority to do so.

23 10.11 This Stipulation may be executed in one or more counterparts, including by
24 signature transmitted by facsimile or email in PDF format. All executed counterparts and
25 each of them shall be deemed to be one and the same instrument. A complete set of
26 executed counterparts shall be filed with the Court.

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R. Norton III, Hedy Govenar, Brian E.
Mueller, Dino J. Deconcini, Peter V. Sperling,
in his individual capacity, and Laura Palmer
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CERTIFICATE OF SERVICE

I hereby certify that on February 19, 2015, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I caused to be mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on February 19, 2015.

s/ Christopher M. Wood
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Mailing Information for a Case 2:06-cv-02674-DLR Teamsters Local 617 Pension & Welfare Funds v. Apollo Group, Inc et al

Electronic Mail Notice List

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Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

Louisiana District Attorneys Retirement System
c/o Martin & Bonnett PLLC
3300 N. Central Ave.
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Phoenix, AZ 85012

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EXHIBIT A

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12 Lead Counsel for Lead Plaintiff

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Liaison Counsel

14 UNITED STATES DISTRICT COURT

15 DISTRICT OF ARIZONA

16 TEAMSTERS LOCAL 617 PENSION)
AND WELFARE FUNDS, on behalf of)
17 itself and all other similarly situated,)

18 Plaintiff,)

19 vs.)

20 APOLLO GROUP, INC., et al.,)

21 Defendants.)

No. 2:06-cv-02674-DLR

CLASS ACTION

[PROPOSED] ORDER PRELIMINARILY
APPROVING SETTLEMENT AND
PROVIDING FOR NOTICE

EXHIBIT A

1 WHEREAS, a consolidated class action is pending before the Court captioned
2 *Teamsters Local 617 Pension and Welfare Funds v. Apollo Group Inc. et al.*, No.
3 2:06-cv-02674-RCB (the “Litigation”);

4 WHEREAS, the Court has received the Stipulation of Settlement dated as of
5 January 12, 2015 (the “Stipulation”) that has been entered into by the Lead Plaintiff (on
6 behalf of itself and each of the Settlement Class Members) and Defendants, and the Court
7 has reviewed the Stipulation and its attached Exhibits;

8 WHEREAS, Lead Plaintiff, having made an application pursuant to Federal Rule
9 of Civil Procedure 23(e) for an order preliminarily approving the Settlement of this
10 Litigation, in accordance with the Stipulation, which, together with the Exhibits annexed
11 thereto, sets forth the terms and conditions for the Settlement of the Litigation and for
12 dismissal of the Litigation with prejudice upon the terms and conditions set forth therein,
13 and the Court having read and considered the Stipulation and the Exhibits annexed
14 thereto; and

15 WHEREAS, all terms with initial capitalization contained herein shall have the
16 same meanings as set forth in the Stipulation;

17 NOW, THEREFORE, IT IS HEREBY ORDERED:

18 1. After a preliminary review, the Settlement appears to be fair, reasonable,
19 adequate and in the best interests of the Settlement Class. The Settlement: (a) resulted
20 from extensive arm’s-length negotiations; and (b) is sufficient to warrant (i) notice
21 thereof as set forth below; and (ii) a full hearing on the Settlement. Accordingly, the
22 Court does hereby preliminarily approve the Stipulation and the Settlement set forth
23 therein, subject to further consideration at the Final Approval Hearing described below.

24 2. A hearing (the “Final Approval Hearing”) shall be held before this Court
25 [no less than one hundred (100) days after the Notice Date] on _____, 2015, at
26 __:__ .m., at the Sandra Day O’Connor U.S. Courthouse, 401 West Washington Street,
27 SPC 79, Phoenix, Arizona 85003, to determine whether the proposed Settlement of the
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1 Litigation on the terms and conditions provided for in the Stipulation is fair, just,
2 reasonable and adequate to the Settlement Class Members and should be approved by the
3 Court; whether a Judgment as provided in ¶1.13 and ¶8.1(d) of the Stipulation and
4 substantially in the form attached as Exhibit B thereto should be entered herein; whether
5 the proposed Plan of Allocation should be approved; and to determine the amount of
6 attorneys' fees and expenses that should be awarded to Lead Plaintiff's counsel and the
7 amount that Lead Plaintiff should be awarded for its expenses, including lost wages. The
8 Court may continue or adjourn the Final Approval Hearing without further notice to
9 Settlement Class Members.

10 3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court
11 certifies, solely for purposes of effectuating the Settlement, a Settlement Class consisting
12 of all Persons who purchased or otherwise acquired Apollo Securities from November
13 28, 2001 through and including October 18, 2006. Excluded from the Settlement Class
14 are Defendants, members of their immediate families, their legal representatives, heirs,
15 successors, or assigns, officers and directors of Apollo during the Settlement Class
16 Period, and any entity in which Defendants have or had a controlling interest. Persons
17 who make a timely and valid request for exclusion from the Settlement Class are also
18 excluded.

19 4. With respect to the Settlement Class, this Court finds, solely for purposes of
20 effectuating the Settlement, that: (a) the Members of the Settlement Class are so
21 numerous that joinder of all Settlement Class Members in the Litigation is impracticable;
22 (b) there are questions of law and fact common to the Settlement Class that predominate
23 over any individual question; (c) the claims of the Lead Plaintiff are typical of the claims
24 of the Settlement Class; (d) Lead Plaintiff and its counsel has fairly and adequately
25 represented and protected the interests of the Settlement Class Members; and (e) a class
26 action is superior to other available methods for the fair and efficient adjudication of the
27 controversy, considering: (i) the interests of the Members of the Settlement Class in
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1 individually controlling the prosecution of the separate actions; (ii) the extent and nature
2 of any litigation concerning the controversy already commenced by Members of the
3 Settlement Class; (iii) the desirability or undesirability of concentrating the litigation of
4 these claims in this particular forum; and (iv) the difficulties likely to be encountered in
5 the management of the Litigation.

6 5. The Court approves, as to form and content, the Notice of Pendency and
7 Proposed Settlement of Class Action (the “Notice”), the Proof of Claim and Release form
8 (the “Proof of Claim and Release”) and the Summary Notice of Pendency of Class Action
9 and Proposed Settlement (“Summary Notice”) for publication annexed as Exhibits A-1,
10 A-2 and A-3 hereto and finds that the mailing and distribution of the Notice and
11 publishing of the Summary Notice substantially in the manner and form set forth in ¶¶6-7
12 of this Order meet the requirements of Federal Rule of Civil Procedure 23 and due
13 process, is the best notice practicable under the circumstances and shall constitute due
14 and sufficient notice to all Persons entitled thereto.

15 6. The firm of Gilardi & Co. LLC (“Claims Administrator”) is hereby
16 appointed to supervise and administer the notice procedure, as well as the processing of
17 claims as more fully set forth below:

18 (a) The Claims Administrator shall make reasonable efforts to identify
19 all Persons who are Members of the Settlement Class, and not later than _____,
20 2015 [twenty (20) days after the Court signs and enters this Order] (the “Notice Date”),
21 the Claims Administrator shall cause a copy of the Notice and the Proof of Claim and
22 Release, substantially in the forms annexed as Exhibits A-1 and A-2 hereto, to be mailed
23 by first-class mail to all Settlement Class Members who can be identified with reasonable
24 effort;

25 (b) Not later than _____, 2015 [ten (10) calendar days after the
26 Notice Date], the Claims Administrator shall cause the Summary Notice, substantially in
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1 the form annexed hereto as Exhibit A-3, to be published once in *Investor's Business*
2 *Daily* and transmitted once over a national newswire service;

3 (c) Not later than the Notice Date, the Claims Administrator shall post
4 the Stipulation and all of its Exhibits on a case-dedicated website,
5 www.apollosecuritiessettlement.com, which will be set forth in the Notice and Summary
6 Notice; and

7 (d) At least seven calendar days prior to the Final Approval Hearing,
8 Lead Counsel shall cause to be served on Defendants' counsel and filed with the Court
9 proof, by affidavit or declaration, of such mailing and publishing.

10 7. Nominees who purchased Apollo Securities for the beneficial ownership of
11 Settlement Class Members during the Settlement Class Period shall send the Notice and
12 the Proof of Claim and Release to all beneficial owners of such securities within ten days
13 after receipt thereof, or send a list of the names and addresses of such beneficial owners
14 to the Claims Administrator within ten days of receipt thereof, in which event the Claims
15 Administrator shall promptly mail the Notice and Proof of Claim and Release to such
16 beneficial owners. Lead Counsel shall, if requested, reimburse banks, brokerage houses
17 or other nominees solely for their reasonable costs incurred in providing notice to
18 beneficial owners who are Settlement Class Members out of the Settlement Fund, which
19 expenses would not have been incurred except for the sending of such notice, subject to
20 further order of this Court with respect to any dispute concerning such compensation.

21 8. All Settlement Class Members shall be bound by all determinations and
22 judgments in the Litigation concerning the Settlement, whether favorable or unfavorable
23 to the Settlement Class.

24 9. Any Member of the Settlement Class may enter an appearance in the
25 Litigation, at their own expense, individually or through counsel of their own choice. If
26 they do not enter an appearance, they will be represented by Lead Counsel.

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1 10. Settlement Class Members who wish to participate in the Settlement shall
2 complete and submit Proof of Claim and Release forms in accordance with the
3 instructions contained therein. Unless the Court orders otherwise, all Proof of Claim and
4 Release forms must be submitted no later than 90 days from the Notice Date. Any
5 Settlement Class Member who does not timely submit a Proof of Claim and Release
6 within the time provided for shall be barred from sharing in the distribution of the
7 proceeds of the Net Settlement Fund, unless otherwise ordered by the Court, but shall in
8 all respects be bound by the release contained in the Stipulation and Judgment.
9 Notwithstanding the foregoing, Lead Counsel shall have the discretion to accept late-
10 submitted claims for processing by the Claims Administrator so long as distribution of
11 the Net Settlement Fund is not materially delayed thereby.

12 11. Any Settlement Class Member may, upon request, be excluded from the
13 Settlement Class. Any such Person must submit to the Claims Administrator a request
14 for exclusion (“Request for Exclusion”), postmarked no later than _____, 2015
15 [sixty (60) calendar days after the Notice Date]. A Request for Exclusion must provide
16 the following information to the Claims Administrator: (a) name; (b) address;
17 (c) telephone number; (d) quantities of Apollo Securities purchased and sold during the
18 Settlement Class; (e) prices paid or received for such securities with respect to each
19 purchase and sale; (f) the date of each purchase or sale transaction; and (g) a statement
20 that the Person wishes to be excluded from the Settlement Class. All Persons who submit
21 valid and timely Requests for Exclusion in the manner set forth in this paragraph shall
22 have no rights under the Stipulation, shall not share in the distribution of the Net
23 Settlement Fund and shall not be bound by the Stipulation or the Judgment entered in the
24 Litigation. Unless otherwise ordered by the Court, any Settlement Class Member who
25 does not submit a valid and timely written Request for Exclusion as provided by this
26 paragraph shall be bound by the Stipulation.

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1 12. Any Member of the Settlement Class may appear and show cause if he, she
2 or it has any reason why the proposed Settlement of the Litigation should or should not
3 be approved as fair, reasonable and adequate, why the Judgment should or should not be
4 entered thereon, why the Plan of Allocation should or should not be approved, or why
5 Lead Counsel's request for an award of attorneys' fees and expenses, including Lead
6 Plaintiff's expenses as provided for by 15 U.S.C. §78u-4(a)(4) should or should not be
7 awarded; provided, however, that no Settlement Class Member or any other Person shall
8 be heard or entitled to contest the approval of the terms and conditions of the proposed
9 Settlement or the Judgment to be entered thereon unless that Person has delivered by
10 hand or sent by first-class mail written objections and copies of any papers and briefs
11 such that they are received on or before _____, 2015 [sixty (60) calendar days
12 after the Notice Date], by Robbins Geller Rudman & Dowd LLP, Jeffrey D. Light, 655
13 West Broadway, Suite 1900, San Diego, CA 92101; Morgan Lewis & Bockius LLP,
14 Joseph E. Floren, Brian A. Herman, One Market Street, Spear Street Tower, San
15 Francisco, CA 94105; Jennings Strouss & Salmon PLC, Michael J. Farrell, One E.
16 Washington, Suite 1900, Phoenix, AZ 85004-2554; and Skadden, Arps, Slate, Meagher
17 & Flom LLP, Eric Waxman, Peter B. Morrison, 300 South Grand Avenue, Suite 3400,
18 Los Angeles, CA 90071, and filed said objections, papers and briefs with the Clerk of the
19 United States District Court for the District of Arizona, Phoenix Division, on or before
20 _____, 2015 [sixty (60) calendar days after the Notice Date]. Any Settlement
21 Class Member who does not make his, her or its objection in the manner provided shall
22 be deemed to have waived such objection and shall forever be foreclosed from making
23 any objection to the fairness or adequacy of the proposed Settlement as set forth in the
24 Stipulation, to the Plan of Allocation or to the award of attorneys' fees and expenses to
25 Lead Counsel, including Lead Plaintiff's expenses, unless otherwise ordered by the
26 Court.

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1 13. All funds held by the Escrow Agent shall be deemed and considered to be
2 in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court,
3 until such time as such funds shall be distributed pursuant to the Stipulation and/or
4 further order(s) of the Court.

5 14. All papers in support of the Settlement, the Plan of Allocation and any
6 application by Lead Counsel for an award of attorneys' fees or expenses, including Lead
7 Plaintiff's request for payment of its expenses as provided for by 15 U.S.C. §78u-4(a)(4),
8 shall be filed and served on or before fourteen calendar days prior to the objection
9 deadline in ¶12. Any reply briefs and supporting documents shall be filed and served on
10 or before seven calendar days prior to the Final Approval Hearing.

11 15. Neither the Released Persons nor Defendants' counsel shall have any
12 responsibility for the Plan of Allocation or any application for attorneys' fees or expenses
13 submitted by Lead Plaintiff's counsel or Lead Plaintiff, and such matters will be
14 considered separately from the fairness, reasonableness and adequacy of the Settlement.

15 16. At or after the Final Approval Hearing, the Court shall determine whether
16 the Plan of Allocation proposed by Lead Counsel, any application for attorneys' fees or
17 expenses and any application for an award of Lead Plaintiff's expenses, including lost
18 wages pursuant to 15 U.S.C. §78u-4(a)(3)(4), shall be approved.

19 17. All reasonable expenses incurred in identifying and notifying Settlement
20 Class Members, as well as administering the Settlement Fund, shall be paid as set forth in
21 the Stipulation. In the event the Settlement is not approved by the Court, or otherwise
22 fails to become effective, neither Plaintiffs nor any of their counsel shall have any
23 obligation to repay any amounts incurred or properly disbursed pursuant to ¶¶2.6 or 2.7
24 of the Stipulation.

25 18. Neither the Stipulation, nor any of its terms or provisions, nor any of the
26 negotiations or proceedings connected with it, including the Plan of Allocation, shall be
27 construed as an admission or concession by Defendants of the truth of any of the
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1 allegations in connection with the Litigation or of any liability, fault or wrongdoing of
2 any kind.

3 19. Pursuant to ¶8.4 of the Stipulation, in the event that the Court declines to
4 approve the Settlement or the Settlement set forth in the Stipulation is terminated or fails
5 to become effective in accordance with its terms, the Settling Parties shall be restored to
6 their respective positions in the Litigation as of April 17, 2014

7 20. The Court reserves the right to adjourn the date of the Final Approval
8 Hearing without further notice to the Members of the Settlement Class and retains
9 jurisdiction to consider all further applications arising out of or connected with the
10 proposed Settlement. The Court may approve the Settlement, with such modifications as
11 may be agreed to by the Settling Parties, if appropriate, without further notice to the
12 Settlement Class.

13 IT IS SO ORDERED.

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EXHIBIT A-1

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12 Lead Counsel for Lead Plaintiff

13 UNITED STATES DISTRICT COURT

14 DISTRICT OF ARIZONA

15 TEAMSTERS LOCAL 617 PENSION)

AND WELFARE FUNDS, on behalf of)

16 itself and all other similarly situated,)

17 Plaintiff,)

18 vs.)

19 APOLLO GROUP, INC., et al.,)

20 Defendants.)

No. 2:06-cv-02674-DLR

CLASS ACTION

NOTICE OF PENDENCY AND
PROPOSED SETTLEMENT OF CLASS
ACTION

EXHIBIT A-1

1 ***IF YOU PURCHASED APOLLO EDUCATION GROUP, INC., FORMERLY***
2 ***KNOWN AS APOLLO GROUP, INC. (“APOLLO”) SECURITIES¹ FROM***
3 ***NOVEMBER 28, 2001 THROUGH AND INCLUDING OCTOBER 18, 2006 AND***
4 ***WERE DAMAGED THEREBY (THE “SETTLEMENT CLASS”), YOU COULD***
5 ***RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT. CERTAIN***
6 ***PERSONS ARE EXCLUDED FROM THE DEFINITION OF THE***
7 ***SETTLEMENT CLASS AS SET FORTH BELOW.***

8 A federal court authorized this Notice. This is not a solicitation from a lawyer.

- 9 • **Security and Time Period:** Apollo Securities² purchased between November 28,
10 2001 and October 18, 2006, inclusive.
- 11 • **Settlement Fund:** \$13,125,000 in cash plus any interest earned. Your recovery
12 will depend on the timing of your purchases and sales of Apollo Securities during
13 the Settlement Class Period. Based on the information currently available to Lead
14 Plaintiff and the analysis performed by its damages consultants, it is estimated that
15 if Settlement Class Members submit claims for 100% of the shares eligible for
16 distribution under the Plan of Allocation (described below), the estimated average
17 distribution per share of common stock will be approximately \$0.09 before
18 deduction of Court-approved fees and expenses, including the cost of notifying
19 Members of the Settlement Class and settlement administration and any attorneys’
20 fees and expenses awarded by the Court to counsel for the Lead Plaintiff.
21 Historically, actual claims submission rates are less than 100%, which result in
22 higher distributions per share. A Settlement Class Member’s actual recovery will
23 be a proportion of the Net Settlement Fund determined by that claimant’s
24 recognized claim as compared to the total recognized claims of all Settlement
25 Class Members who submit valid Proof of Claim and Release forms (“Proof of
26 Claim”).
- 27 • **Reasons for Settlement:** Avoids the costs and risks associated with continued
28 litigation, including the danger of no recovery.
- **If the Case Had Not Settled:** Continuing with the case could have resulted in loss
on the currently-pending appeal from the judgment for Defendants, summary
judgment, trial or any subsequently filed appeal. The two sides vigorously

1 The term “Apollo Securities” means and includes Apollo Education Group Class A
common stock, University of Phoenix Online common stock, and any call options or put
options on the same. With respect to put options, references to “purchases” of Apollo
Securities mean writing of put options.

2 This Notice incorporates by reference the definitions in the Stipulation of Settlement
dated as of January 12, 2015, and all capitalized terms used, but not defined herein, shall
have the same meanings as in the Stipulation of Settlement. The Stipulation of
Settlement can be accessed at www.apollosecuritiessettlement.com.

1 disagree on both liability and the amount of money that could have been won if
 2 Lead Plaintiff prevailed on appeal and thereafter at trial. The parties disagree
 3 about, among other things: (1) whether the Defendants knew the alleged false
 4 statements were false when made; (2) the method for determining whether the
 5 price of Apollo Securities was artificially inflated during the relevant period;
 6 (3) whether there was any such inflation and the amount of any such alleged
 7 inflation; (4) that there was any wrongdoing on the part of Defendants; (5) the
 8 extent that various facts alleged by Lead Plaintiff influenced the trading price of
 9 Apollo Securities during the Class Period; and (6) whether the facts alleged were
 10 material, false, misleading or otherwise actionable under the federal securities
 11 laws.

- 12 • **Attorneys’ Fees and Expenses:** Court-appointed Lead Plaintiff’s counsel will ask
 13 the Court for attorneys’ fees of 25% of the Settlement Fund and expenses not to
 14 exceed \$200,000, to be paid from the Settlement Fund plus interest. Lead
 15 Plaintiff’s counsel have not received any payment for their work over the past
 16 seven years investigating the facts, prosecuting this Litigation and negotiating this
 17 settlement on behalf of the Lead Plaintiff and the Class. If the above amounts are
 18 requested and approved by the Court, the average cost per share of common stock
 19 will be approximately \$0.07.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Submit a Proof of Claim and Release Form	The only way to get a payment.
Go to a Hearing	Ask to speak in Court about the fairness of the Settlement.
Do Nothing	Get no payment. Give up your rights.
Exclude Yourself	Get no payment. This is the only option that allows you to ever bring a lawsuit against Defendants concerning the legal claims at issue in this case.
Object	Write to the Court about why you do not like the Settlement.

- 22 • The following **deadlines** apply to your rights and options in this Litigation:
 23 Submit Claim: _____, 2015
 24 Request Exclusion: _____, 2015
 25 File Objection: _____, 2015
 26 Court Hearing on Fairness of Settlement: _____, 2015
- 27 • The Court in charge of this case must decide whether to approve the Settlement.
 28 Payments will be made if the Court approves the Settlement and, if there are any
 appeals, after appeals are resolved. Please be patient.

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More information:

Apollo Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 990
Corte Madera, CA 94976-0990
1-800-447-7657

Rick Nelson
Shareholder Relations
Robbins Geller Rudman & Dowd LLP
655 West Broadway, Suite 1900
San Diego, CA 92101
1-800-449-4900

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WHAT THIS NOTICE CONTAINS

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- 24. Are there more details about the Settlement?
- 25. How do I get more information?

BASIC INFORMATION

1. Why did I receive this notice package?

You may have purchased Apollo Securities from November 28, 2001 through October 18, 2006, inclusive.

The Court directed that this Notice be sent to you because you have a right to know about a proposed Settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement.

If the Court approves the Settlement, and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This Notice explains the lawsuit, the Settlement, Settlement Class Members' legal rights, what benefits are available, who is eligible for them and how to get them.

The Court in charge of the case is Judge Douglas L. Rayes of the United States District Court for the District of Arizona, Phoenix Division (the "Court"), and the case is known as *Teamsters Local 617 Pension and Welfare Funds v. Apollo Group, Inc., et al.*, No. 2:06-cv-02674-RCB.

2. What is this lawsuit about?

The Litigation claims that Defendants participated in a scheme to defraud and made materially false and misleading statements regarding the granting of, and accounting for, stock options in violation of §10(b) and §20(a) of the Securities Exchange Act of 1934. All Defendants deny they did anything wrong or that Lead Plaintiff or other Members of the Settlement Class suffered any damage.

On March 31, 2011, the Court issued an order granting Defendants' motion to dismiss and dismissed the Litigation with prejudice. Plaintiffs filed an appeal of the Court's order and dismissal, and the appeal was briefed and pending at the time the proposed Settlement was reached.

3. Why is this a class action?

In a class action, one or more people called plaintiffs (in this case Pension Trust Fund for Operating Engineers, which was appointed by the Court as Lead Plaintiff) sue on behalf of people who have similar claims. Here, all these people are called the Settlement Class or Settlement Class Members. One court resolves the issues for all Settlement Class Members, except for those who timely and validly exclude themselves from the Settlement Class.

1 **4. Why is there a settlement?**

2 There has not been a final resolution of this action in favor of Lead Plaintiff or
3 Defendants. Instead, all parties agreed to a Settlement with the assistance of Judge
4 William Cahill (Ret.), an experienced and highly respected mediator of complex actions
5 like this. By agreeing to a Settlement, the parties avoid the cost and uncertainty of further
6 litigation, including the continued litigation of the pending appeal and a possible trial
7 (and any further appeals) thereafter and allow eligible Settlement Class Members who
8 submit valid claims to receive a payment. Plaintiffs and their attorneys believe the
9 Settlement is in the best interests of the Settlement Class.

7 **WHO IS IN THE SETTLEMENT?**

8 To see if you will receive money from this Settlement, you first have to determine if you
9 are a Settlement Class Member.

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

10
11 The Settlement Class includes all Persons who purchased Apollo Securities from
12 November 28, 2001, through and including October 18, 2006.

13 The term “Apollo Securities” means and includes Apollo Education Group Class A
14 common stock, University of Phoenix Online common stock, and any call options or put
15 options on the same. With respect to put options, references to “purchases” of Apollo
16 Securities mean writing of put options.

15 **6. What are the exceptions to being included?**

16 You are not a Settlement Class Member if you are a Defendant, members of their
17 immediate families and their legal representatives, heirs, successors, or assigns, an officer
18 or director of Apollo at all relevant times, and any entity in which Defendants have or
19 had a controlling interest. You are also not a Settlement Class Member if you timely and
20 validly request exclusion from the Settlement Class pursuant to this Notice.

20 **7. I’m still not sure if I am included.**

21 If you are still not sure if you are included, you can ask for free help. You can call Rick
22 Nelson of Robbins Geller Rudman & Dowd LLP at 1-800-449-4900 or visit
23 www.apollosecuritiessettlement.com or contact the Claims Administrator at 1-800-447-
24 7657 for more information.

24 **THE SETTLEMENT BENEFITS – WHAT YOU GET**

25 **8. What does the Settlement provide?**

26 Defendants have agreed to pay \$13,125,000 in cash. The balance of this fund after
27 payment of Court-approved attorneys’ fees and expenses, taxes and the costs of claims
28 administration, including the costs of printing and mailing this Notice and the cost of

1 publishing newspaper notice (the “Net Settlement Fund”) will be divided among all
2 eligible Settlement Class Members who send in valid claim forms.

3 **9. How much will my payment be?**

4 Your share of the fund will depend on the number of shares of Apollo Securities
5 represented by valid claims made by Members of the Settlement Class and the amount of
6 those claims, the number of shares of Apollo Securities you held, and when you bought
7 and sold them. Assuming that all of the investors who purchased Apollo Securities
8 between November 28, 2001 through and including October 18, 2006 and suffered
9 damages therefrom participate in this Settlement, Lead Plaintiff’s counsel estimate that
10 the estimated average distribution will be approximately \$0.09 per share of Apollo Class
11 A common stock before the deduction of Court-approved fees and expenses, as described
12 in Question 17 below (estimated to be approximately \$0.07 per share after fees and
13 expenses), and the cost of notice and claims administration. Historically, fewer than all
14 eligible investors submit claims, resulting in higher average distributions per share.

15 The Settlement Fund less taxes, notice and administration costs, attorneys’ fees
16 and litigation expenses (“Net Settlement Fund”) will be distributed to Settlement Class
17 Members who submit valid, timely Proof of Claim and Release forms (“Claimants”)
18 under the Plan of Allocation (the “Plan”) described below. The Plan provides that
19 Claimants will be eligible to participate in the distribution of the Net Settlement Fund
20 only if Claimants have a net investment loss.

21 To the extent there are sufficient funds in the Net Settlement Fund, each Claimant
22 will receive an amount equal to the Claimant’s “Claim” as defined below. If, however
23 (and as is more likely), the amount in the Net Settlement Fund is not sufficient to permit
24 payment of the total Claim of each Claimant, then each Claimant shall be paid the
25 percentage of the Net Settlement Fund that each Claimant’s claim bears to the total of the
26 claims of all Claimants. Payment in this manner shall be deemed conclusive against all
27 Claimants.

28 The Plan has been prepared by Lead Plaintiff’s counsel with the assistance of their
damages consultant. Defendants and their counsel have no responsibility with respect to
the Plan.

The calculation of claims below is not an estimate of the amount you will receive.
It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. A
claim will be calculated as follows:

PRELIMINARY ALLOCATION OF SETTLEMENT PROCEEDS

For shares of Apollo Class A common stock that were *purchased or otherwise
acquired from November 28, 2001 through October 18, 2006, (including but not limited
to stock acquired through the conversion of UOPX Online stock)* the claim per share
shall be as follows:

- (a) if sold on or between November 28, 2001 through October 17, 2006, the
claim per share shall be the lesser of:
 - (i) the inflation in Table A at the time of purchase less the inflation in
Table A at the time of sale; or
 - (ii) the difference between the purchase price and the selling price.

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- b) if retained at the end of October 17, 2006 and sold before January 13, 2007, the claim per share shall be the lesser of :
 - (i) the inflation in Table A at the time of purchase;
 - (ii) the difference between the purchase price and the selling price; or
 - (iii) the difference between the purchase price and the average closing price from October 18, 2006 up to the date of sale set forth in Table B below.

- c) if retained at the end of January 12, 2007, the claim per share shall be the lesser of:
 - (i) the inflation in Table A at the time of purchase; or
 - (ii) the difference between the purchase price per share and \$37.53 per share.

TABLE A

Time Period	Inflation
November 28, 2001 - June 7, 2006	\$2.74
June 8, 2006 - June 11, 2006	\$0.62
June 12, 2006 - June 19, 2006	\$2.14
June 20, 2006 - October 17, 2006	\$1.52
October 18, 2006	\$0.00

TABLE B

		Average Closing Price from			Average Closing Price from
Sales Date	Closing Price	October 18, 2006 through Sales Date	Sales Date	Closing Price	October 18, 2006 through Sales Date
10/18/2008	\$37.55	\$37.55	11/30/2006	\$38.79	\$35.80
10/19/2006	\$36.80	\$37.18	12/1/2006	\$39.20	\$35.91
10/20/2006	\$36.28	\$36.88	12/4/2006	\$39.77	\$36.03
10/23/2006	\$36.36	\$36.75	12/5/2006	\$39.60	\$36.13
10/24/2006	\$35.63	\$36.52	12/6/2006	\$38.85	\$36.21
10/25/2006	\$35.65	\$36.38	12/7/2006	\$38.75	\$36.28
10/26/2006	\$35.95	\$36.32	12/8/2006	\$38.97	\$36.35
10/27/2006	\$35.76	\$36.25	12/11/2006	\$39.32	\$36.43
10/30/2006	\$36.54	\$36.28	12/12/2006	\$38.74	\$36.49
10/31/2006	\$36.96	\$36.35	12/13/2006	\$39.08	\$36.55
11/1/2006	\$35.90	\$36.31	12/14/2006	\$40.04	\$36.64
11/2/2006	\$36.00	\$36.28	12/15/2006	\$39.05	\$36.70
11/3/2006	\$35.02	\$36.18	12/18/2006	\$38.60	\$36.74
11/6/2006	\$35.00	\$36.10	12/19/2006	\$38.26	\$36.78
11/7/2006	\$35.25	\$36.04	12/20/2006	\$38.84	\$36.82
11/8/2006	\$35.65	\$36.02	12/21/2006	\$38.52	\$36.86
11/9/2006	\$34.57	\$35.93	12/22/2006	\$38.47	\$36.89
11/10/2006	\$33.70	\$35.81	12/26/2006	\$38.69	\$36.93
11/13/2006	\$34.05	\$35.72	12/27/2006	\$38.63	\$36.96
11/14/2006	\$33.80	\$35.62	12/28/2006	\$38.65	\$37.00
11/15/2006	\$33.80	\$35.53	12/29/2006	\$38.97	\$37.04
11/16/2006	\$34.88	\$35.50	1/3/2007	\$40.63	\$37.11
11/17/2006	\$35.36	\$35.50	1/4/2007	\$41.43	\$37.19
11/20/2006	\$35.23	\$35.49	1/5/2007	\$40.76	\$37.25
11/21/2006	\$35.68	\$35.49	1/8/2007	\$40.32	\$37.31
11/22/2006	\$36.50	\$35.53	1/9/2007	\$40.16	\$37.36
11/24/2006	\$36.27	\$35.56	1/10/2007	\$40.78	\$37.42
11/27/2006	\$36.25	\$35.59	1/11/2007	\$40.64	\$37.48
11/28/2006	\$37.07	\$35.64	1/12/2007	\$40.89	\$37.53
11/29/2006	\$37.65	\$35.70			

Call Options

1. For call options on Apollo Class A common stock *purchased from November 28, 2001 through October 18, 2006*, and
 - i) held at the end of any of the following dates: June 7, 2006, June 11, 2006, June 19, 2006, and/or October 17, 2006, the claim per call option is the difference between the price paid for the call option less the proceeds received upon the settlement of the call option contract;
 - ii) not held at the end of any of the following dates: June 7, 2006, June 11, 2006, June 19, 2006, and/or October 17, 2006, the claim per call option is \$0.
2. For call options on Apollo Class A common stock *written from November 28, 2001 through October 18, 2006*, the claim per call option is \$0.

1 **Put Options**

2 1. For put options on Apollo Group, Inc. Class A common stock *written from*
3 *November 28, 2001 through October 18, 2006*, and

4 i) held at the end of any of the following dates: June 7, 2006, June 11, 2006, June
5 19, 2006, and/or October 17, 2006, the claim per put option is the difference
6 between the price paid upon settlement of the put option contract less the initial
7 proceeds received upon the sale of the put option contract;

8 ii) not held at the end of any of the following dates: June 7, 2006, June 11, 2006,
9 June 19, 2006, and/or October 17, 2006, the claim per put option is \$0.

10 2. For put options on Apollo Class A common stock *purchased from November 28,*
11 *2001 through October 18, 2006*, the claim per put option is \$0.

12 **Note:** In the case the option was exercised for Apollo Class A common stock, the amount
13 paid, or proceeds received, upon settlement of the option contract equals the intrinsic
14 value of the option using Apollo Class A common stock's closing price on the date the
15 option was exercised.

16 **Note:** The combined recovery for the Put/Call Options shall not exceed 3% of the net
17 settlement fund.

18 The First-In, First-Out ("FIFO") method will be applied to such holdings,
19 purchases, and sales for purposes of calculating a claim. Investment gains achieved in
20 connection with transactions in Apollo Securities will be offset against losses suffered in
21 connection with transactions in Apollo Securities in calculating Claimants' losses.
22 Although short sales will have no recognized loss under the Plan, any recognized gain
23 attributable to such short sales will be used to offset recognized losses from other
24 transactions. Furthermore, market gains or losses attributable to short sales will be
25 calculated as part of the market gain or loss calculation.

26 A claimant will be eligible to receive a distribution from the Net Settlement Fund
27 only if a Settlement Class Member had a net loss, after all profits from transactions in
28 like Apollo Securities during the Settlement Class Period are subtracted from all such
losses. However, the proceeds of Apollo Securities held at the beginning of the
Settlement Class Period will not be used in the calculation of such net loss.

Apollo Securities acquired by means of a gift, inheritance or operation of law shall
only be considered if the donor, decedent or transferor does not submit a claim form with
respect to the shares. In such instances, the recipient must provide documentation of the
original purchase in addition to the transfer.

Payment pursuant to the Plan shall be conclusive against all Claimants. No Person
shall have any claim against Lead Plaintiff's counsel, Lead Plaintiff, the Claims
Administrator, Defendants and their Related Parties, or any Person designated by Lead
Plaintiff's counsel based on distributions made substantially in accordance with the
Stipulation and the Settlement contained therein, the Plan, or further order(s) of the
Court. No Settlement Class Member shall have any claim against Defendants for any
Released Claims. All Settlement Class Members who fail to complete and file a valid
and timely Proof of Claim and Release form shall be barred from participating in
distributions from the Net Settlement Fund (unless otherwise ordered by the Court or

1 provided by the Stipulation of Settlement) but otherwise shall be bound by all of the
2 terms of the Stipulation, including the terms of any judgment entered and the releases
3 given.

4 **HOW YOU OBTAIN A PAYMENT –**
5 **SUBMITTING A PROOF OF CLAIM AND RELEASE FORM**

6 **10. How will I obtain a payment?**

7 To qualify for payment, you must be an eligible Settlement Class Member, send in a
8 valid claim form and properly document your claim as requested in the claim form. A
9 claim form is enclosed with this Notice. You may also obtain a Proof of Claim and
10 Release form at www.apollosecuritiessettlement.com. Read the instructions carefully, fill
11 out the form, include all the documents the form asks for, sign it and mail or submit it
12 online no later than _____, 2015. The claim form may be submitted online at
13 www.apollosecuritiessettlement.com.

14 **11. When will I receive my payment?**

15 The Court will hold a hearing on _____, 2015 to decide whether to approve the
16 Settlement. If the Court approves the Settlement, there may be appeals. It is always
17 uncertain whether these appeals can be resolved, and resolving them can take time,
18 perhaps several years. It also takes time for all Proof of Claim forms to be processed. If
19 there are no appeals and depending on the number of claim forms to be processed, the
20 Claims Administrator could distribute the Net Settlement Fund as early as nine months
21 after the fairness hearing. Please be patient.

22 **12. What am I giving up to receive a payment or stay in the Settlement Class?**

23 Unless you timely and validly exclude yourself, you are staying in the Settlement Class,
24 and that means that you cannot sue, continue to sue, or be part of any other lawsuit
25 against the Defendants about the Released Claims in this case. It also means that all of
26 the Court's orders will apply to you and legally bind you, and you will release your
27 claims in this case against the Defendants. The terms of the release are included in the
28 enclosed claim form.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep the right to sue
or continue to sue the Defendants on your own for the Released Claims in this case, then
you must take steps to get out of the Settlement Class. This is called excluding yourself
or is sometimes referred to as opting out of the Settlement Class.

13. How do I get out of the Settlement Class?

To exclude yourself from the Settlement, you must send a letter by mail saying that you
want to be excluded from the Settlement Class in *Teamsters Local 617 Pension and
Welfare Funds v. Apollo Group Inc., et al.*, No. 2:06-cv-02674-RCB. You must provide
the following information: (a) name; (b) address; (c) telephone number; (d) quantities of
Apollo Securities purchased and sold between November 28, 2001 and October 18, 2006,

1 inclusive; (e) prices paid or received for such stock; (f) the date of each purchase or sale
2 transaction; and (g) a statement that you wish to be excluded from the Settlement Class.
3 **You must mail your exclusion request postmarked no later than _____,**
4 **2015 to:**

5 *Apollo Securities Litigation*
6 Claims Administrator
7 c/o Gilardi & Co. LLC
8 P.O. Box 990
9 Corte Madera, CA 94976-0990

10 You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you
11 will not receive any settlement payment, and you cannot object to the Settlement. You
12 will not be legally bound by anything that happens in this lawsuit.

13 **14. If I do not exclude myself, can I sue Defendants for the same thing later?**

14 No. Unless you timely and validly exclude yourself, you give up any right to sue the
15 Defendants for the Released Claims in this Settlement. If you have a pending lawsuit
16 against any of the Defendants, speak to your lawyer in that case immediately.
17 **Remember, the exclusion deadline is _____, 2015.**

18 **15. If I exclude myself, can I receive money from this Settlement?**

19 No. If you exclude yourself, do not send in a Proof of Claim and Release form. But you
20 may be able to sue, continue to sue, or be part of a different lawsuit against Defendants.

21 **THE LAWYERS REPRESENTING YOU**

22 **16. Do I have a lawyer in this case?**

23 Yes. The Court appointed Robbins Geller Rudman & Dowd LLP to represent you and
24 other Settlement Class Members. These lawyers are called Lead Counsel. You will not
25 be charged directly for these lawyers. If you want to be represented by your own lawyer,
26 you may hire one at your own expense.

27 **17. How will the lawyers be paid?**

28 In the more than seven years that this Litigation has been pending, Lead Counsel have not
been paid for their services or for their substantial expenses on behalf of Lead Plaintiff
and the Settlement Class. The fee requested is to compensate Lead Counsel for their
work investigating the facts, litigating the case over the past seven years, and negotiating
the Settlement.

Lead Plaintiff's counsel will ask the Court to approve the payment of expenses incurred
of no more than \$200,000 and a payment of 25% of the Settlement Fund for attorneys'
fees. The fee requested is within the range of fees awarded to class counsel in similar
cases. The Court may award less than this amount.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or any part of it.

18. How do I tell the Court that I do not like the Settlement?

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it, the Plan of Allocation or counsel’s request for an award of attorneys’ fees and expenses. You can state the reasons why you think the Court should not approve any of the relief sought. The Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *Teamsters Local 617 Pension and Welfare Funds v. Apollo Group, Inc., et al.*, No. 2:06-cv-02674-RCB. Be sure to include your name, address, telephone number, your signature, the number of shares of Apollo Securities purchased on or between November 28, 2001 and October 18, 2006, and the reason(s) why you object to the Settlement. **Mail the objection to the Court, Lead Counsel and Defense Counsel in time for it to be received no later than _____, 2015:**

COURT	LEAD COUNSEL	DEFENSE COUNSEL
Clerk of the Court	Jeffrey D. Light	Joseph E. Floren
U.S. DISTRICT COURT	ROBBINS GELLER	Brian A. Herman
DISTRICT OF ARIZONA	RUDMAN & DOWD LLP	MORGAN LEWIS & BOCKIUS LLP
Sandra Day O’Connor	655 West Broadway	One Market Street
U.S. Courthouse	Suite 1900	Spear Street Tower
401 West Washington St.	San Diego, CA 92101	San Francisco, CA 94105
Suite 130, SPC 1		Michael J. Farrell
Phoenix, AZ 85003-2118		JENNINGS STROUSS & SALMON PLC
		One E. Washington
		Suite 1900
		Phoenix, AZ 85004-2554
		Eric Waxman
		Peter B. Morrison
		SKADDEN, ARPS,
		SLATE, MEAGHER & FLOM LLP
		300 South Grand Avenue,
		Suite 3400
		Los Angeles, CA 90071

19. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object **only** if you stay in the Settlement Class.

Excluding yourself is telling the Court that you do not want to be paid and do not want to release any claims you think you may have against Defendants. If you exclude yourself, you cannot object to the Settlement because it does not affect you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

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

The Court will hold a fairness hearing at __:__.m. on _____, 2015, before the Honorable Douglas L. Rayes at the U.S. District Court for the District of Arizona, Phoenix Division, Sandra Day O'Connor U.S. Courthouse, 401 West Washington Street, SPC 79, Phoenix, Arizona. At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. If there are objections, the Court will consider them, even if you do not ask to speak at the hearing. Judge Rayes will listen to people who have asked to speak at the hearing. The Court will also consider whether to approve the Plan of Allocation and counsel's fee and expense requests. The Court may decide the issues at the hearing or take them under consideration. We do not know how long these decisions will take.

21. Do I have to come to the hearing?

No. Lead Counsel will answer questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

22. May I speak at the hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter saying that it is your intention to appear in *Teamsters Local 617 Pension and Welfare Funds v. Apollo Group, Inc., et al.*, No. 2:06-cv-02674-RCB. Be sure to include your name, address, telephone number, the number of shares of Apollo Securities purchased on or between November 28, 2001 and October 18, 2006, and your signature. **Your notice of intention to appear must be received no later than _____, 2015, by the Clerk of the Court, Lead Counsel, and Defense Counsel,** at the addresses listed above in Question 18.

You cannot speak at the hearing if you exclude yourself from the Settlement Class.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will not receive any money from this Settlement. In addition, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the Released Claims in this case.

GETTING MORE INFORMATION

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24. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated as of January 12, 2015. You can obtain a copy of the Stipulation of Settlement by writing to or calling Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900 or from the Clerk’s office at the United States District Court for the District of Arizona, Phoenix Division, 401 West Washington Street, Suite 130, SPC 1, Phoenix, AZ 85003-2153 during regular business hours. The Stipulation may also be downloaded at www.apollosecuritiessettlement.com.

25. How do I get more information?

You can call 1-800-449-4900 or write to Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101 or visit www.apollosecuritiessettlement.com.

SPECIAL NOTICE TO NOMINEES

The Court has ordered that if you held any Apollo Securities purchased on or between November 28, 2001 and October 18, 2006 as nominee for a beneficial owner, then, within ten days after you receive this Notice, you must either: (1) send a copy of this Notice by first-class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Apollo Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 990
Corte Madera, CA 94976-0990

If you choose to mail the Notice and Proof of Claim and Release form yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice upon submission of appropriate documentation to the Claims Administrator.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

DATED: _____, 2015 BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

EXHIBIT A-2

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3 414 Union Street, Suite 900

Nashville, TN 37219

4 Telephone: 615/244-2203

615/252-3798 (fax)

cwood@rgrdlaw.com

- and -

5 DENNIS J. HERMAN

Post Montgomery Center

6 One Montgomery Street, Suite 1800

San Francisco, CA 94104

7 Telephone: 415/288-4545

415/288-4534 (fax)

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- and -

9 JEFFREY D. LIGHT

655 West Broadway, Suite 1900

10 San Diego, CA 92101

Telephone: 619/231-1058

11 619/231-7423 (fax)

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MOLEVER CONELLY PLLC

MICHAEL SALCIDO, No. 009828

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8161 E. Indian Bend Road, Suite 103

Scottsdale, AZ 85250

Telephone: 480/268-2655

480/240-9370 (fax)

MS@arizonalegal.com

Liaison Counsel

12 Lead Counsel for Lead Plaintiff

13 UNITED STATES DISTRICT COURT

14 DISTRICT OF ARIZONA

15 TEAMSTERS LOCAL 617 PENSION
16 AND WELFARE FUNDS, on behalf of
17 itself and all other similarly situated,

18 Plaintiff,

19 vs.

20 APOLLO GROUP, INC., et al.,

21 Defendants.

) No. 2:06-cv-02674-DLR

) CLASS ACTION

) PROOF OF CLAIM AND RELEASE

) EXHIBIT A-2

I. GENERAL INSTRUCTIONS

1 1. To recover as a Member of the Settlement Class based on your claims in
2 the action entitled *Teamsters Local 617 Pension and Welfare Funds v. Apollo Group,*
3 *Inc., et al.*, No. 2:06-cv-02674-RCB (the “Litigation”), you must complete and, on page _
4 hereof, sign this Proof of Claim and Release. If you fail to file a properly addressed (as
5 set forth in paragraph 3 below) Proof of Claim and Release, your claim may be rejected,
6 and you may be precluded from any recovery from the Net Settlement Fund created in
7 connection with the proposed Settlement of the Litigation.

8 2. Submission of this Proof of Claim and Release, however, does not assure
9 that you will share in the proceeds of Settlement in the Litigation.

10 3. YOU MUST MAIL OR SUBMIT ONLINE YOUR COMPLETED AND
11 SIGNED PROOF OF CLAIM AND RELEASE FORM ON OR BEFORE
12 _____, 2015, ADDRESSED AS FOLLOWS:

13
14 *Apollo Securities Litigation*
15 Claims Administrator
16 c/o Gilardi & Co. LLC
17 P.O. Box 990
18 Corte Madera, CA 94976-0990
19 www.apollosecuritiessettlement.com

20 If you are NOT a Member of the Settlement Class, as defined below and in the Notice of
21 Pendency and Proposed Settlement of Class Action (“Notice”), DO NOT submit a Proof
22 of Claim and Release form.

23 4. If you are a Member of the Settlement Class and you do not timely and
24 validly request exclusion from the Settlement Class, you are bound by the terms of any
25 judgment entered in the Litigation, including the releases provided therein, WHETHER
26 OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE FORM.

II. DEFINITIONS

27 1. “Apollo” means Apollo Education Group, Inc., formerly known as Apollo
28 Group, Inc.

1 2. “Apollo Securities” means and includes Apollo Education Group Class A
2 common stock, University of Phoenix Online common stock, and any call options or put
3 options on the same. With respect to put options, references to “purchases” of Apollo
4 Securities mean writing of put options.

5 3. “Individual Defendants” means Terri Bishop, Darby Shupp, and Peter V.
6 Sperling, in their capacity as personal representatives of John G. Sperling (collectively,
7 “Personal Representatives”), Todd S. Nelson, Kenda B. Gonzales, Daniel E. Bachus,
8 John Blair, John R. Norton III, Hedy Govenar, Brian E. Mueller, Dino J. Deconcini, Peter
9 V. Sperling, in his individual capacity, and Laura Palmer Noone.

10 4. “Person” means an individual, corporation, partnership, limited partnership,
11 association, joint stock company, joint venture, limited liability company, professional
12 corporation, estate, legal representative, trust, unincorporated association, government or
13 any political subdivision or agency thereof, and any business or legal entity and their
14 spouses, heirs, predecessors, successors, representatives, or assignees.

15 5. “Related Parties” means each of a Defendant’s past or present directors
16 (including, without limitation, Thomas C. Weir and J. Jorge Klor de Alva), officers,
17 employees, partners, insurers, co-insurers, reinsurers, principals, controlling shareholders,
18 attorneys, accountants or auditors, personal or legal representatives, predecessors,
19 successors, parents, subsidiaries, divisions, affiliates, joint ventures, assigns, spouses,
20 heirs, estates, related or affiliated entities (including, without limitation, the University of
21 Phoenix), any entity in which a Defendant has a controlling interest, any members of any
22 Individual Defendant’s immediate family, or any trust of which any Individual Defendant
23 is the settlor or which is for the benefit of any Individual Defendant’s family.

24 6. “Released Claims” means any and all claims, debts, demands, disputes,
25 rights, causes of action, suits, matters, damages, or liabilities of any kind, nature, and
26 character whatsoever (including, without limitation, any claims for damages, interest,
27 attorneys’ fees, expert or consulting fees, and any and all other costs, expenses, or
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1 liabilities whatsoever), under state, federal, local, statutory, common law, foreign law, or
2 any other law, rule, or regulation, whether fixed or contingent, accrued or unaccrued,
3 liquidated or unliquidated, at law or equity, matured or unmatured (“Claims”), including
4 “Unknown Claims” as defined in ¶1.30 of the Stipulation of Settlement, that arise from,
5 are related to, or are based upon both (a) the purchase or acquisition of Apollo Securities
6 during the Settlement Class Period; and (b) the acts, facts, statements or omissions that
7 were alleged or could have been alleged by Lead Plaintiff or any Settlement Class
8 Member against any of the Released Persons in the Litigation. Released Claims include,
9 without limitation, all Claims asserted by the Settlement Class against the Released
10 Persons in the Complaints in the Litigation.

11 7. “Released Persons” means each and all of the Defendants and each of their
12 respective Related Parties.

13 8. “Settlement Class,” “Settlement Class Member,” or “Members of the
14 Settlement Class” means all Persons who purchased or otherwise acquired Apollo
15 Securities from November 28, 2001 through and including October 18, 2006. Excluded
16 from the Settlement Class are Defendants, members of their immediate families, their
17 legal representatives, heirs, successors, or assigns, officers and directors of Apollo during
18 the Settlement Class Period, and any entity in which Defendants have or had a controlling
19 interest. Persons who make a timely and valid request for exclusion from the Settlement
20 Class are also excluded.

21 9. “Settlement Class Period” means November 28, 2001 to October 18, 2006,
22 inclusive.

23 10. “Unknown Claims” means any Released Claims which the Lead Plaintiff or
24 any Settlement Class Member, as of the Effective Date, does not know or suspect to exist
25 in his, her, or its favor, whether direct, indirect, or derivative, including those which, if
26 known by him, her, or it, might have affected his, her, or its settlement with and release
27 of the Released Persons, or might have affected his, her, or its decision not to object to
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1 this Settlement. With respect to any and all Released Claims, the Settling Parties
2 stipulate and agree that, upon the Effective Date, Lead Plaintiff shall expressly waive and
3 each of the Settlement Class Members shall be deemed to have, and by operation of the
4 Judgment shall have, expressly waived, the provisions, rights, and benefits of California
5 Civil Code §1542, which provides:

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

9 Lead Plaintiff shall expressly waive and each of the Settlement Class Members shall be
10 deemed to have, and by operation of the Judgment shall have, expressly waived, any and
11 all provisions, rights, and benefits conferred by any law of any state or territory of the
12 United States, or principle of common law that is similar, comparable, or equivalent to
13 California Civil Code §1542, or that might otherwise operate to bar or limit the release of
14 Unknown Claims. Lead Plaintiff and Settlement Class Members may hereafter discover
15 facts in addition to or different from those which he, she, or it now knows or believes to
16 be true with respect to the subject matter of the Released Claims, but Lead Plaintiff shall
17 expressly release and each Settlement Class Member, upon the Effective Date, shall be
18 deemed to have, and by operation of the Judgment shall have, expressly, fully, finally,
19 and forever settled and released any and all Released Claims, known or unknown,
20 suspected or unsuspected, contingent or non-contingent, whether or not concealed or
21 hidden, which now exist, or heretofore have existed, upon any theory of law or equity
22 now existing or coming into existence in the future, including, but not limited to, conduct
23 that is negligent, intentional, with or without malice, or a breach of any duty, law, or rule,
24 without regard to and notwithstanding the subsequent discovery or existence of such
25 different or additional facts. Lead Plaintiff acknowledges, and the Settlement Class
26 Members shall be deemed by operation of the Judgment to have acknowledged, that the

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1 foregoing waiver was separately bargained for and a key element of the Settlement of
2 which this release is a part.

3 **III. CLAIMANT IDENTIFICATION**

4 1. If you purchased Apollo Securities and held the certificate(s) in your name,
5 you are the beneficial purchaser as well as the record purchaser. If, however, the
6 certificate(s) were registered in the name of a third party, such as a nominee or brokerage
7 firm, you are the beneficial purchaser and the third party is the record purchaser.

8 2. Use Part I of this form entitled "Claimant Identification" to identify each
9 purchaser of record ("nominee"), if different from the beneficial purchaser of the Apollo
10 Securities that form the basis of this claim. THIS CLAIM MUST BE FILED BY THE
11 ACTUAL BENEFICIAL PURCHASER(S) OR THE LEGAL REPRESENTATIVE OF
12 SUCH PURCHASER(S) OF THE APOLLO COMMON STOCK UPON WHICH THIS
13 CLAIM IS BASED.

14 3. All joint purchasers must sign this Proof of Claim and Release. Executors,
15 administrators, guardians, conservators and trustees must complete and sign this Proof of
16 Claim and Release on behalf of Persons represented by them, and their authority must
17 accompany this Proof of Claim and Release and their titles or capacities must be stated.
18 The Social Security (or taxpayer identification) number and telephone number of the
19 beneficial owner may be used in verifying the claim. Failure to provide the foregoing
20 information could delay verification of your claim or result in rejection of the claim.

21 **IV. CLAIM FORM**

22 1. Use Part II of this form entitled "Schedule of Transactions in Apollo
23 Securities" to supply all required details of your transaction(s) in Apollo Securities. If
24 you need more space or additional schedules, attach separate sheets giving all of the
25 required information in substantially the same form. Sign and print or type your name on
26 each additional sheet.

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1 2. On the schedules, provide all of the requested information with respect to
2 all of your purchases and all of your sales of Apollo Securities that took place at any time
3 on or between and including November 28, 2001 and January 12, 2007 whether such
4 transactions resulted in a profit or a loss. Failure to report all such transactions may
5 result in the rejection of your claim. Also list the number of shares held at the close of
6 trading on November 27, 2001, October 18, 2006, and January 12, 2007.

7 3. List each transaction in the Settlement Class Period separately and in
8 chronological order, by trade date, beginning with the earliest. You must accurately
9 provide the month, day and year of each transaction you list.

10 4. Copies of broker confirmations or other documentation of your transactions
11 in Apollo Securities should be attached to your claim. Failure to provide this
12 documentation could delay verification of your claim or result in rejection of your claim.

13 5. The above requests are designed to provide the minimum amount of
14 information necessary to process the simplest claims. The Claims Administrator may
15 request additional information as required to efficiently and reliably calculate your losses.
16 In the event the Claims Administrator cannot perform the calculation accurately or at a
17 reasonable cost to the Settlement Class with the information provided, the Claims
18 Administrator may condition acceptance of the claim upon the production of additional
19 information and/or the claimant's responsibility for any increased costs due to the nature
20 and/or scope of the claim.

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UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

Teamsters Local 617 Pension and Welfare Funds v. Apollo Group, Inc., et al.

No. 2:06-cv-02674-DLR

PROOF OF CLAIM AND RELEASE

Must Be Submitted Online or Postmarked No Later Than:

_____, 2015

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last)

Street Address

City State or Province

Zip Code or Postal Code Country

Social Security Number or Taxpayer Identification Number _____ Individual Corporation/Other

Area Code Telephone Number (work)

Area Code Telephone Number (home)

Record Owner's Name (if different from beneficial owner listed above)

PART II: SCHEDULE OF TRANSACTIONS IN APOLLO SECURITIES

1. APOLLO EDUCATION GROUP CLASS A COMMON STOCK

A. Number of shares of Apollo Class A common stock held at the close of trading on November 27, 2001: _____

B. Purchases or acquisitions of Apollo Class A common stock (November 28, 2001-January 12, 2007, inclusive):

Trade Date Mo. Day Year	Number of Shares Purchased or Acquired	Total Purchase or Acquisition Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

IMPORTANT: If any purchase listed covered a "short sale," please mark Yes:
 Yes

C. Sales of Apollo Class A common stock (November 28, 2001-January 12, 2007, inclusive):

Trade Date Mo. Day Year	Number of Shares Sold	Total Sales Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

D. Number of shares of Apollo Class A common stock held at the close of trading on October 18, 2006: _____

E. Number of shares of Apollo Class A common stock held at the close of trading on January 12, 2007: _____.

If you require additional space, attach extra schedules in the same format as above.

Sign and print your name on each additional page.

2. UNIVERSITY OF PHOENIX ONLINE COMMON STOCK

PLEASE NOTE: University of Phoenix common stock was converted to Apollo

1 Education Group Class A common stock on August 27, 2004. Please use page ___ of the
 2 claim form to report any sales on or after August 27, 2004.

3 A. Number of shares of University of Phoenix common stock held at the close
 4 of trading on November 27, 2001: _____

5 B. Purchases or acquisitions of University of Phoenix common stock
 6 (November 28, 2001-August 27, 2004, inclusive):

Trade Date Mo. Day Year	Number of Shares Purchased or Acquired	Total Purchase or Acquisition Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

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10
11
12 **IMPORTANT:** If any purchase listed covered a “short sale,” please mark Yes:
 Yes

13 C. Sales of University of Phoenix common stock (November 28, 2001-August
 14 27, 2004, inclusive):

Trade Date Mo. Day Year	Number of Shares Sold	Total Sales Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

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20 D. Number of shares of University of Phoenix common stock converted into
 21 Apollo Class A common stock on August 27, 2004:

22 If you require additional space, attach extra schedules in the same format as above.

23 Sign and print your name on each additional page.

24 **YOU MUST READ AND SIGN THE RELEASE ON PAGE __. FAILURE**
 25 **TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR**
 26 **THE REJECTION OF YOUR CLAIM.**
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3. APOLLO CLASS A COMMON STOCK CALL/PUT OPTIONS PURCHASES/REPURCHASES

A. I made the following purchase/repurchase of options on Apollo Class A common stock during the period from November 28, 2001 through October 18, 2006, inclusive:

Option Type	Date(s) of transaction (List Chronologically)	Number of Option contracts acquired	Expiry Date (Month/Year)	Strike Price	Transaction price per option contract	[X]expired [A]ssigned [E]xercised
	M M D D Y Y		M M Y Y			
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SALES/WRITTEN

B. I made the following sales/written options on Apollo Class A common stock during the period from November 28, 2001 through October 18, 2006, inclusive:

Option Type	Date(s) of transaction (List Chronologically)	Number of Option contracts acquired	Expiry Date (Month/Year)	Strike Price	Transaction price per option contract	[X]expired [A]ssigned [E]xercised
	M M D D Y Y		M M Y Y			
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1 4. APOLLO UNIVERSITY OF PHOENIX ONLINE COMMON STOCK
 2 CALL/PUT OPTIONS

3 PURCHASES/REPURCHASES

4 A. I made the following purchase/repurchase of options on Apollo University of Phoenix
 5 Online common stock during the period from November 28, 2001 through August 27,
 6 2004, inclusive:

Option Type	Date(s) of transaction (List Chronologically)	Number of Option contracts acquired	Expiry Date (Month/Year)	Strike Price	Transaction price per option contract	[X]expired [A]ssigned [E]xercised
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<input type="radio"/> Put <input type="radio"/> Call	[][] [][] [][] [][]	[][][][]	[][] [][]	[][][][] . [][]	[][][][] . [][][][]	<input type="checkbox"/>

17 SALES/WRITTEN
 18 B. I made the following sales/written options on Apollo University of Phoenix Online
 19 common stock during the period from November 28, 2001 through August 27, 2004,
 20 inclusive:

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Option Type	Date(s) of transaction (List Chronologically)	Number of Option contracts acquired	Expiry Date (Month/Year)	Strike Price	Transaction price per option contract	[X]expired [A]ssigned [E]xercised
	M M D D Y Y		M M Y Y			
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If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

YOU MUST READ AND SIGN THE RELEASE ON PAGE __. FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

1 **V. SUBMISSION TO JURISDICTION OF COURT AND**
2 **ACKNOWLEDGMENTS**

3 I (We) submit this Proof of Claim and Release under the terms of the Stipulation
4 of Settlement dated as of January 12, 2015 (“Stipulation”) described in the Notice. I
5 (We) also submit to the jurisdiction of the United States District Court for the District of
6 Arizona with respect to my (our) claim as a Settlement Class Member (as defined in the
7 Notice) and for purposes of enforcing the release set forth herein. I (We) further
8 acknowledge that I am (we are) bound by and subject to the terms of any judgment that
9 may be entered in the Litigation. I (We) agree to furnish additional information to Lead
10 Counsel and/or the Claims Administrator to support this claim if required to do so. I
11 (We) have not submitted any other claim covering the same purchases or sales of Apollo
12 securities during the Settlement Class Period and know of no other Person having done so
13 on my (our) behalf.

13 **VI. RELEASE**

14 1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby
15 fully, finally and forever settle, release, relinquish and discharge all of the Released
16 Claims (including Unknown Claims) against each and all of the Released Parties, all as
17 defined herein and in the Notice and Stipulation.

18 2. This release shall be of no force or effect unless and until the Court
19 approves the Stipulation and it becomes effective on the Effective Date.

20 3. I (We) hereby warrant and represent that I (we) have not assigned or
21 transferred or purported to assign or transfer, voluntarily or involuntarily, any matter
22 released pursuant to this release or any other part or portion thereof.

23 4. I (We) hereby warrant and represent that I (we) have included all requested
24 information about all of my (our) purchases of Apollo Securities during the Settlement
25 Class Period, as well as sales of Apollo Securities between November 28, 2011 through
26 January 12, 2007 as well as the number of securities held at the close of trading on
27 November 27, 2001, October 18, 2006, and January 12, 2007.

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5. The number(s) shown on this form is (are) the correct SSN/TIN(s).

6. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of §3406(a)(1)(C) of the Internal Revenue Code.

(NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out Item 6 above.)

I (We) declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this ____ day of _____, 20____
(Month/Year)

in _____, _____
(City) (State/Country)

(Sign your name here)

(Type or print your name here)

(Capacity of person(s) signing, e.g.,
Beneficial Purchaser or Acquirer,
Executor or Administrator)

1 ACCURATE CLAIMS PROCESSING TAKES A
2 SIGNIFICANT AMOUNT OF TIME.
3 THANK YOU FOR YOUR PATIENCE.

4 Reminder Checklist:

- 5 1. Please sign the above release and declaration.
6 2. Remember to attach copies of supporting documentation, if available.
7 3. Do not send original stock certificates.
8 4. Keep a copy of your claim form for your records.
9 5. If you desire an acknowledgment of receipt of your claim form, please send
10 it Certified Mail, Return Receipt Requested.
11 6. If you move, please send us your new address.

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EXHIBIT A-3

1 ROBBINS GELLER RUDMAN
& DOWD LLP
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4 615/252-3798 (fax)
cwood@rgrdlaw.com

5 - and -
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8 415/288-4534 (fax)
dherman@rgrdlaw.com

9 - and -
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619/231-7423 (fax)
12 jeffl@rgrdlaw.com

MOLEVER CONELLY PLLC
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8161 E. Indian Bend Road, Suite 103
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480/240-9370 (fax)
MS@arizonalegal.com

Liaison Counsel

13 Lead Counsel for Lead Plaintiff

14 UNITED STATES DISTRICT COURT

15 DISTRICT OF ARIZONA

16 TEAMSTERS LOCAL 617 PENSION)
AND WELFARE FUNDS, on behalf of)
17 itself and all other similarly situated,)

18 Plaintiff,)

19 vs.)

20 APOLLO GROUP, INC., et al.,)

21 Defendants.)

No. 2:06-cv-02674-DLR

CLASS ACTION

SUMMARY NOTICE OF PENDENCY
OF CLASS ACTION AND PROPOSED
SETTLEMENT

EXHIBIT A-3

1 ***IF YOU PURCHASED APOLLO EDUCATION GROUP, INC., FORMERLY***
2 ***KNOWN AS APOLLO GROUP, INC. (“APOLLO”) SECURITIES¹ FROM***
3 ***NOVEMBER 28, 2001 THROUGH AND INCLUDING OCTOBER 18, 2006 AND***
4 ***WERE DAMAGED THEREBY (THE “SETTLEMENT CLASS”), YOU COULD***
5 ***RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT. CERTAIN***
6 ***PERSONS ARE EXCLUDED FROM THE DEFINITION OF THE SETTLEMENT***
7 ***CLASS AS SET FORTH IN THE STIPULATION OF SETTLEMENT.***

8 PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE
9 AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

10 YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil
11 Procedure and Order of the United States District Court for the District of Arizona, that the
12 above-captioned litigation (the “Litigation”) has been preliminarily certified as a class action
13 for the purposes of settlement only and that a Settlement has been proposed for \$13,125,000
14 in cash. A hearing will be held on _____, 2015, at __:___.m., before the Honorable
15 Douglas L. Rayes at the Sandra Day O’Connor U.S. Courthouse, 401 West Washington
16 Street, SPC 79, Phoenix, Arizona, for the purpose of determining whether: (1) the proposed
17 Settlement should be approved by the Court as fair, reasonable and adequate; (2) the
18 proposed Plan of Allocation for distribution of the settlement proceeds is fair, reasonable and
19 adequate and therefore should be approved; and (3) the application of Lead Plaintiff’s
20 counsel for the payment of attorneys’ fees and expenses, including Lead Plaintiff’s expenses
21 incurred in connection with the Litigation, should be approved.

22 If you are a Member of the Settlement Class described above, your rights may be
23 affected by the Settlement of the Litigation, and you may be entitled to share in the
24 Settlement Fund. If you have not received a detailed Notice of Pendency and Proposed
25 Settlement of Class Action (“Notice”) and a copy of the Proof of Claim and Release, you
26 may obtain a copy of these documents by contacting the Claims Administrator: *Apollo*
27 *Securities Litigation, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040,*

28 ¹ The term “Apollo Securities” means and includes Apollo Education Group Class A
common stock, University of Phoenix Online common stock, and any call options or put
options on the same. With respect to put options, references to “purchases” of Apollo
Securities mean writing of put options.

1 1-877-289-2663. You may also obtain copies of the Stipulation of Settlement, Notice and
2 Proof of Claim and Release at www.apollosecuritiessettlement.com.

3 If you are a Settlement Class Member, to be eligible to share in the distribution of the
4 Net Settlement Fund, you must submit a Proof of Claim and Release by mail or online no
5 later than _____, 2015. If you are a Settlement Class Member and do not submit a
6 valid Proof of Claim and Release, you will not be eligible to share in the distribution of the
7 Net Settlement Fund, but you will still be bound by any judgment entered by the Court in
8 this Litigation (including the releases provided for therein).

9 To exclude yourself from the Settlement Class, you must submit a written request for
10 exclusion postmarked by _____, 2015 in accordance with the instructions set forth
11 in the Notice. If you are a Settlement Class Member and do not exclude yourself from the
12 Settlement Class, you will be bound by any judgment entered by the Court in this Litigation
13 (including the releases provided for therein) whether or not you submit a Proof of Claim and
14 Release. If you submit a written request for exclusion, you will have no right to recover
15 money pursuant to the Settlement.

16 Any objection to the proposed Settlement must be filed with the Court and delivered
17 such that it is received by each of the following no later than _____, 2015:

18 CLERK OF THE COURT
19 UNITED STATES DISTRICT COURT
20 DISTRICT OF ARIZONA
21 Sandra Day O'Connor U.S. Courthouse
22 401 West Washington Street
23 Suite 130, SPC 1
24 Phoenix, AZ 85003-2118

25 *Lead Counsel:*

26 ROBBINS GELLER RUDMAN
27 & DOWD LLP
28 JEFFREY D. LIGHT
655 West Broadway, Suite 1900
San Diego, CA 92101

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Defense Counsel:

MORGAN LEWIS & BOCKIUS LLP
JOSEPH E. FLOREN
BRIAN A. HERMAN
One Market Street
Spear Street Tower
San Francisco, CA 94105

JENNINGS STROUSS & SALMON PLC
MICHAEL J. FARRELL
One E. Washington, Suite 1900
Phoenix, AZ 85004-2554

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
ERIC WAXMAN
PETER B. MORRISON
300 South Grand Avenue, Suite 3400
Los Angeles, CA 90071

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE
REGARDING THIS NOTICE.** If you have any questions about the settlement, you may
contact Lead Counsel at the address listed above or by calling 1-800-449-4900.

DATED: _____

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

EXHIBIT B

1 ROBBINS GELLER RUDMAN
& DOWD LLP

2 CHRISTOPHER M. WOOD

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3 Telephone: 615/244-2203

615/252-3798 (fax)

4 cwood@rgrdlaw.com

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Post Montgomery Center

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San Francisco, CA 94104

7 Telephone: 415/288-4545

415/288-4534 (fax)

8 dherman@rgrdlaw.com

- and -

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10 San Diego, CA 92101

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11 619/231-7423 (fax)

jeffl@rgrdlaw.com

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Scottsdale, AZ 85250

Telephone: 480/268-2655

480/240-9370 (fax)

MS@arizonalegal.com

Liaison Counsel

Lead Counsel for Lead Plaintiff

14 UNITED STATES DISTRICT COURT

15 DISTRICT OF ARIZONA

16 TEAMSTERS LOCAL 617 PENSION)
AND WELFARE FUNDS, on behalf of)
17 itself and all other similarly situated,)

18 Plaintiff,)

19 vs.)

20 APOLLO GROUP, INC., et al.,)

21 Defendants.)

No. 2:06-cv-02674-DLR

CLASS ACTION

[PROPOSED] FINAL JUDGMENT AND
ORDER OF DISMISSAL WITH
PREJUDICE

EXHIBIT B

1 This matter came before the Court for hearing pursuant to the Order of this Court,
2 dated _____, on the application of the parties for approval of the Settlement set
3 forth in the Stipulation of Settlement dated January 12, 2015 (the "Stipulation"). Due and
4 adequate notice having been given to the Settlement Class as required in the Order, the
5 Court having considered all papers filed and proceedings held herein and otherwise being
6 fully informed in the premises and good cause appearing therefore, IT IS HEREBY
7 ORDERED, ADJUDGED AND DECREED that:

8 1. This Judgment incorporates by reference the definitions in the Stipulation,
9 and all terms used herein shall have the same meanings as set forth in the Stipulation,
10 unless otherwise stated herein.

11 2. This Court has jurisdiction over the subject matter of the Litigation and
12 over all parties to the Litigation, including all Members of the Settlement Class.

13 3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court
14 hereby certifies, for purposes of effectuating the Settlement, a Settlement Class defined as
15 all Persons who purchased or otherwise acquired Apollo Securities from November 28,
16 2001 through and including October 18, 2006. Excluded from the Settlement Class are
17 Defendants, members of their immediate families, their legal representatives, heirs,
18 successors, or assigns, officers and directors of Apollo during the Settlement Class
19 Period, and any entity in which Defendants have or had a controlling interest. Also
20 excluded from the Settlement Class are those Persons who have validly and timely
21 requested exclusion from the Settlement Class (all such Persons are identified in Exhibit
22 1 hereto).

23 4. With respect to the Settlement Class, this Court finds, solely for the
24 purposes of effectuating the Settlement, that: (a) the Members of the Settlement Class are
25 so numerous that joinder of all Settlement Class Members in the Litigation is
26 impracticable; (b) there are questions of law and fact common to the Settlement Class
27 that predominate over any individual questions; (c) the claims of Lead Plaintiff are
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1 typical of the claims of the Settlement Class; (d) Lead Plaintiff and its counsel have
2 fairly and adequately represented and protected the interests of the Settlement Class
3 Members; and (e) a class action is superior to other available methods for the fair and
4 efficient adjudication of the controversy, considering: (i) the interests of the Members of
5 the Settlement Class in individually controlling the prosecution of the separate actions;
6 (ii) the extent and nature of any litigation concerning the controversy already commenced
7 by Members of the Settlement Class; (iii) the desirability or undesirability of
8 concentrating the litigation of these claims in this particular forum; and (iv) the
9 difficulties likely to be encountered in the management of the Litigation. .

10 5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court
11 certifies Lead Plaintiff as a representative of the Settlement Class. Lead Counsel is also
12 certified as counsel to Lead Plaintiff and the Settlement Class in the Litigation.

13 6. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court
14 hereby approves the Settlement set forth in the Stipulation and finds that said Settlement
15 is, in all respects, fair, just, reasonable and adequate to the Settlement Class.

16 7. The Litigation and all claims contained therein, as well as all of the
17 Released Claims, are hereby dismissed with prejudice as to Lead Plaintiff and the other
18 Settlement Class Members and as against each and all of the Released Persons. The
19 Settling Parties are to bear their own costs except as otherwise provided in the
20 Stipulation.

21 8. The Court finds that the Settlement is fair, just, reasonable and adequate as
22 to each of the Members of the Settlement Class and that the Settlement is hereby finally
23 approved in all respects, and the Settling Parties are hereby directed to perform its terms.

24 9. Upon the Effective Date, Lead Plaintiff and each of the Settlement Class
25 Members shall be deemed to have, and by operation of this Judgment shall have, fully,
26 finally and forever released, relinquished, dismissed and discharged each and every one
27 of the Released Claims (including Unknown Claims) against each and every one of the
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1 Released Persons with prejudice on the merits, whether or not Lead Plaintiff or such
2 Settlement Class Member executes and delivers the Proof of Claim and Release and
3 whether or not Lead Plaintiff or each of the Settlement Class Members ever seeks or
4 obtains any distribution from the Settlement Fund.

5 10. Upon the Effective Date, each of the Released Persons shall be deemed to
6 have, and by operation of this Judgment shall have, fully, finally and forever released,
7 relinquished and discharged Lead Plaintiff, each and all of the Settlement Class Members
8 and their attorneys (including, without limitation, Lead Counsel), employees, heirs,
9 successors and assigns from all Claims (including, without limitation, Unknown Claims)
10 arising out of, relating to or in connection with the institution, prosecution, assertion,
11 settlement or resolution of the Litigation or the Released Claims; provided, however, that
12 this release shall not apply to, and nothing in this Judgment shall constitute or operate as,
13 a release or waiver of any Claims that Apollo, the Individual Defendants, and/or their
14 Related Parties may have against any insurer or reinsurer and their successors and assigns
15 for reimbursement of the Settlement Amount or otherwise arising from or related to the
16 Litigation, all such Claims against insurers, reinsurers, and their successors and assigns
17 being expressly reserved.

18 11. Upon the Effective Date, Lead Plaintiff, all Settlement Class Members and
19 anyone claiming through or on behalf of any of them are forever barred and enjoined
20 from commencing, instituting, asserting or continuing to prosecute any action or
21 proceeding in any court of law or equity, arbitration tribunal, administrative forum or
22 other forum of any kind any of the Released Claims against any of the Released Persons.

23 12. The distribution of the Notice and publication of the Summary Notice of
24 Pendency of Class Action and Proposed Settlement as provided for in the Preliminary
25 Approval Order constituted the best notice practicable under the circumstances, including
26 individual notice to Settlement Class Members who could be identified through
27 reasonable effort. Said notice provided the best notice practicable under the
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1 circumstances of those proceedings and of the matters set forth therein, including the
2 proposed Settlement set forth in the Stipulation, to all Persons entitled to such notice, and
3 said notice fully satisfied the requirements of Federal Rule of Civil Procedure 23, due
4 process and any other applicable law, including the Private Securities Litigation Reform
5 Act of 1995.

6 13. Any Plan of Allocation submitted by Lead Counsel or any order entered
7 regarding any attorneys' fee and expense application shall in no way disturb or affect this
8 Judgment and shall be considered separate from this Judgment.

9 14. Neither the Stipulation nor the Settlement contained therein, nor any act
10 performed or document executed pursuant to or in furtherance of the Stipulation or the
11 Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence
12 of, the validity of any Released Claim or of any wrongdoing or liability of the
13 Defendants, or their respective Related Parties; or (b) is or may be deemed to be or may
14 be used as an admission of, or evidence of, any fault or omission of any of the
15 Defendants or their Related Parties in any civil, criminal or administrative proceeding in
16 any court, administrative agency or other tribunal. Released Persons may file the
17 Stipulation and/or the Judgment in any other action that may be brought against them in
18 order to support a defense or counterclaim based on principles of *res judicata*, collateral
19 estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of
20 claim preclusion or issue preclusion or similar defense or counterclaim.

21 15. Without affecting the finality of this Judgment in any way, this Court
22 hereby retains continuing jurisdiction over: (a) implementation of the Settlement and any
23 award or distribution of the Settlement Fund, including interest earned thereon;
24 (b) disposition of the Settlement Fund; (c) hearing and determining applications for
25 attorneys' fees and expenses in the Litigation; and (d) all parties hereto for the purpose of
26 construing, enforcing and administering the Settlement.

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1 16. The Court finds that during the course of the Litigation, the Settling Parties
2 and their respective counsel at all times complied with the requirements of Federal Rule
3 of Civil Procedure 11.

4 17. Pursuant to ¶8.4 of the Stipulation, in the event that the Settlement does not
5 become effective in accordance with the terms of the Stipulation, or the Effective Date
6 does not occur, or in the event that the Settlement Fund, or any portion thereof, is
7 returned to Apollo, then this Judgment shall be rendered null and void to the extent
8 provided by and in accordance with the Stipulation and shall be vacated; and in such
9 event, all orders entered and releases delivered in connection herewith shall be null and
10 void to the extent provided by and in accordance with the Stipulation.

11 18. The Settling Parties shall bear their own costs and expenses except as
12 otherwise provided in the Stipulation or in this Judgment.

13 IT IS SO ORDERED.

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