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

**In re QUALITY SYSTEMS, INC.
SECURITIES LITIGATION**

} **Case No.: SACV 13-01818-CJC(JPRx)**
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**ORDER APPROVING DISTRIBUTION
PLAN [Dkt. 123]**

Lead Plaintiffs moved for an order approving a distribution plan for the Net Settlement Fund in the above-captioned class action (the “Action”). (Dkt. 123.) Having reviewed and considered all the materials and arguments submitted in support of the motion, including the Memorandum of Points and Authorities in Support of Lead Plaintiffs’ Motion for Approval of Distribution Plan and the Declaration of Eric J. Miller in Support of Lead Plaintiffs’ Motion for Approval of Distribution Plan (the “Miller Declaration”),

IT IS HEREBY ORDERED, that:

1 1. This Order incorporates by reference the definitions in the Stipulation of
2 Settlement dated July 16, 2018 (Dkt. 95-2) (the “Stipulation”) and the Miller Declaration,
3 and all terms used in this Order shall have the same meanings as defined in the
4 Stipulation or in the Miller Declaration.

5 2. This Court has jurisdiction over the subject matter of the Action and over all
6 parties to the Action, including all Class Members.

7 3. Lead Plaintiffs’ plan for distribution of the Net Settlement Fund to
8 Authorized Claimants is **APPROVED**.¹ Accordingly:

9
10 (a) The administrative recommendations of the Court-approved Claims
11 Administrator, A.B. Data, Ltd. (“A.B. Data”), to accept the Timely Eligible Claims
12 stated in Exhibit D to the Miller Declaration and the Late But Otherwise Eligible
13 Claims stated in Exhibit E to the Miller Declaration, are adopted;

14
15 (b) The Claims Administrator’s administrative recommendations to reject
16 wholly ineligible Claims, as stated in Exhibit F to the Miller Declaration, are
17 adopted;

18
19 (c) A.B. Data is directed to conduct an Initial Distribution of the Net
20 Settlement Fund, after deducting all payments previously allowed and the
21 payments approved by this Order, and after deducting the payment of any
22 estimated taxes, the costs of preparing appropriate tax returns, any escrow fees, and
23 appropriate reserves, as stated in paragraph 38(a) of the Miller Declaration (the
24 “Distribution”). Specifically, as stated in paragraph 38(a) of the Miller
25 Declaration: (1) A.B. Data will calculate each Authorized Claimant’s *pro rata*
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27
28 ¹ Having read and considered the papers presented by the parties, the Court finds this matter appropriate
for disposition without a hearing. *See* Fed. R. Civ. P. 78; Local Rule 7-15. Accordingly, the hearing set
for November 18, 2019 at 1:30 p.m. is hereby vacated and off calendar.

1 share of the Net Settlement Fund as stated in subparagraph 38(a)(1) of the Miller
2 Declaration; (2) A.B. Data will, in accordance with the terms of the Court-
3 approved Plan of Allocation, calculate the total amount each Authorized Claimant
4 would recover in accordance with the calculations stated in subparagraph (c)(1)
5 above and then it will eliminate from the distribution any Authorized Claimant
6 whose total *pro rata* share of the Net Settlement Fund is less than \$10.00. These
7 Claimants will not receive any payment from the Net Settlement Fund; (3) After
8 eliminating Claimants who would have received less than \$10.00, A.B. Data will
9 calculate the *pro rata* shares of the Net Settlement Fund for Authorized Claimants
10 who would have received \$10.00 or more (the “Distribution Amount”); (4) 100%
11 of the remaining balance of the Net Settlement Fund will be distributed *pro rata* to
12 Authorized Claimants whose Distribution Amount calculates to \$10.00 or more
13 under subparagraph (c)(3) above.

14
15 (d) In order to encourage Authorized Claimants to promptly cash their
16 checks, all Initial Distribution checks will bear the following notation: “CASH
17 PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED
18 BY [DATE 90 DAYS AFTER ISSUE DATE].” Subsequent distributions will
19 have a 30-day stale date. Lead Counsel and A.B. Data are authorized to take
20 appropriate action to locate and contact any Authorized Claimant who has not
21 cashed his, her, or its check within said time as detailed in paragraph 38(b)
22 footnote 3 of the Miller Declaration;

23
24 (e) Authorized Claimants who do not cash their Initial Distribution
25 checks within the time allotted or on the conditions stated in paragraph 38(b)
26 footnote 3 of the Miller Declaration will irrevocably forfeit all recovery from the
27 Settlement, and the funds allocated to all of these stale-dated checks will be
28 available to be distributed to other Authorized Claimants in the second distribution.

1 Similarly, Authorized Claimants who do not cash their second or subsequent
2 distributions (should such distributions occur) within the time allotted or on the
3 conditions stated in paragraph 38(b) footnote 3 of the Miller Declaration will
4 irrevocably forfeit any further recovery from the Net Settlement Fund;

5
6 (f) After A.B. Data has made reasonable and diligent efforts to have
7 Authorized Claimants cash their Initial Distribution checks (provided in paragraph
8 38(b) footnote 3 of the Miller Declaration), A.B. Data will, after consulting with
9 Lead Counsel, conduct a second distribution (the “Second Distribution”) within a
10 reasonable period of time, in which any amount remaining in the Net Settlement
11 Fund after the Initial Distribution (including the funds for all void stale-dated
12 checks), after deducting A.B. Data’s fees and expenses incurred in administering
13 the Settlement for which it has not yet been paid (including A.B. Data’s estimated
14 costs of the Second Distribution), and after deducting the payment of any estimated
15 taxes, the costs of preparing appropriate tax returns, any escrow fees, and
16 appropriate reserves, will be distributed to all Authorized Claimants in the Initial
17 Distribution who cashed their Initial Distribution check and are entitled to receive
18 at least \$10.00 from the Second Distribution based on their *pro rata* share of the
19 remaining funds. Additional distributions, after deduction of costs and expenses as
20 described above and subject to the same conditions, may occur after a reasonable
21 period of time until Lead Counsel, in consultation with A.B. Data, determine that
22 further distribution is not cost-effective;

23
24 (g) When Lead Counsel, in consultation with A.B. Data, determine that
25 further distribution of the funds remaining in the Net Settlement Fund is not cost-
26 effective, the remaining balance of the Net Settlement Fund, after payment of any
27 unpaid fees or expenses incurred in administering the Net Settlement Fund and
28 after the payment of any estimated taxes, the costs of preparing appropriate tax

1 returns, any escrow fees, and appropriate reserves, will be contributed to the Los
2 Angeles County Bar Association's Counsel for Justice, a non-sectarian, not-for-
3 profit 501(c)(3) organization providing pro bono services through four legal
4 services projects—Domestic Violence Legal Services, Veterans Legal Services,
5 Immigration Legal Assistance, and AIDS Legal Services;

6
7 (h) No new Claims may be accepted after August 1, 2019, and no further
8 adjustments to Claims received on or before August 1, 2019, that would result in
9 an increased Recognized Claim amount may be made for any reason after August
10 1, 2019;

11
12 (i) All persons involved in the review, verification, calculation,
13 tabulation, or any other aspect of the processing of the Claims submitted, or who
14 are otherwise involved in the administration or taxation of the Settlement Fund or
15 the Net Settlement Fund, are hereby released and discharged from any and all
16 claims arising out of that involvement, and all Class Members and other Claimants,
17 whether or not they receive payment from the Net Settlement Fund, are hereby
18 barred from making any further claims against the Net Settlement Fund, Lead
19 Plaintiffs, Lead Counsel, the Claims Administrator, the Escrow Agent, or any other
20 agent retained by Lead Plaintiffs or Lead Counsel in connection with the
21 administration or taxation of the Settlement Fund or the Net Settlement Fund, or
22 any other person released under the Settlement beyond the amounts allocated to
23 Authorized Claimants;

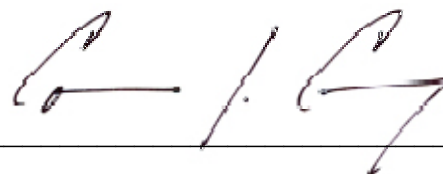
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25 (j) All of A.B. Data's fees and expenses incurred in the administration of
26 the Settlement and estimated to be incurred in connection with the Distribution of
27 the Net Settlement Fund as stated in the invoices attached as Exhibit G to the
28

1 Miller Declaration are approved, and Lead Counsel is directed to pay the
2 outstanding balance of \$17,994.03 out of the Settlement Fund to A.B. Data; and
3

4 (k) Unless otherwise ordered by the Court, one year after the Second
5 Distribution, if that occurs, or, if there is no Second Distribution, two years after
6 the Initial Distribution, A.B. Data may destroy the paper copies of the Claims and
7 all supporting documentation, and one year after all funds have been distributed,
8 A.B. Data may destroy electronic copies of the same.
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10 4. This Court retains jurisdiction to consider any further applications
11 concerning the administration of the Settlement, and any other and further relief that this
12 Court deems appropriate.
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15 DATED: October 25, 2019



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17 CORMAC J. CARNEY
18 UNITED STATES DISTRICT JUDGE
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