

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

IN RE ENZYMOTEC LTD. SECURITIES  
LITIGATION

Civ. Action No. 2:14-cv-5556 (JMV) (JBC)

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~~PROPOSED~~ ORDER PRELIMINARILY APPROVING SETTLEMENT, CERTIFYING  
SETTLEMENT CLASS AND PROVIDING FOR NOTICE

~~EXHIBIT A~~ 

WHEREAS, an action is pending before this Court styled *In re Enzymotec Ltd. Securities Litigation*, No. 2:14-cv-5556 (the “Litigation”);

WHEREAS, the Settling Parties having made application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the settlement of this Litigation, in accordance with the Stipulation of Settlement dated March 29, 2017 (the “Stipulation”), which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed settlement of the Litigation between the Settling Parties and for dismissal of the Litigation with prejudice upon the terms and conditions set forth therein; and the Court having read and considered the Stipulation and the Exhibits annexed thereto; and

WHEREAS, unless otherwise defined, all capitalized terms herein have the same meanings as set forth in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court does hereby preliminarily approve the Stipulation and the Settlement set forth therein, subject to further consideration at the Settlement Hearing described below.

2. A hearing (the “Settlement Hearing”) shall be held before this Court on JANUARY 24, 2018 at 10:30 a.m., at the United States District Court for the District of New Jersey, Martin Luther King Building & United States Courthouse, 50 Walnut Street, Newark, New Jersey 07101, to determine whether to certify the Settlement Class for settlement purposes, to determine whether the proposed Settlement of the Litigation on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Settlement Class and should be approved by the Court; to determine whether a Judgment as provided in ¶ 1.7 of the Stipulation should be entered; to determine whether the proposed Plan of Allocation should be approved; to determine the amount of fees and expenses that should be awarded to Lead Plaintiffs’ Counsel for their service to the Class; to hear any objections by members of the Settlement Class to the

Stipulation or Plan of Allocation or any award of fees and expenses to Lead Plaintiffs' Counsel; and to consider such other matters as the Court may deem appropriate.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court certifies a Class, for settlement purposes only, defined as: (i) to claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, all persons or entities who purchased or otherwise acquired Enzymotec common stock during the period September 27, 2013 and August 4, 2014, inclusive, and were damaged thereby; (ii) to claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933, all persons or entities who purchased and/or can trace their purchases of shares of Enzymotec common stock issued in the Initial Public Offering, and were damaged thereby; and (iii) to claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933, all persons or entities who purchased and/or can trace their purchases of shares of Enzymotec common stock issued in the Secondary Public Offering that occurred on or about February 27, 2014, and were damaged thereby.

4. Excluded from the Settlement Class are Defendants and all officers and directors of Enzymotec, and all such excluded persons' immediate family members, legal representatives, heirs, predecessors, successors and assigns, and any entity in which any excluded person has or had a controlling interest. Also excluded from the Settlement Class are those persons who file valid and timely requests for exclusion in accordance with this Preliminary Approval Order that are accepted by the Court.

5. The Court finds upon a preliminary evaluation, for the purposes of the Settlement only, that the prerequisites for a class action under Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (i) the number of Settlement Class Members is so numerous that joinder of all members thereof is impracticable; (ii) there are questions of law and fact common to the Settlement Class; (iii) the claims of the Lead Plaintiffs are typical of the claims of the Settlement Class it seeks to represent; (iv) the Lead Plaintiffs will fairly and adequately represent the

interests of the Settlement Class; (v) the questions of law and fact common to the members of the Settlement Class predominate over any questions affecting only individual members of the Settlement Class; and (vi) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

6. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Lead Plaintiffs David R. Raabe, David E. Raabe and Yehuda L. Danon are certified as Class Representatives and Lead Counsel, Saxena White P.A., Carella, Byrne, Cecchi, Olstein, Brody & Agnello, and Ryan & Maniskas, LLP and, are certified as Settlement Class Counsel.

7. The Court approves the form, substance and content of the Notice of Pendency and Proposed Settlement of Class Action (“Notice”) (including the Proof of Claim and Release form (“Proof of Claim”)), the Summary Notice annexed as Exhibits A-1 and A-2. \*

8. The Court approves Lead Plaintiffs’ selection of Epiq Systems, Inc. as Claims Administrator (the “Claims Administrator”) to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below:

(a) Within 10 days of the date of entry of this Order, counsel for Defendants shall provide the Claims Administrator and Lead Plaintiffs’ Counsel with a list of names and addresses of record holders of Enzymotec common stock during the Class Period;

(b) Not later than 21 days after the entry of this Order (the “Notice Date”), Lead Plaintiffs’ Counsel and/or the Claims Administrator shall commence mailing of the Notice and the Proof of Claim, to be mailed by First-Class Mail to all Settlement Class Members who can be identified with reasonable effort, and to be posted on the Claims Administrator’s website at [www.enzymotecsecuritieslitigation.com](http://www.enzymotecsecuritieslitigation.com);

\* As Submitted on 8/31/2017. - 3 - D.E. 79 + D.E. 80 (pm)

(c) Not later than the Notice Date, the Claims Administrator shall cause the Summary Notice to be published once in *Investor's Business Daily* and posted to *Business Wire*; and

(d) Not later than 7 days prior to the Settlement Hearing, Lead Plaintiffs' Counsel shall serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publishing.

9. The form and content of the Notice, and the method set forth herein of notifying the Settlement Class of the Settlement and its terms and conditions: (i) meet the requirements of Rule 23 of the Federal Rules of Civil Procedure; Section 27(a)(7) of the Securities Act of 1933, 15 U.S.C. § 77z-1 (a)(7); Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995, and due process; (ii) constitute the best notice practicable under the circumstances; and (iii) shall constitute due and sufficient notice to all persons and entities entitled thereto. No Settlement Class Member shall be relieved or excused from the terms of the Settlement, including the releases of claims provided for therein, based upon the contention or proof that such Settlement Class Member failed to receive actual or adequate notice. The date and time of the Settlement Hearing shall be included in the Notice and Summary Notice before they are mailed and published, respectively.

10. Nominees who purchased or acquired Enzymotec common stock for the benefit of another Person during the Class Period, shall be requested to send the Notice and Proof of Claim and Release Form to such beneficial owners of Enzymotec securities within ten (10) calendar days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) calendar days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice and Proof of Claim and Release Form to such beneficial owners.

11. Other than the cost, if any, of providing the Claims Administrator and Lead Plaintiffs' Counsel with a list of names and addresses of record holders of Enzymotec common stock during the Class Period, all fees, costs, and expenses incurred in identifying and notifying Settlement Class Members shall be paid from the Settlement Fund and in no event shall any of the Released Persons bear any responsibility for such fees, costs, or expenses.

12. All Settlement Class Members (except Persons who request exclusion pursuant to ¶15 below) shall be bound by all determinations and judgments in the litigation concerning the Settlement, including, but not limited to, the releases provided for therein, whether favorable or unfavorable to the Class, regardless of whether such Persons seek or obtain by any means, including, without limitation, by submitting a Proof of Claim and Release Form or any similar document, any distribution from the Settlement Fund.

13. Settlement Class Members who wish to participate in the Settlement shall complete and submit the Proof of Claim and Release Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proof of Claim and Release Forms must be postmarked no later than 90 days after the Notice Date. Any Settlement Class Member who does not submit a Proof of Claim and Release Form within the time provided shall be barred from sharing in the distribution of the proceeds of the Settlement Fund, unless otherwise ordered by the Court, but shall nevertheless be bound by any final judgment entered by the Court. Notwithstanding the foregoing, Lead Plaintiffs' Counsel shall have the discretion to accept late-submitted claims for processing by the Claims Administrator so long as distribution of the Settlement Fund is not materially delayed thereby.

(a) The Proof of Claim submitted by each Settlement Class Member must satisfy the following conditions: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding

subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Claims Administrator; (iii) if the person executing the Proof of Claim is acting in a representative capacity, a certification of his or her authority to act on behalf of the Settlement Class Member must be included in the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(b) As part of the Proof of Claim, each Settlement Class Member shall submit to the jurisdiction of the Court with respect to the claim submitted, and shall (subject to effectuation of the Settlement) release all Released Claims as provided in the Stipulation.

14. Any Settlement Class Member may enter an appearance in the Litigation, at his, her, or its own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Lead Plaintiffs' Counsel.

15. Any Person falling within the definition of the Settlement Class may, upon request, be excluded or "opt out" from the Settlement Class. Any such Person must submit to the Claims Administrator a request for exclusion ("Request for Exclusion"), postmarked no later than 21 days prior to the Settlement Hearing to *Enzymotec Securities Litigation, EXCLUSIONS*, PO Box 4079 Portland, OR 97208-4079. A Request for Exclusion must be signed and state (a) the name, address, and telephone number of the Person requesting exclusion; (b) the Person's purchases, acquisitions, and sales of Enzymotec common stock from September 27, 2013 to August 4, 2014, inclusive, the

amount of Enzymotec securities purchased, acquired or sold, and price paid or received for each such purchase, acquisition or sale; and (c) that the Person wishes to be excluded from the Settlement Class. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall not share in the distribution of the Settlement Fund, and shall not be bound by the Stipulation or any final judgment.

16. If prior to the Settlement Hearing Persons who otherwise would be Settlement Class Members have filed with the Court valid and timely Requests for Exclusion in accordance with the provisions of this Notice Order and the Notice given pursuant thereto, and have not thereafter withdrawn such Requests for Exclusion, and such Persons have in the aggregate potential claims that equal or exceed the sum specified in the separate Supplemental Agreement between the Parties which has not been filed with this Court, Enzymotec shall have the option to terminate the Stipulation in accordance with the procedures set forth in the Supplemental Agreement. The existence of the Supplemental Agreement and Enzymotec's rights to terminate the Settlement pursuant thereto shall be referenced in the Notice without disclosure of its terms. Pursuant to the Private Securities Litigation Reform Act of 1995, § 27(a)(2)(B)(5), this Court finds that good cause has been shown for not filing the Supplemental Agreement, which shall be filed under seal only if a dispute among the Settling Parties arises concerning its interpretation or application.

17. Lead Plaintiffs' Counsel shall cause to be provided to Defendants' Counsel copies of all Requests for Exclusion, and any written revocation of Requests for Exclusion within 2 days of receipt thereof.

18. Any Settlement Class Member (other than those Persons who shall timely and validly request exclusion from the Settlement Class) may appear and object if he, she, or it has any reason why the proposed Settlement of the Litigation should not be approved as fair, reasonable and adequate, or why a judgment should not be entered thereon, why the Plan of Allocation should not



be approved, why attorneys' fees and expenses should not be awarded to Lead Plaintiffs' Counsel for their service to the Settlement Class; provided, however, that no member of the Settlement Class or any other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the order approving the Plan of Allocation, or any attorneys' fees and expenses to be awarded to Lead Plaintiffs' Counsel, unless written objections and copies of any papers and briefs are received by Lester R. Hooker, Saxena White P.A., 5200 Town Center Circle, Suite 601, Boca Raton, Florida, 33486; and Richard H. Zelichov, Katten Muchin Rosenman, 575 Madison Avenue, New York, NY 10022, no later than 21 days prior to the Settlement Hearing; and said objections, papers, and briefs are filed with the Clerk of the United States District Court for the District of New Jersey, no later than 21 days prior to the Settlement Hearing. Any Settlement Class Member who does not make his, her, or its objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the proposed Settlement as incorporated in the Stipulation, to the Plan of Allocation, and to the award of attorneys' fees and expenses to Lead Plaintiffs' Counsel, unless otherwise ordered by the Court.

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

20. All papers in support of the Settlement, Plan of Allocation, and any application by Lead Plaintiffs' Counsel for attorneys' fees and expenses shall be filed and served no later than 35 days prior to the Settlement Hearing and any reply papers shall be filed and served no later than 7 days prior to the Settlement Hearing.

21. The Released Persons shall have no responsibility or liability for the Plan of Allocation or any application for attorneys' fees or expenses submitted by Lead Plaintiffs' Counsel,

and such matters will be considered separately from the fairness, reasonableness, and adequacy of the Settlement.

22. All reasonable expenses incurred in identifying and notifying Settlement Class Members as well as administering the Settlement Fund shall be paid as set forth in the Stipulation. Lead Plaintiffs' Counsel may pay, out of the Settlement Fund without further order of the Court: (i) to the Claims Administrator the reasonable costs associated with giving notice to the Settlement Class and fees for the review of claims and administration of the Settlement; and (ii) all costs related to any taxes due and owed by the Settlement Fund. In the event the Court does not approve the Settlement, or it otherwise fails to become effective, neither Lead Plaintiffs nor any of their counsel shall have any obligation to repay any amounts actually and properly incurred or disbursed pursuant to ¶5.2 of the Stipulation.

23. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claims by Settling Parties, or of any wrongdoing or liability of the Released Persons; (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Released Persons in any civil, criminal or administrative proceeding in any court, administrative agency, or other tribunal or of any liability or wrongdoing of any kind; (iii) is or may be deemed to be evidence of or an admission or concession that Lead Plaintiffs or any Settlement Class Members have suffered any damages, harm, or loss; (iv) is or may be deemed to be or may be used as an admission that the claims alleged in the Litigation lacked merit or that Lead Plaintiffs and the Class would not have been able to recover a greater amount of damages had the claims been prosecuted through trial and appeals, if any.

24. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation or the Effective Date does not occur, or in the event that the Settlement

Fund, or any portion thereof, is returned to the Defendants, then this Order shall be rendered null and void to the extent provided by and in accordance with the Stipulation, and shall be vacated. In such event, all orders entered and Releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

25. All proceedings in the Litigation are stayed until further order of this Court, except as may be necessary to implement the Settlement or comply with the terms of the Stipulation. Pending final determination of whether the Settlement should be approved, neither Lead Plaintiffs nor any Settlement Class Member, either directly, representatively, or in any other capacity shall commence or prosecute against any of the Released Persons any action or proceeding in any court or tribunal asserting any of the Released Claims.

26. The Court reserves the right to alter the time or the date of the Settlement Hearing without further notice to the Settlement Class Members, provided that the time or the date of the Settlement Hearing shall not be set at a time or date earlier than the time and date set forth in ¶2 above, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the Class.

IT IS SO ORDERED.

DATED: \_\_\_\_\_

9/5/17

  
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THE HONORABLE JOHN MICHAEL VAZQUEZ  
UNITED STATES DISTRICT JUDGE