

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re BofI Holding, Inc. Securities Litigation

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

Class Action

NOTICE OF PENDENCY OF CLASS ACTION

IF YOU PURCHASED OR OTHERWISE ACQUIRED SHARES OF THE PUBLICLY TRADED COMMON STOCK OF BOFI HOLDING, INC. (NOW KNOWN AS AXOS FINANCIAL, INC.), PURCHASED BOFI CALL OPTIONS, AND/OR SOLD BOFI PUT OPTIONS, BETWEEN SEPTEMBER 4, 2013 THROUGH AND INCLUDING OCTOBER 13, 2015, A CLASS ACTION LAWSUIT MAY AFFECT YOUR RIGHTS.

YOU MAY BE A MEMBER OF THE CLASS. IF YOU DO NOT WISH TO BE A PART OF THE CLASS, YOU MUST RESPOND TO THIS NOTICE WITH A WRITTEN REQUEST FOR EXCLUSION (SEE BELOW). IF YOU ARE A BROKER OR CUSTODIAN, PLEASE IMMEDIATELY REVIEW THIS NOTICE FOR INSTRUCTIONS ON PROVIDING TIMELY NOTIFICATION TO BENEFICIAL OWNERS.

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

Please read this Notice carefully and in its entirety.

The purpose of this Notice is to inform you of a class action lawsuit now pending in the United States District Court for the Southern District of California (the “Court”) against BofI Holding, Inc. (“Boff”, now known as Axos Financial Inc.) and Gregory Garrabrants, Andrew J. Micheletti, Paul J. Grinberg, Nicholas A. Mosich, and James S. Argalas (collectively, “Defendants”). This Notice is intended only to advise you that the action has been certified by the Court to proceed as a class action on behalf of certain purchasers and/or sellers of BofI securities and your rights with respect to the lawsuit. If you do not wish to be a part of the class, you must respond to this notice with a written request for exclusion by **March 21, 2022** (see below).

THIS NOTICE IS NOT AN ADMISSION BY DEFENDANTS OR AN EXPRESSION OF ANY OPINION OF THE COURT THAT THE CLAIMS ASSERTED BY CLASS REPRESENTATIVE HOUSTON MUNICIPAL EMPLOYEES PENSION SYSTEM (THE “CLASS REPRESENTATIVE”) IN THIS CASE ARE VALID. THERE IS NO JUDGMENT, SETTLEMENT, OR MONETARY RECOVERY AT THIS TIME, AND THERE IS NO GUARANTEE THERE WILL BE ANY RECOVERY. HOWEVER, YOUR LEGAL RIGHTS MAY BE AFFECTED. DEFENDANTS HAVE DENIED THE CLASS REPRESENTATIVE’S CLAIMS AND CONTEND THAT THEY ARE NOT LIABLE FOR THE HARM ALLEGED BY THE CLASS REPRESENTATIVE.

What are my options?	
Do nothing	<p>Stay in this lawsuit. Await the outcome.</p> <p>By doing nothing, you keep the possibility of sharing in any recovery (monetary or otherwise) that may result from a resolution in favor of the Class, such as a trial or a settlement. In exchange, you give up any right you may have to sue Defendants separately about the same factual circumstances and legal claims being raised in this lawsuit, and you will be bound by the outcome of this case if tried before a jury or decided by the Court. If the parties agree to a settlement, then you will have another opportunity to opt out or exclude yourself from the case at that time.</p>
Ask to be excluded by March 21, 2022	<p>Get out of this lawsuit. Get no benefits from it.</p> <p>If you ask to be excluded from this lawsuit, you will not be bound by what happens in this case and will keep any right you might have to sue Defendants separately about the same factual circumstances and legal claims being raised in this lawsuit. If a recovery is later awarded in this case, you would not share in that recovery.</p>

BASIC INFORMATION

1. Why did I get this Notice?

The Court has certified a Class in this lawsuit and you were identified as a potential Class Member whose rights may be affected.

A class action is a type of lawsuit in which one or several individuals or entities prosecute claims on behalf of all members of a group of similarly situated persons and entities (*i.e.*, the class) to obtain monetary or other relief for the entire group. The Court decided that this lawsuit can proceed as a class action because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal district courts. Specifically, the Court found that a significant number of investors purchased or sold BofI securities during the Class Period (defined below) and that the claims alleged in the lawsuit are common enough to apply to all of those investors. Judge Gonzalo P. Curiel of the United States District Court for the Southern District of California is overseeing this class action. The lawsuit is titled *In re BofI Holding, Inc. Securities Litigation*, Case No. 3:15-cv-2324-GPC-KSC (the “Action”).

2. Who is included in the Class?

The Class, certified by the Court, 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.

The Class definition is subject to change by Court order, pursuant to Rule 23 of the Federal Rules of Civil Procedure.

Questions? Visit www.BofISecuritiesLitigation.com or call (888) 921-1538

3. What if I'm still not sure if I am included in the Class?

If you are still not sure whether you are included in the Class, you can get additional information at www.BofISecuritiesLitigation.com or by contacting the lawyers who were appointed Class Counsel in this Action at the address or phone number below.

OVERVIEW AND STATUS OF THE ACTION

4. What is this case about and what has happened so far?

The Class Representative alleges that the Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, which prohibit individuals and entities from making false and/or materially misleading statements in connection with the sale or purchase of a security. Specifically, the Class Representative alleges that between September 4, 2013 and October 13, 2015 (the "Class Period"), the Defendants made false and/or materially misleading statements regarding BofI's internal controls, compliance infrastructure, and underwriting standards. The Defendants deny the allegations of wrongdoing asserted in this Action, and deny any liability whatsoever to any member of the Class.

Beginning on October 15, 2015, several plaintiffs filed initial complaints against BofI, Mr. Garrabrants, and Mr. Micheletti. On February 1, 2016, the Court consolidated these actions and appointed Houston Municipal Employees Pension System as Lead Plaintiff. On April 11, 2016, Lead Plaintiff filed an amended complaint against BofI, Mr. Garrabrants, Mr. Micheletti, Mr. Grinberg, Mr. Mosich, and Mr. Argalas. Lead Plaintiff filed the Third Amended Complaint on December 22, 2017; this is the operative complaint in this case.

On March 21, 2018, the Court granted the Defendants' motion to dismiss this case. Lead Plaintiff appealed to the U.S. Court of Appeals for the Ninth Circuit, which, on October 8, 2020, reversed the dismissal order in part. On August 24, 2021, the Court entered an order certifying the class as set forth above and appointing Lead Plaintiff Houston Municipal Employees Pension System as Class Representative and Lief Cabraser Heimann & Bernstein, LLP as Class Counsel.

The case is ongoing. You can get updated information at www.BofISecuritiesLitigation.com or by contacting Class Counsel.

Copies of the Court's Orders referenced herein are available at www.BofISecuritiesLitigation.com.

5. Has the Court decided who is right?

The Court has not decided who is right and there has been no monetary recovery. By certifying the Class and authorizing this Notice, the Court is not suggesting that the Class Representative will win or lose this case. The Class Representative will attempt to prove its claims in proceedings that will occur in the future.

If a settlement of the lawsuit is reached, it will be subject to approval by the Court. Class Members will be sent additional notice of any proposed settlement and members of the Class who have not excluded themselves will have an additional opportunity to exclude themselves at that time, object to the proposed settlement, or submit a Proof of Claim form to demonstrate their entitlement to any payment. Similarly, the Court may also direct further notice to the Class following any judgment that may be entered after a trial of this case or decision by the Court, or for any other reason that the Court may determine.

6. Is there any money available now?

No money or any other benefits are available now because the Court has not yet decided whether Defendants committed any wrongdoing or are liable to any member of the Class and the parties have not settled the case. There is no guarantee that money or any other benefit will ever be obtained. If there is a recovery, you will be notified about how to ask for your share.

YOUR RIGHTS AND OPTIONS

7. What happens if I am a Class Member and I do nothing?

If you are a Class Member and you do nothing, you will stay in the Class. This means you will be legally bound by all of the Court's orders and judgments in this Action, whether favorable or unfavorable, unless the Court issues an order de-certifying the Class or excluding you from the Class at a later date. If you stay in the Class and money is paid to the Class, either through a settlement with Defendants or a judgment of the Court, you may be eligible to receive a share of that recovery. If you choose to remain a member of the Class, you do not have to do anything at this time (other than retain your records of your purchases and sales of BofI securities and any other documents relating to BofI). If there is a recovery in the future, members of the Class will be required to support their requests for payment by demonstrating their membership in the Class and documenting their purchases and sales of BofI securities and their resulting damages. Neither the Class Representative, BofI, nor the Notice Administrator (defined below) necessarily have information about your transactions in BofI securities. Your broker may not keep your records for as long as may be necessary. For these reasons, please be sure to keep all records of your transactions in BofI securities and any other documents relating to BofI.

If at a later date the parties decide to settle, then you will have another opportunity to exclude yourself from the case. Absent settlement, however, you will not be able to exclude yourself from the Class or subsequent orders and judgments if you do not request exclusion at this time.

8. If I am a Class Member, why would I ask to be excluded?

If you want to pursue your own lawsuit or claims against Defendants about the alleged conduct in this case, do not want to be bound by what the Court does in this case, or if you simply do not want to be part of the Class pursuing claims against Defendants, you must ask to be excluded. If you exclude yourself from the Class—which means to remove yourself from the Class and is sometimes called “opting-out” of the Class—you will not be legally bound by any past, present, or future Court orders or judgments in this Action, and will keep any right you may have to individually sue Defendants in the future. However, if you exclude yourself, you also will not get any money or any other benefits from this Action, if there are any.

If you start your own lawsuit against Defendants after you exclude yourself, you will have to hire and pay your own lawyer for that lawsuit, and you will have to prove your claims. Please note that if you decide to exclude yourself from the Class, you should consult with an attorney prior to doing so and discuss whether your individual claim would be time-barred by the applicable statutes of limitations or repose or face any other impediments to recovery.

9. If I am a Class Member, how do I ask the Court to exclude me from the Class?

If you wish to be excluded from the Class (“opt-out”), you must submit a letter stating that you “request exclusion from the Class in *In re BofI Holding, Inc. Securities Litigation*, Case No. 3:15-cv-2324-GPC-KSC (S.D. Cal.)” Your request for exclusion must: (i) state the name, address, and telephone number of the person or entity requesting exclusion; (ii) state the type and amount of BofI securities that the person or entity requesting exclusion purchased and/or sold during the Class Period, as well as the dates and prices of each such purchase and/or sale; and (iii) be signed by the person or entity requesting exclusion or an authorized representative. You must mail your exclusion request so that it is **postmarked no later than March 21, 2022** to:

In re BofI Holding, Inc. Securities Litigation
c/o JND Legal Administration
EXCLUSIONS
PO Box 91425
Seattle, WA 98111

You cannot exclude yourself from the Class by telephone or by email, and a request for exclusion will not be effective unless it contains all the information called for by this section and is postmarked by the date stated above, unless the Court makes an exception. Only request exclusion if you do not wish to participate in the Action and do not wish to share in any potential recovery that the Class may obtain.

THE LAWYERS REPRESENTING THE CLASS

10. Do I have a lawyer in this case?

As a member of the Class, you will be represented by Class Counsel who are:

Richard M. Heimann, Katherine Lubin Benson, and Michael K. Sheen
LIEFF CABRASER HEIMANN & BERNSTEIN, LLP
275 Battery Street, 29th Floor
San Francisco, CA 94111
(415) 956-1000

Unless you hire your own personal lawyer, as a Class Member you will not have any direct obligations to pay the costs of this lawsuit. In the event there is a recovery by the Class, all costs and expenses, including Class Counsel’s attorneys’ fees, will be paid from that recovery in an amount that is approved by the Court. If there is no recovery, Class Counsel will not receive any attorneys’ fees or expenses.

11. If I am a Class Member, can I get my own lawyer?

You do not need to hire your own lawyer, because Class Counsel are already working on your behalf. However, you have the right to retain your own personal lawyer at your own expense. If you retain separate counsel to represent you in this case, your counsel must enter an appearance on your behalf by filing a Notice of Appearance with the Court. If you wish, you may also consult with your own counsel concerning your rights in this Action.

GETTING MORE INFORMATION

12. Where can I get more information?

If you want more detailed information, you may contact Class Counsel or visit www.BofISecuritiesLitigation.com, where you will find case-related documents and detailed information regarding the Action. You may also call JND Legal Administration (the “Notice Administrator”) at (888) 921-1538. Please do not call or write the Court or the Defendants.

13. What if my address has changed?

If you received a postcard with information about the Action (“Postcard Notice”) at an old address, or if you move, please advise the Notice Administrator of your current address so that you can receive any future notices and/or Proof of Claim forms. If you are not a member of the Class, you may discard the Postcard Notice. Any change to your address should be mailed to:

In re BofI Holding, Inc. Securities Litigation
c/o JND Legal Administration
PO Box 91425
Seattle, WA 98111

NOTICE TO BROKERS AND CUSTODIANS

If, for the beneficial interest of any person or entity other than yourself, you purchased or otherwise acquired shares of the publicly traded common stock of BofI, purchased BofI call options, or sold of BofI put options between September 4, 2013 and October 13, 2015, you must, within ten (10) calendar days of receipt of the Short Form Notice, either: (i) request from the Notice Administrator sufficient copies of the Short Form Notice to forward to all such beneficial owners and mail those Short Form Notices yourself within ten (10) calendar days after receiving them, and also provide the Administrator with email addresses for all such beneficial owners; (ii) within ten (10) calendar days of receipt of the Short Form Notice, send the Short Form Notice to beneficial owners via electronic communication; or (iii) within ten (10) calendar days of receipt of the Short Form Notice, provide a list of the names, addresses, and email addresses of all such beneficial owners to the Notice Administrator at BofISecurities@JNDLA.com. If you choose the first or second option, you must send a statement to the Notice Administrator confirming that the mailings and/or electronic communications were made and you must retain your mailing and/or electronic communication records for use in connection with any further notice that may be provided in the Action. If you choose the third option, the Notice Administrator will send a copy of the Postcard Notice to the beneficial owners. If email addresses are not available, you must notify the Notice Administrator of that fact. Upon full and timely compliance with these directions, you may seek reimbursement of your reasonable expenses actually incurred (but not to exceed \$0.50 per mailing, excluding postage) by providing the Notice Administrator with proper documentation supporting the expenses for which reimbursement is sought.

Dated: January 19, 2022

BY ORDER OF THE COURT:
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA