

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

In re BofI Holding, Inc. Securities Litigation

Case No. 3:15-cv-2324-GPC-KSC

Class Action

**NOTICE OF (I) PROPOSED CLASS ACTION SETTLEMENT; (II) SETTLEMENT HEARING; AND
(III) MOTION FOR AN AWARD OF ATTORNEYS' FEES, REIMBURSEMENT OF LITIGATION
EXPENSES, AND LEAD PLAINTIFF'S SERVICE AWARD**

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

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (the "Action")¹ pending in the United States District Court for the Southern District of California (the "Court"), if you purchased or otherwise acquired shares of the publicly traded common stock of BofI Holding, Inc. (now known as Axos Financial, Inc.²) ("BofI Common Stock"), purchased BofI call options ("BofI Call Options"), and/or sold BofI put options ("BofI Put Options"), between September 4, 2013 through and including October 13, 2015 (the "Class Period"), and were damaged thereby.³

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff and Class Representative Houston Municipal Employees Pension System ("Lead Plaintiff"), on behalf of itself and the class of BofI Securities holders the Court certified on August 24, 2021 (as defined in ¶25 below), have reached a proposed settlement of the Action for \$14,100,000 in cash that, if approved, will resolve all claims in the Action (the "Settlement").

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

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact BofI, any other Defendants in the Action, or their counsel. All questions should be directed to Class Counsel or the Claims Administrator (see page 20 below).

1. **Description of the Action and the Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that defendants BofI, Gregory Garrabrants, Andrew J. Micheletti, Paul J. Grinberg, Nicholas A. Mosich, and James S. Argalas (collectively, "Defendants")⁴ violated the federal securities laws by making false and misleading statements regarding the Bank. Defendants deny the allegations of wrongdoing asserted in this Action, and deny any liability whatsoever to any member of the Class. A more detailed description of the Action is set forth in paragraphs 11-24 below. The proposed Settlement, if approved by the Court, will settle claims of the Class, as defined in paragraph 25 below.

2. **Statement of the Class's Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of itself and the Class, agreed to settle the Action in exchange for a settlement payment of \$14,100,000 in cash (the "Settlement

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated April 13, 2022 (the "Stipulation"), which is available at www.BofISecuritiesLitigation.com.

² BofI Holding, Inc., now known as Axos Financial, Inc., is referred to herein as "BofI" or the "Bank."

³ BofI Common Stock, Call Options, and Put Options are collectively referred to herein as "BofI Securities."

⁴ Defendants Garrabrants, Micheletti, Grinberg, Mosich, and Argalas are referred to collectively as the "Individual Defendants."

Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less (a) any and all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants) (“Taxes”); (b) any and all costs and expenses incurred in connection with providing notice to Class Members and administering the Settlement on behalf of Class Members (“Notice and Administration Costs”); and (c) any Court-awarded attorneys’ fees, expenses, and interest thereon, including any service award for Lead Plaintiff) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth on pages 11-16 below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff’s damages expert’s estimates the conduct at issue in the Action affected approximately 4.7 million shares of BofI Common Stock purchased, as well as approximately 5,661 BofI Call Options acquired (representing 566,100 shares) and approximately 20,316 BofI Put Options sold (representing 2.03 million shares), during the Class Period. If all eligible Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses, service award, and costs as described herein) would be approximately \$2.84 per affected share of BofI Common Stock, and \$27.14 per affected contract of BofI Call Options and BofI Put Options (or \$0.27 per affected share). Class Members should note, however, that the foregoing average recovery is only an estimate. Some Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased/acquired or sold their BofI Securities, and the total number of valid Claim Forms submitted. Distributions to Class Members will be made based on the Plan of Allocation set forth herein (see pages 11-16 below) or such other plan of allocation as may be ordered by the Court.

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

5. **Attorneys’ Fees and Expenses Sought:** Class Counsel, which have been prosecuting the Action on a wholly contingent basis since its inception in 2015, have not received any payment of attorneys’ fees for their representation of the Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Class Counsel will apply to the Court to be paid from the Settlement Fund, and any payment will be made only in the amount that is approved by the Court. Class Counsel will ask the Court for an award of attorneys’ fees of no more than 25% of the Settlement Fund (*i.e.*, no more than \$3,525,000). In addition, Class Counsel will ask the Court to reimburse them out of the Settlement Fund for the expenses they reasonably incurred and will incur in litigating this case on behalf of Class Members, in an amount not to exceed \$1,400,000. Class Counsel will also ask the Court to approve a Service Award of up to \$15,000 for the Class Representative as an award for its service to the Class as Plaintiff and Class Representative out of the Settlement Fund. Class Counsel will also request authorization to pay the Claims Administrator, directly from the Settlement Fund, all Notice and Administration Costs actually incurred and paid or payable up to \$350,000, which Class Counsel and the Claims Administrator estimate to be the maximum amount likely to be required. Any amount in excess of that would be payable from the Settlement Fund only upon further approval of the Court. The amount of the Settlement Fund that remains after the payment of all Court-approved attorneys’ fees, reimbursement of expenses, Service Award, and Notice and Administration Costs will be distributed to Class Members who have submitted valid claims for compensation and have not timely excluded themselves from the Settlement in a manner approved by the Court. If the maximum amounts are requested and the Court approves Class Counsel’s fee and expense application, the estimated average amount of fees and expenses, assuming claims are filed for all affected shares, will be approximately \$1.05 per affected share of BofI Common Stock.

6. **Identification of Attorneys' Representatives:** Lead Plaintiff and the Class are represented by Richard M. Heimann, Katherine Lubin Benson, and Michael K. Sheen of Lieff Cabraser Heimann & Bernstein, LLP, 275 Battery Street, 29th Floor, San Francisco, California, (415) 956-1000, BofISettlement@lchb.com.

7. **Reasons for the Settlement:** Lead Plaintiff entered into the Settlement for several reasons. The first is the immediate cash benefit for the Class without the risk or the delays inherent in further litigation. Moreover, the cash benefit provided under the Settlement must be considered against the significant risks of a smaller recovery - or indeed no recovery at all - following contested motions, a trial of the Action, and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement to eliminate the uncertainty, burden and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN NOVEMBER 7, 2022.	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Class Member and you remain in the Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Claims (defined in ¶ 34 below) that you have against Released Defendant Parties (defined in ¶ 35 below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN AUGUST 8, 2022.	If you exclude yourself from the Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the Released Defendant Parties concerning the Released Claims.
OPT BACK INTO THE CLASS BY SUBMITTING A WRITTEN REQUEST TO OPT BACK IN SO THAT IT IS RECEIVED NO LATER THAN AUGUST 8, 2022.	If you previously requested exclusion from the Class when the Class Notice was sent, you may elect to opt back into the Class and receive a payment from the Settlement Fund. If you elect to opt back into the Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Claims (defined in ¶ 34 below) that you have against Released Defendant Parties (defined in ¶ 35 below).
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN AUGUST 8, 2022.	If you do not like the proposed Settlement, the proposed Plan of Allocation, the request for attorneys' fees and reimbursement of expenses, or Lead Plaintiff's request for a service award, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Class Member and do not exclude yourself from the Class.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:

<p>GO TO A HEARING ON OCTOBER 7, 2022, AT 1:30 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS <i>RECEIVED</i> NO LATER THAN SEPTEMBER 16, 2022.</p>	<p>Filing a written objection by August 8, 2022, and a notice of intention to appear by September 16, 2022, allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys’ fees and reimbursement of litigation expenses and Lead Plaintiff’s request for a service award. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.</p>
<p>DO NOTHING.</p>	<p>If you are a member of the Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

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WHY DID I GET THIS NOTICE?

8. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired BofI Common Stock and/or BofI Call Options, or sold BofI Put Options, during the Class Period. The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, how to exclude yourself from the Class if you wish to do so, and how to opt back into the Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Class Counsel for an award of attorneys' fees and reimbursement of litigation expenses and Lead Plaintiff's request for a service award (the "Settlement Hearing"). See paragraph 77 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. Defendants deny the allegations of wrongdoing asserted in this Action, and deny any liability whatsoever to any member of the Class. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

11. On October 14, 2015, the instant action, now entitled, *In re BofI Holding, Inc. Securities Litigation*, Case No. 3:15-cv-2324-GPC-KSC (the "Action"), was filed in the United States District Court for Southern District of California.

12. By Order dated February 1, 2016, the Court appointed Houston Municipal Employees Pension System as Lead Plaintiff and approved Lief Cabraser Heimann & Bernstein, LLP as Class Counsel for the proposed class. On April 11, 2016, Lead Plaintiff filed the Consolidated Amended Complaint.

13. On May 11, 2016, Defendants filed and served a motion to dismiss the Consolidated Amended Complaint. On July 1, 2016, Lead Plaintiff filed and served its papers in opposition to Defendants' motion to dismiss. On July 15, 2016, Defendants filed and served their reply papers. On September 27, 2016, the Court granted in part and denied in part Defendants' motion to dismiss the Consolidated Amended Complaint. On November 25, 2016, Lead Plaintiff filed the Second Amended Complaint.

14. On December 23, 2016, Defendants filed and served a motion to dismiss the Second Amended Complaint. On February 3, 2017, Lead Plaintiff filed and served its papers in opposition to Defendants' motion to dismiss. On February 17, 2017, Defendants filed and served their reply papers. On May 23, 2017, the Court granted in part and denied in part Defendants' motion to dismiss the Second Amended Complaint.

15. On September 29, 2017, Defendants filed and served a motion for judgment on the pleadings. Lead Plaintiff filed and served its opposition papers on November 3, 2017. Defendants filed and served their reply papers November 10, 2017. On December 1, 2017, the Court granted Defendants' motion for judgment on the pleadings. On December 22, 2017, Lead Plaintiff filed the Third Amended Complaint.

16. On January 19, 2018, Defendants filed and served a motion to dismiss the Third Amended Complaint. On February 16, 2018, Lead Plaintiff filed and served its papers in opposition to Defendants' motion to dismiss. On February 23, 2018, Defendants filed and served their reply papers. On March 21, 2018, the Court granted

Defendants' motion to dismiss the Third Amended Complaint. On March 28, 2018, Lead Plaintiff filed a notice of appeal to the U.S. Court of Appeals for the Ninth Circuit.

17. Lead Plaintiff filed its opening brief in the Court of Appeals on July 26, 2018. Defendants filed their answering brief on September 26, 2018. Lead Plaintiff filed its reply brief on November 16, 2018. On January 7, 2020, the Court of Appeals held oral argument on Lead Plaintiff's appeal. On October 8, 2020, the Court of Appeals reversed in part and affirmed in part the District Court's dismissal of Lead Plaintiff's Third Amended Complaint. The Court of Appeals denied Defendants' request for rehearing on November 16, 2020. The United States Supreme Court denied Defendants' petition for a writ of certiorari on October 4, 2021.

18. In late 2021, the Parties retained the Honorable Daniel Weinstein (Ret.) of JAMS, as a third-party neutral ("Mediator"). The Parties held a mediation session by Zoom with Judge Weinstein on January 13, 2022. In advance of the mediation, Defendants shared information about insurance coverage with Lead Plaintiff and the Mediator. Defendants' insurers participated in the January 13 mediation.

19. Following the mediation session, the Parties continued to communicate through Judge Weinstein. On February 23, 2022, the Parties reached an agreement in principle to settle the Action in return for a cash payment of \$14,100,000 by Defendants' insurers, on behalf of Defendants, for the benefit of the Class, subject to the negotiation of the terms of a Stipulation of Settlement and approval by the Court. In furtherance of the agreement in principle, the parties negotiated and signed a Term Sheet reflecting the terms of the Settlement, on February 28, 2022, which was then modified by written agreement on March 7, 2022.

20. On April 13, 2022, the Parties signed the Stipulation and Agreement of Settlement ("Stipulation") reflecting the final and binding agreement, and a compromise of all matters that are, or could have been in dispute between the Parties. The Stipulation provides for resolution of Lead Plaintiff's and the Class's claims for a non-reversionary cash payment of \$14,100,000.

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

22. Lead Plaintiff's Third Amended Complaint asserts claims against all Defendants under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and against the Individual Defendants under Section 20(a) of the Exchange Act. Among other things, Lead Plaintiff alleges that between September 4, 2013 and October 13, 2015 (the "Class Period"), Defendants made false and/or materially misleading statements regarding BofI's internal controls, compliance infrastructure, and underwriting standards. The Complaint further alleges that the prices of BofI publicly traded securities were artificially inflated and/or their prices were artificially maintained as a result of Defendants' allegedly false and misleading statements and/or omissions, and declined when the purported truth was revealed.

23. Throughout this litigation, Defendants have denied in good faith, and continue to deny in good faith, each and all of the claims and contentions alleged by Lead Plaintiff and the Class, as well as any and all allegations of fault, liability, misconduct, wrongdoing, or damages whatsoever. Among other things, Defendants expressly have denied, and continue to deny, that Defendants made any false or misleading statements, that any statement during the Class Period was made with scienter, that any alleged false or misleading statement caused BofI's stock to trade at artificially inflated prices or artificially maintained BofI's stock price, that any such alleged false or misleading statement caused BofI's stock price to decline, that any Class Member, including Lead Plaintiff, suffered any damages, or that any Class Member, including Lead Plaintiff, was harmed by any conduct alleged in the Action or that could have been alleged therein. Based upon thorough reviews and analyses of the facts and circumstances relating to the claims asserted in this Action, including without limitation conducting arm's length discussions with counsel to Lead Plaintiff, reviewing publicly available information, analyzing the extensive discovery record, reviewing applicable case law and other authorities and consulting with retained experts,

Defendants have determined in their judgment that Defendants have meritorious defenses to each and every of the claims alleged in the Action.

24. On June 8, 2022, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

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

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

All persons and entities that, between September 4, 2013 through and including October 13, 2015, purchased or otherwise acquired shares of the publicly traded common stock of BofI, as well as purchasers of BofI call options and sellers of BofI put options, and were damaged thereby.

Excluded from the Class are Defendants herein, the officers and directors of BofI at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. See “What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself,” on page 17 below. If you previously submitted a request for exclusion from the Class but you wish to opt back into the Class, see ¶¶ 74-75, on page 17 below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN NOVEMBER 7, 2022.

WHAT ARE LEAD PLAINTIFF’S REASONS FOR THE SETTLEMENT?

26. Lead Plaintiff has thoroughly reviewed and analyzed the facts and circumstances relating to the claims asserted in this Action, including conducting arm’s length discussions with counsel to the Defendants, reviewing publicly available information, analyzing the extensive discovery record, reviewing applicable case law and other authorities and consulting with retained experts. Lead Plaintiff brought its claims in good faith and continues to believe that its claims have legal merit. However, Lead Plaintiff recognizes that there are legal and factual defenses to the claims asserted in the Action, which present substantial risks to the successful resolution of any litigation, especially in complex securities fraud litigation such as this Action.

27. Accordingly, in light of these risks and based on its evaluation of the claims and its substantial experience, Lead Plaintiff and Class Counsel have determined that the Settlement, which confers substantial benefits upon the Class, is fair, reasonable and adequate, and in the best interests of the Class.

28. Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants further deny that any member of the Class suffered damages, in any amount, as a result of Defendants’ conduct. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

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

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

30. As a Class Member, you are represented by Lead Plaintiff and Class Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

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

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

33. If you are a Class Member and you do not exclude yourself from the Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Claim (as defined in ¶ 34 below) against the Released Defendant Parties (as defined in ¶ 35 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Claims against any of the Released Defendant Parties.

34. “Released Claims” means any and all claims, demands, losses, rights, and causes of action of any nature whatsoever, that have been or could have been asserted in the Action, could have been asserted in any forum, or could in the future be asserted in any forum, whether known claims or Unknown Claims, whether foreign or domestic, whether arising under federal, state, local, common, statutory, governmental, administrative, or foreign law, or any other law, rule or regulation, at law or in equity, whether class, individual, direct, derivative, representative, on behalf of others in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, whether brought directly or indirectly against any of the Released Defendant Parties that Lead Plaintiff, any member of the Class, or their successors, assigns, executors, administrators, representatives, attorneys, and agents, in their capacities as such (i) asserted in the Action, or (ii) could have asserted in any court or forum that arise out of, are based upon, or relate in any way to any of the allegations, acts, transactions, facts, events, matters, occurrences, representations, or omissions involved, set forth, alleged, or referred to, in the Action, or which could have been alleged in the Action, and that relate in any way, directly or indirectly, to the purchase, sale, acquisition, disposition, or holding of any BofI securities during the Class Period. Released Claims does not include (i) claims to enforce the Settlement; or (ii) any claims of any person or entity that has or will submit a request for exclusion. Released Claims include “Unknown Claims,” as defined in ¶ 36 below.

35. “Released Defendant Party” or “Released Defendant Parties” means Defendants, Defendants’ Counsel, and each of their respective past or present subsidiaries, parents, affiliates, principals, successors and

predecessors, joint venturers, assigns, officers, directors, shareholders, underwriters, trustees, partners, members, agents, fiduciaries, contractors, employees, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or auditors, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, estates, heirs, related or affiliated entities, any entity in which a Defendant has a controlling interest, any member of an Individual Defendant's immediate family, or any trust of which any Individual Defendant is a settlor or which is for the benefit of any Defendant and/or member(s) of his or her family, and each of the heirs, executors, administrators, predecessors, successors, and assigns of the foregoing.

36. "Unknown Claims" means (a) any and all Released Claims which any of the Releasing Plaintiff Parties do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, and Defendants' Counsel, which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Defendant Parties, or Defendants' Counsel, or might have affected his, her, or its decision(s) with respect to the Settlement, including, but not limited to, whether or not to object to this Settlement; and (b) any and all Released Defendants' Claims that any of the Released Defendant Parties do not know or suspect to exist in his, her, or its favor at the time of the release of Lead Plaintiff, the Class, and Class Counsel, which, if known by him, her, or it, might have affected his, her, or its settlement and release of Lead Plaintiff, the Class, and Class Counsel. With respect to (a) any and all Released Claims against the Released Defendant Parties, and (b) any and all Released Defendants' Claims against Lead Plaintiff, the Class, and Class Counsel, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of California Civil Code §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Settling Parties shall expressly waive, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code §1542. The Settling Parties acknowledge, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have, and by operation of the Judgment shall have, acknowledged that they may hereafter discover facts, legal theories or authorities in addition to or different from those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims or Released Defendants' Claims, but (a) the Releasing Plaintiff Parties shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish and release, and each Releasing Plaintiff Party shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and, upon the Effective Date, and by operation of the Judgment, shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Claims against the Released Defendant Parties, and Defendants' Counsel, known or unknown, suspected or unsuspected, contingent or non-contingent, accrued or unaccrued, whether or not concealed or hidden, which now exist, or heretofore have existed, or may hereafter exist, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities, and (b) the Released Defendant Parties shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish and release, and, upon the Effective Date, and by operation of the Judgment, shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Defendants' Claims against Lead Plaintiff, the Class, and Class Counsel, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into

existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Settling Parties acknowledge, and the Releasing Plaintiff Parties and Released Defendant Parties shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is an essential element of the Settlement of which this release is a part.

37. “Released Defendants’ Claims” means any and all claims, demands, rights, causes of action, and liabilities, whether based in law or equity, arising under federal, state, local, statutory or common law or any other law, rule or regulation including both known and Unknown Claims, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in this Action against the Defendants, including under Rule 11 of the Federal Rules of Civil Procedure or for any other fees or cost shifting. Released Defendants’ Claims do not include any claims relating to the enforcement of the Settlement, any claims between or among the Defendants, any claims between the Defendants and their respective insurers, or any claims against any person or entity who or which submits a request for exclusion from the Class that is accepted by the Court.

38. “Releasing Plaintiff Party” or “Releasing Plaintiff Parties” means Lead Plaintiff, each and every Class Member, Class Counsel, and each of their respective past or present trustees, officers, directors, partners, employees, contractors, auditors, principals, agents, attorneys, predecessors, successors, assigns, insurers, parents, subsidiaries, general or limited partners or partnerships, and limited liability companies; and the spouses, members of the immediate families, representatives, and heirs of any Releasing Plaintiff Party who is an individual, as well as any trust of which any Releasing Plaintiff Party is the settlor or which is for the benefit of any of their immediate family members. Releasing Plaintiff Parties does not include any Person who timely and validly seeks exclusion from the Class.

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

39. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than November 7, 2022**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, www.BofISecuritiesLitigation.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 888-921-1538. Please retain all records of your ownership of and transactions in BofI Securities, as they may be needed to document your Claim. If you request exclusion from the Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund. If you previously requested exclusion from the Class but you wish to opt back into the Class, you must follow the procedures outlined in ¶¶ 74-75, on page 17 below.

HOW MUCH WILL MY PAYMENT BE?

40. At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement. For more information about how the Net Settlement Fund will be distributed among Class Members, please refer to the Plan of Allocation.

41. Pursuant to the Settlement, Defendants have agreed to pay or caused to be paid fourteen million one hundred thousand dollars (\$14,100,000.00) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants) (i.e., Taxes); (b) the costs and expenses incurred in connection with providing notice to Class Members and administering the Settlement on behalf of Class Members (i.e., Notice and Administration Costs); and (c) any attorneys’ fees and litigation expenses

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awarded by the Court to Class Counsel, and any Service Award for Lead Plaintiff) will be distributed to Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

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

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

44. Approval of the Settlement is independent from approval of a Plan of Allocation. Any determination with respect to a Plan of Allocation will not affect the Settlement, if approved.

45. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked on or before **November 7, 2022** shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Class Member releases the Released Claims (as defined in ¶ 34 above) against the Released Defendant Parties (as defined in ¶ 35 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Claims against any of the Released Defendant Parties whether or not such Class Member submits a Claim Form.

46. Participants in and beneficiaries of a plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in BofI Securities held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased, acquired or sold outside of the ERISA Plan. Claims based on any ERISA Plan's purchases or acquisitions of BofI Securities during the Class Period may be made by the plan's trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Class are participants in the ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the ERISA Plan.

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

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

49. Only Class Members, *i.e.*, persons and entities who purchased or otherwise acquired BofI Common Stock and/or BofI Call Options, and/or wrote BofI Put Options, during the Class Period and were damaged as a result of such purchases, acquisitions and/or sales will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Class by definition or that exclude themselves from the Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. The only securities that are included in the Settlement are the BofI Securities.

PROPOSED PLAN OF ALLOCATION

How Will My Claim Be Calculated?

50. As discussed above, the Settlement provides \$14,100,000 in cash for the benefit of the Class. The Settlement Amount and any interest it earns constitute the "Settlement Fund." The Settlement Fund, after deduction of Court-approved attorneys' fees and expenses including Lead Plaintiff's service award, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court, is the "Net Settlement

Fund.” If the Settlement is approved by the Court, the Net Settlement Fund will be distributed to eligible Authorized Claimants - *i.e.*, members of the Class who timely submit valid Claim Forms that are accepted for payment by the Court - in accordance with this proposed Plan of Allocation (“Plan of Allocation” or “Plan”) or such other plan of allocation as the Court may approve. Class Members who do not timely submit valid Claim Forms will not share in the Net Settlement Fund, but will otherwise be bound by the Settlement. The Court may approve this proposed Plan of Allocation, or modify it, without additional notice to the Class. Any order modifying the Plan of Allocation will be posted on the settlement website, www.BofISecuritiesLitigation.com.

51. The objective of the Plan of Allocation is to distribute the Settlement proceeds equitably among those Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The Plan of Allocation is not a formal damage analysis, and the calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations in accordance with the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants under the Settlement. The computations under the Plan of Allocation are only a method to weigh, in a fair and equitable manner, the claims of Authorized Claimants against one another for the purpose of making *pro rata* allocations of the Net Settlement Fund.

52. The Plan of Allocation was developed in consultation with Class Representative’s damages expert. In developing the Plan of Allocation, Class Representative’s damages expert calculated the estimated amount of alleged artificial inflation in the per share prices of BofI securities that was allegedly proximately caused by Defendants’ alleged materially false and misleading statements and omissions. In calculating the estimated artificial inflation allegedly caused by those misrepresentations and omissions, Plaintiff’s damages expert considered price changes in BofI common stock in reaction to the public disclosure that allegedly corrected the alleged misrepresentations and omissions, adjusting the price change for factors that were attributable to market or industry forces, and for non fraud related BofI specific information.

53. In order to have recoverable damages in connection with purchases and/or acquisitions of BofI common stock during the Class Period, disclosure of the alleged misrepresentations or omissions must be the cause of the decline in the price of the BofI common stock. In this case, Plaintiff alleges that Defendants made false statements and omitted material facts during the period from September 4, 2013 through and including the close of trading on October 13, 2015, which had the effect of artificially inflating the prices of BofI common stock. Artificial inflation was removed from the price of BofI common stock as the result of the alleged corrective disclosure that occurred on October 13, 2015, after the close of trading.⁵

54. In order to have recoverable damages under the federal securities laws, disclosure of the alleged misrepresentation and/or omission must be the cause of the decline in the price of the security. In this Action, Plaintiff alleges that corrective information allegedly impacting the price of BofI common stock (referred to as a “corrective disclosure”) was released to the market. In order to have a “Recognized Claim Amount” under the Plan of Allocation, (i) shares of BofI publicly traded common stock or exchange-traded call options must have been purchased or otherwise acquired during the Class Period and held through the corrective disclosure; (ii) BofI exchange-traded put options must have been sold or written during the Class Period and held through the corrective disclosure.

Allocation of the Net Settlement Fund

55. As previously described in the Notice, the Net Settlement Fund is the remainder of the Settlement Fund after deduction of Court-awarded attorneys’ fees and expenses (including Lead Plaintiff’s service award), settlement administration costs, and any applicable taxes. Pursuant to this Plan of Allocation, Class Members may have a claim under Section 10(b) (“10(b) Claims”) of the Securities Exchange Act of 1934 (“Exchange Act”). The Net Settlement Fund will be allocated to Authorized Claimants as follows: (a) Class Members with 10(b)

⁵ Any transactions in BofI common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

Claims in connection with their purchase acquisition of common shares of BofI common stock shall be collectively allocated approximately (95%) of the Net Settlement Fund; and (b) Class Members with 10(b) Claims in connection with their purchase or acquisition of BofI exchange-traded options shall be allocated approximately (5%) of the Net Settlement Fund. Among other factors, in formulating the overall allocation, Class Counsel considered the maximum potential damages of each group of purchasers within the Class.

CALCULATION OF RECOGNIZED CLAIM AMOUNT

Calculation of Recognized Loss Amount for Class Members with 10(b) Claims For Publicly Traded Common Stock

56. Based on the formulas stated below, a “Recognized Loss Amount” will be calculated for each purchase or acquisition of BofI publicly traded common stock during the Class Period that is listed on the Claim Form and for which adequate documentation is provided.⁶ If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that Recognized Loss Amount will be zero.

57. For each share of BofI publicly traded common stock purchased or otherwise acquired during period from September 4, 2013 through October 13, 2015, inclusive, and:

(a) Sold prior to the close of trading on October 13, 2015, the Recognized Loss Amount per share is zero.

(b) Sold from October 14, 2015 through and including the close of trading on January 11, 2016, the Recognized Loss Amount will be *the least of*: (i) \$40.37, (ii) the purchase price minus the sale price, or (iii) the purchase price minus the average closing price between October 14, 2015 and the date of sale as stated in Table A at the end of this Notice; and

(c) Held as of the close of trading on January 11, 2016, the Recognized Loss Amount will be *the lesser of*: (i) \$40.37, or (ii) the purchase price minus \$86.17, the average closing price for BofI common stock between October 14, 2015 and January 11, 2016 (the last entry on Table A at the end of this Notice).⁷

Calculation of Recognized Loss Amount for Class Members with 10(b) Claims For Exchange-Traded Options

58. Based on the formulas stated below, a “Recognized Loss Amount” will be calculated for each purchase, acquisition, or sale of BofI exchange-traded options during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that Recognized Loss Amount will be zero.⁸

⁶ All share and per-share figures included in this analysis are based on prevailing stock prices, volume, and shares outstanding that prevailed during the Class Period. On 17 November 2015, after the end of the Class Period but prior to the end of the PSLRA 90-day period, BofI enacted a four-for-one stock split. All 90-day prices and volumes subsequent to the stock split are adjusted by this four-for-one factor to correspond to the price and share factors that prevailed during the Class Period. (See, BofI Holdings, Inc., Form 10-K, filed 25 August 2016, p. 33 and F-8.)

⁷ Under Section 21(D)(e)(1) of the Exchange Act, “in any private action arising under this Act in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of BofI common stock during the 90-day look-back period. The mean (average) closing price for BofI common stock during this 90-day look-back period was \$86.17.

⁸ Call option contracts sold (or written) and put option contracts purchased are not eligible to participate in the Settlement. To participate in the Settlement, Claimants must provide adequate documentation for all call option and put option contracts purchased or written (sold) that were held through the close of trading on October 13, 2015. The Claims Administrator will determine if the Claimant had a

59. For exchange-traded call options on BofI common stock purchased or otherwise acquired from September 4, 2013 to October 13, 2015, inclusive, and:

(a) Closed (through sale, exercise, or expiration) before the close of trading on October 13, 2015, the Recognized Loss Amount is zero.

(b) Closed (through sale, exercise, or expiration) from October 14, 2015 through and including the close of trading on January 11, 2016, the Recognized Loss Amount is the difference between (a) the price paid for the call option and (b) the proceeds received upon the sale, exercise, or expiration of the call option contract.

(c) Held as of the close of trading on January 11, 2016, the Recognized Loss Amount is the difference between (a) the price paid for the call option and (b) the Call Option Intrinsic Value of the option on January 11, 2016.⁹

60. For exchange-traded put options on BofI common stock written or otherwise sold from September 4, 2013, to October 13, 2015, inclusive, and:

(a) Closed (through re-purchase, assignment, or expiration) before the close of trading on October 13, 2015, the Recognized Loss Amount is zero.

(b) Closed (through re-purchase, assignment, or expiration) from October 14, 2015 through and including the close of trading on January 11, 2016, the Recognized Loss Amount is the difference between (a) the price paid upon re-purchase, assignment, or expiration of the put option contract and (b) the initial proceeds received from the sale of the put option contract.

(c) Held as of the close of trading on January 11, 2016, the Recognized Loss Amount is the difference between (a) the Put Option Intrinsic Value of the option on January 11, 2016¹⁰ and (b) the initial proceeds received from the sale of the put option contract.

ADDITIONAL PROVISIONS

61. A claimant's "Recognized Claim" under the Plan of Allocation will be the sum of his, her, or its Recognized Loss Amounts.

62. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of BofI common stock. The date of a "short sale" is deemed to be the date of sale of BofI common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on "short sales" is zero and the purchases covering "short sales" is zero. In the event that a Claimant has an opening short position in BofI common stock, the earliest purchases or acquisitions of BofI common stock during the Class Period will be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

63. If a Class Member held BofI common stock at the beginning of the Class Period or made multiple purchases, acquisitions, or sales of BofI common stock during or after the Class Period, the starting point for calculating a Claimant's Recognized Claim is to match the Claimant's holdings, purchases, and acquisitions to their sales using the FIFO (i.e., first-in-first-out) method. Under the FIFO method, BofI common stock sold during the Class Period will be matched, in chronological order first against BofI common stock held at the beginning

"Market Gain" or "Market Loss" with respect to his, her, or its overall transactions in BofI option contracts during the Class Period. With respect to shares of BofI common stock purchased or sold through the exercise of an option, the purchase/sale date of the BofI common stock is the exercise date of the option, and the purchase/sale price of the BofI is the exercise price of the option.

⁹ The Call Option Intrinsic Value on January 11, 2016 is equal to 100 multiplied by the difference between \$71.56 and the option exercise/strike price (where \$71.56 is the closing price of BofI common stock on January 11, 2016). If the Call Option Intrinsic Value calculates to a negative number or zero based on this formula, that Call Option Intrinsic Value will be zero.

¹⁰ The Put Option Intrinsic Value on January 11, 2016 is equal to 100 multiplied by the difference between the option exercise/strike price and \$71.56 (where \$71.56 is the closing price of BofI common stock on January 11, 2016). If the Put Option Intrinsic Value calculates to a negative number or zero based on this formula, that Put Option Intrinsic Value will be zero.

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of the Class Period. The remaining sales of BofI common stock during the Class Period will then be matched, in chronological order against BofI common stock purchased or acquired during the Class Period.

64. The Claims Administrator will determine if the Claimant had a “Market Gain” or a “Market Loss” with respect to his, her, or its overall transactions in BofI common stock and BofI options contracts during the Class Period. For purposes of determining whether a Claimant had a “Market Gain” with respect to his, her, or its overall transactions in BofI common stock and BofI options contracts during the Class Period or suffered a “Market Loss,” the Claims Administrator will determine the difference between (i) the Claimant’s Total Purchase Amount¹¹ and (ii) the sum of the Claimant’s Total Sales Proceeds¹² and the Claimant’s Holding Value.¹³ If the Claimant’s Total Purchase Amount minus the sum of the Claimant’s Total Sales Proceeds and Holding Value is a positive number, that number will be the Claimant’s “Market Loss”; if the number is a negative number or zero, that number will be the Claimant’s “Market Gain.”

65. Purchases or acquisitions and sales of BofI common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of BofI common stock during the Class Period shall not be deemed a purchase, acquisition or sale of BofI common stock for the calculation of Recognized Claim, unless (i) the donor or decedent purchased or otherwise acquired such shares of BofI common stock during the Class Period; (ii) no Proof of Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of BofI common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

66. An Authorized Claimant’s Recognized Claim shall be the amount used to calculate the Authorized Claimant’s *pro rata* share of the Net Settlement Fund. If the sum total of Recognized Claim of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant’s Recognized Claim divided by the total of the Recognized Claim of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. Given the costs of distribution, the Net Settlement Fund will be allocated among all Authorized Claimants whose distribution is \$10 or greater.

¹¹ The “Total Purchase Amount” is the total amount the Claimant paid (excluding all fees, taxes, and commissions) for all BofI common stock and BofI options contracts purchased/ acquired during the Class Period.

¹² The Claims Administrator shall match any sales of BofI common stock and BofI options contracts during the Class Period first against the Claimant’s opening position in the like security (the proceeds of those sales will not be considered for purposes of calculating Market Gains or Market Losses). The total amount received (excluding all fees, taxes, and commissions) for sales of the remaining like BofI common stock and BofI options contracts sold during the Class Period is the “Total Sales Proceeds.”

¹³ The Claims Administrator will ascribe a “Holding Value” of (i) \$99.13 to each share of BofI common stock purchased/acquired during the Class Period that was still held as of the close of trading on October 13, 2015; (ii) For each call option purchased during the Class Period and held at the end of the Class Period, the Holding Value shall be equal to the Call Option Intrinsic Value on October 14, 2015; and (iii) For each put option written or sold during the Class Period for which the position remained open at the end of the Class Period, the Holding Value shall be equal to Put Option Intrinsic Value on October 14, 2015. The Call Option Intrinsic Value on October 14, 2015 is equal to 100 multiplied by the difference between \$99.13 and the option exercise/strike price (where \$99.13 is the closing price of BofI common stock on October 14, 2015). If the Call Option Intrinsic Value calculates to a negative number or zero based on this formula, that Call Option Intrinsic Value will be zero. The Put Option Intrinsic Value on October 14, 2015 is equal to 100 multiplied by the difference between the option exercise/strike price and \$99.13 (where \$99.13 is the closing price of BofI common stock on October 14, 2015). If the Put Option Intrinsic Value calculates to a negative number or zero based on this formula, that Put Option Intrinsic Value will be zero.

**TABLE A BofI Closing Price and Average Closing Price
October 14, 2015– January 11, 2016**

Date	Closing Price	Average Price Between 14 October 2015 and Date Shown	Date	Closing Price	Average Price Between 14 October 2015 and Date Shown
10/14/2015	\$99.13	\$99.13	11/27/2015	\$81.64	\$92.06
10/15/2015	\$118.36	\$108.75	11/30/2015	\$80.12	\$91.70
10/16/2015	\$100.78	\$106.09	12/1/2015	\$79.84	\$91.35
10/19/2015	\$99.09	\$104.34	12/2/2015	\$80.60	\$91.04
10/20/2015	\$95.46	\$102.56	12/3/2015	\$79.80	\$90.73
10/21/2015	\$94.75	\$101.26	12/4/2015	\$80.24	\$90.45
10/22/2015	\$98.91	\$100.93	12/7/2015	\$76.48	\$90.08
10/23/2015	\$97.72	\$100.53	12/8/2015	\$75.88	\$89.72
10/26/2015	\$98.03	\$100.25	12/9/2015	\$75.24	\$89.35
10/27/2015	\$97.67	\$99.99	12/10/2015	\$81.48	\$89.16
10/28/2015	\$100.70	\$100.05	12/11/2015	\$75.84	\$88.84
10/29/2015	\$93.05	\$99.47	12/14/2015	\$72.04	\$88.45
10/30/2015	\$80.01	\$97.97	12/15/2015	\$75.60	\$88.16
11/2/2015	\$85.96	\$97.12	12/16/2015	\$78.80	\$87.95
11/3/2015	\$94.71	\$96.96	12/17/2015	\$80.52	\$87.79
11/4/2015	\$95.16	\$96.84	12/18/2015	\$80.20	\$87.63
11/5/2015	\$97.38	\$96.87	12/21/2015	\$82.40	\$87.52
11/6/2015	\$101.98	\$97.16	12/22/2015	\$81.72	\$87.40
11/9/2015	\$97.92	\$97.20	12/23/2015	\$84.56	\$87.35
11/10/2015	\$95.04	\$97.09	12/24/2015	\$84.80	\$87.30
11/11/2015	\$91.82	\$96.84	12/28/2015	\$86.24	\$87.28
11/12/2015	\$90.75	\$96.56	12/29/2015	\$85.04	\$87.23
11/13/2015	\$87.05	\$96.15	12/30/2015	\$84.84	\$87.19
11/16/2015	\$86.60	\$95.75	12/31/2015	\$84.20	\$87.14
11/17/2015	\$83.29	\$95.25	1/4/2016	\$82.24	\$87.05
11/18/2015	\$79.56	\$94.65	1/5/2016	\$81.44	\$86.95
11/19/2015	\$77.60	\$94.02	1/6/2016	\$80.80	\$86.84
11/20/2015	\$76.00	\$93.37	1/7/2016	\$75.16	\$86.65
11/23/2015	\$86.16	\$93.13	1/8/2016	\$72.88	\$86.42
11/24/2015	\$82.32	\$92.77	1/11/2016	\$71.56	\$86.17
11/25/2015	\$81.36	\$92.40			

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

67. Class Counsel will apply to the Court to be paid from the Settlement Fund, and any payment will be made only in the amount that is approved by the Court. Class Counsel will ask the Court for an award of attorneys' fees of no more than 25% of the Settlement Fund (i.e., no more than \$3,525,000). In addition, Class Counsel will ask the Court to reimburse them out of the Settlement Fund for the expenses they reasonably incurred and will incur in litigating this case on behalf of Class Members, in an amount not to exceed \$1,400,000. Class Counsel will also ask the Court to approve a Service Award of up to \$15,000 for the Class Representative as an award for its service to the Class as Plaintiff and Class Representative out of the Settlement Fund. The amount of the Settlement Fund that remains after the payment of all Court-approved attorneys' fees, reimbursement of expenses, and

Service Award will be distributed to Class Members who have submitted valid claims for compensation and have not timely excluded themselves from the Settlement in a manner approved by the Court.

68. Class Counsel and Defendants have not discussed the issue or amount of attorneys' fees in their negotiations of this Settlement; Defendants have the right to oppose Class Counsel's application for fees, reimbursement of expenses, and Service Award to the Class Representative, and Class Members have the right to object. The Court will decide the attorneys' fees and expenses and Service Award to be paid. Any attorneys' fees, expenses, or Service Award approved by the Court will be paid from the \$14.1 million Settlement Fund.

69. Class Counsel's application for attorneys' fees, expenses, and Service Award will be made available on the Settlement Website at www.BofISecuritiesLitigation.com before the deadline for you to comment on or object to the Settlement. You can also request a copy of the application by contacting the Settlement Administrator at info@BofISecuritiesLitigation.com.

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

70. Each Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Class, addressed to BofI Holding, Inc. Securities Litigation, EXCLUSIONS, c/o JND Legal Administration, P.O. Box 91425, Seattle, WA 98111. The exclusion request must be *received* no later than **August 8, 2022**. You will not be able to exclude yourself from the Class after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Class in *In re BofI Holding, Inc. Securities Litigation*, Case No. 3:15-cv-2324-GPC-KSC"; (c) identify and state the number of each BofI Common Stock, BofI Call Options, or BofI Put Options that the person or entity requesting exclusion purchased/acquired and/or sold during the Class Period (i.e., between September 4, 2013 and October 13, 2015, inclusive), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

71. If you do not want to be part of the Class, unless you requested exclusion from the Class in connection with the Class Notice, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Claims against any of the Releasing Defendant Parties.

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

73. Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Class in an amount that exceeds an amount agreed to by Lead Plaintiff and Defendants, as set forth in a separate stipulation.

IF I PREVIOUSLY REQUESTED EXCLUSION FROM THE CLASS BUT I NOW WISH TO BE A MEMBER OF THE CLASS, HOW DO I OPT BACK IN?

74. Any Person that has requested exclusion from the Class in connection with the Class Notice may elect to opt back into the Class. By opting back into the Class, such Person shall be eligible to submit a Claim Form for payment from the Settlement Fund.

75. Any such Person who wishes to opt back into the Class must either, individually or through counsel, request to opt back into the Class in writing to the Claims Administrator within the time and in the manner set forth in paragraph 70, above, which provides that any such request to opt back into the Class must be mailed or

delivered such that it is *received* no later than **August 8, 2022**, at In re BofI Holding, Inc. Securities Litigation, EXCLUSIONS, c/o JND Legal Administration, P.O. Box 91425, Seattle, WA 98111. Each request to opt back into the Class must: (a) provide the name, address and telephone number of the person or entity requesting to opt back into the Class; (b) state that such person or entity “requests to opt back into the Class in *In Re BofI Holding Inc. Securities Litigation*, 3:15-cv-02324-GPC-KSC”, and (c) be signed by the person or entity requesting to opt back into the Class or an authorized representative.

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

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

77. The Settlement Hearing will be held on **Friday, October 7, 2022, at 1:30 p.m.**, before the Honorable Gonzalo P. Curiel at the United States District Court for the Southern District of California, Edward J. Schwartz United States Courthouse, Courtroom 2D, 221 West Broadway, San Diego, CA 92101. The Court reserves the right to approve the Settlement, the Plan of Allocation, Class Counsel’s motion for an award of attorneys’ fees and reimbursement of litigation expenses (including Lead Plaintiff’s Service Award) and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Class.

78. Any Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Class Counsel’s motion for an award of attorneys’ fees and reimbursement of litigation expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office at the United States District Court for the Southern District of California at the address set forth below so that the papers are received on or **before August 8, 2022**. You must also serve the papers on Class Counsel and on Defendants’ Counsel at the addresses set forth below so that the papers are **received on or before August 8, 2022**.

Clerk’s Office	Class Counsel	Defendants’ Counsel
Clerk of the Court United States District Court Southern District of California 333 West Broadway, Suite 420 San Diego, CA 92101	Richard Heimann Katherine Lubin Benson Michael K. Sheen Lieff Cabraser Heimann & Bernstein, LLP 275 Battery Street, 29th Floor San Francisco, CA 94111-3339	John P. Stigi III Sheppard, Mullin, Richter & Hampton, LLP 1901 Avenue of the Stars, Suite 1600 Los Angeles, CA 90067

79. Any objection: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Class Member’s objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court’s attention; and (c) must include documents sufficient to prove membership in the Class, including the number of each BofI Security that the objecting Class Member purchased/acquired and/or sold during the Class Period (i.e., between September 4, 2013 and October 13, 2015, inclusive), as well as the dates and prices of each such purchase/acquisition and sale. You may not object to the Settlement, the Plan of Allocation or Class Counsel’s motion for attorneys’ fees and reimbursement of litigation expenses if you exclude yourself from the Class or if you are not a member of the Class.

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

81. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Class Counsel's motion for an award of attorneys' fees and reimbursement of litigation expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Class Counsel and Defendants' Counsel at the addresses set forth above so that it is **received on or before September 16, 2022**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

82. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Class Counsel and Defendants' Counsel at the addresses set forth in Paragraph 78 above so that the notice is **received on or September 16, 2022**.

83. The Settlement Hearing may be adjourned by the Court, or held telephonically, without further written notice to the Class. If you intend to attend the Settlement Hearing, you should confirm the date, time and location on the settlement website, www.BofISecuritiesLitigation.com, and with Class Counsel.

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

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

85. Brokers and other nominees who purchased or otherwise acquired BofI common stock shares, or purchased BofI call options or sold BofI put options, during the Class Period for the benefit of another person or entity shall: (a) within ten (10) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form to forward to all such beneficial owners/purchasers and within seven (7) calendar days of receipt of those Notice and Claim Form forward them to all such beneficial owners/purchasers; or (b) within ten (10) calendar days of receipt of this Notice, send a list of the names, addresses, and/or email addresses of all such beneficial owners/purchasers to the Claims Administrator in which event the Claims Administrator shall promptly mail/email the Notice and Claim Form to such beneficial owners/purchasers. Where the Claims Administrator receives a valid email address, they shall email the Notice and Claim Form to beneficial owners/purchasers. Upon full compliance with this Order, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order, in an amount not to exceed \$0.50 plus postage; or \$0.05 per transmitted by email; or \$0.05 per name, mailing address, and email address (to the extent available) provided to the Claims Administrator, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid from the Settlement Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to review by the Court.

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

86. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Clerk of the Court, United States District Court for the Southern District of California, 333 West Broadway, Suite 420, San Diego, CA 92101. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, www.BofISecuritiesLitigation.com.

All inquiries concerning this Notice and the Claim Form should be directed to:

In re BofI Holding, Inc. Securities Litigation and/or
c/o JND Legal Administration
P.O. Box 91425
Seattle, WA 98111
888-921-1538
www.BofISecuritiesLitigation.com
info@BofISecuritiesLitigation.com

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San Francisco, CA 94111
(415) 956-1000
BofISettlement@lchb.com

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

DATED: June 29, 2022

BY ORDER OF THE COURT
United States District Court
Southern District of California