

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN MATEO

JOE M. WILEY, Individually and on Behalf of All Others Similarly Situated,)	Master File No. CIV517185
)	Assigned for all Purposes to
Plaintiff,)	The Hon. Marie S. Weiner, Dept. 2
)	<u>CLASS ACTION</u>
vs.)	Date Action Filed: 10/05/12
ENVIVIO, INC., et al.,)	
)	
Defendants.)	
)	
_____)	

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS OR ENTITIES (“PERSONS”) THAT PURCHASED OR OTHERWISE ACQUIRED ENVIVIO, INC. (“ENVIVIO” OR THE “COMPANY”) COMMON STOCK PURSUANT OR TRACEABLE TO THE COMPANY’S REGISTRATION STATEMENT AND PROSPECTUS FOR THE COMPANY’S APRIL 24, 2012 INITIAL PUBLIC OFFERING

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

WHY SHOULD I READ THIS NOTICE?

This Notice is given pursuant to an order issued by the Superior Court of California, County of San Mateo (the “Court”). This Notice serves to inform you of the proposed settlement of the above class action lawsuit (the “Settlement”) and the hearing (the “Settlement Fairness Hearing”) to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Stipulation of Settlement dated as of January 7, 2015 (the “Stipulation”).¹ The Stipulation is by and between (i) Plaintiffs Joe M. Wiley, Michael Toth, Employees’ Retirement System of the Government of the Virgin Islands, and Regina Discenza, custodian for Christian Discenza, UTMA (on behalf of themselves and each of the Class Members), by and through their counsel of record; (ii) the Defendants Envivio, Julien Signés, Erik E. Miller, Gianluca U. Rattazzi, Kevin E. Dillon, Corentin du Roy de Blicquy, R. David Spreng, Clifford B. Meltzer, Marcel Gani, Terry D. Kramer, Edward A. Gilhuly (collectively, the “Envivio Defendants”); and (iii) underwriters of the Company’s April 24, 2012 initial public offering (“IPO”), specifically Deutsche Bank Securities Inc., Goldman, Sachs & Co., Stifel, Nicolaus & Company, Incorporated and William Blair & Company, L.L.C. (the “Underwriter Defendants,” and collectively with the Envivio Defendants, the “Defendants”) (Plaintiffs and Defendants collectively “Settling Parties”). This Notice is not an expression of any opinion by the Court as to the merits of the claims or defenses asserted in the lawsuit.

WHAT IS THIS LAWSUIT ABOUT?

The Allegations and Status of the Case

On November 22, 2013, Plaintiffs filed a Consolidated Amended Complaint for Violation of §§11, 12 (a)(2) and 15 of the Securities Act of 1933 (“Complaint”). Plaintiffs brought the action on behalf of all persons who purchased the common stock of Envivio pursuant or traceable to a registration statement and prospectus (collectively, the “Registration Statement”) issued in connection with the Company’s April 24, 2012 IPO. On April 25, 2012, Envivio completed the IPO and issued 7.755 million shares for \$9 per share, raising approximately \$70 million. Plaintiffs allege that the Envivio Defendants and the Underwriter Defendants violated §§11 and 12(a)(2) of the Securities Act of 1933 (the “Securities Act”) and that the Envivio Defendants violated §15 of the Securities Act because the Registration Statement contained untrue statements of material fact and omitted other facts necessary to make the statements made therein not misleading.

Plaintiffs allege that the Registration Statement violated the Securities Act by failing to disclose that lower spending by Envivio’s customers was expected to cause a decline in the first quarter of 2013 revenues and was reasonably likely to cause further declines in revenues in subsequent quarters. Plaintiffs allege that disclosure was required of the known decline in customer spending and its expected and reasonably likely impacts on Envivio’s future revenues.

The Envivio Defendants filed a demurrer to the Complaint on January 24, 2014 in which the Underwriter Defendants joined. Plaintiffs filed their opposition on March 14, 2014, and the Envivio Defendants filed a reply on April 18, 2014. Judge Weiner overruled the demurrer on April 28, 2014.

Defendants have denied and continue to deny each and all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged in the Complaint.

¹ The Stipulation and all of its Exhibits can be viewed at www.envivioshareholderlitigation.com. All capitalized terms used herein have the same meanings as the terms defined in the Stipulation.

Plaintiffs filed a motion for class certification on May 30, 2014. On July 7, 2014, Plaintiffs produced documents related to class certification and answered the Envivio Defendants' interrogatories. Plaintiffs were also deposed by the Envivio Defendants in July 2014. On August 1, 2014, the Envivio Defendants filed a brief opposing the motion for class certification in which the Underwriter Defendants joined. Plaintiffs filed a reply brief on August 29, 2014 and Judge Weiner granted the motion on September 12, 2014.

On November 25, 2013, Plaintiffs served document requests on Defendants. Defendants produced documents throughout 2014. Plaintiffs also received documents from various third parties in response to Plaintiffs' subpoenas. On June 27, 2014, Plaintiffs served the Envivio Defendants with special interrogatories and a deposition notice. The Envivio Defendants responded to the interrogatories on August 1, 2014. Plaintiffs served the Underwriter Defendants with Special Interrogatories on August 26, 2014, and the Underwriter Defendants responded on October 22, 2014.

In September 2014, the parties agreed to participate in a mediation with Robert Meyer on November 20, 2014. On November 12, 2014, the Settling Parties exchanged mediation statements and also submitted them to the mediator. On November 20, 2014, the Settling Parties participated in the mediation. On November 25, 2014, the Settling Parties agreed to the mediator's proposal to settle the case for \$8.5 million.

THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO PLAINTIFFS OR TO THE CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THIS LAWSUIT OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PENDENCY OF THE LITIGATION AND PROPOSED SETTLEMENT THEREOF AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.

HOW DO I KNOW IF I AM A CLASS MEMBER?

If you purchased or otherwise acquired the common stock pursuant to or traceable to the Registration Statement filed in connection with Envivio's April 24, 2012 IPO through October 5, 2012 (the "Class Period"), you are a Class Member. As set forth in the Stipulation, excluded from the Class are Defendants and their respective successors and assigns; past and current officers and directors of Envivio and the Underwriter Defendants; members of the immediate families of the Individual Defendants; the legal representatives, heirs, successors or assigns of the Individual Defendants; any entity in which any of the above excluded Persons have or had a majority ownership interest; and any Person who validly requests exclusion from the Class.

WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?

The Settlement, if approved, will result in the creation of a cash settlement fund of \$8,500,000 (the "Settlement Fund"). The Settlement Fund, plus accrued interest and minus the costs of this Notice and all costs associated with the administration of the Settlement, as well as attorneys' fees and expenses, and the payment of Plaintiffs' time and expenses in representing the Class, as approved by the Court (the "Net Settlement Fund"), will be distributed to Class Members pursuant to the Plan of Allocation that is described in the next section of this Notice.

WHAT IS THE PROPOSED PLAN OF ALLOCATION?

Your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Class Members send in and how many shares of Envivio common stock you purchased or otherwise acquired during the relevant period and when you bought and sold them.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Class Counsel conferred with its damages consultants and the Plan of Allocation reflects an assessment of damages that it believes could have been recovered had Plaintiffs prevailed at trial.

In the unlikely event there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

The calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. Furthermore, if any of the formulas set forth below yield an amount less than \$0.00 the claim per share is \$0.00. A claim will be calculated as follows:

Claims for the April 24, 2012 Initial Public Offering

Initial Public Offering Price:	\$9.00 per share
Closing price on the date the lawsuit was filed ² :	\$2.21 per share

² The initial class action complaint was filed on October 5, 2012.

For shares of Envivio common stock purchased or otherwise acquired *pursuant or traceable to the Company's Registration Statement and Prospectus dated April 24, 2012*, and

- 1) sold prior to August 14, 2012, the claim per share is 50 percent of the lesser of (i) the Purchase Price per share less the Sales Price per share, or (ii) \$9.00 less the Sales Price per share.³
- 2) sold on or between August 14, 2012 through October 4, 2012, the claim per share is the lesser of (i) the Purchase Price per share less the Sales Price per share, or (ii) \$9.00 less the Sales Price per share.
- 3) retained at the close of trading on October 4, 2012, or, sold on or after October 5, 2012, the claim per share is the lesser of (i) the Purchase Price per share less \$2.21, or (ii) \$9.00 less \$2.21.

An Authorized Claimant will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net loss, after all profits from transactions in Envivio common stock during the Class Period are subtracted from all losses.

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

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Plaintiffs, any counsel for Plaintiffs, any claims administrator or other Person designated by Class Counsel or Defendants and/or the Related Persons and/or the Released Parties and/or their counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Class Members who fail to complete and file a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

DO I NEED TO CONTACT CLASS COUNSEL IN ORDER TO PARTICIPATE IN DISTRIBUTION OF THE SETTLEMENT FUND?

No. If you have received this Notice and timely submit your Proof of Claim to the designated address, you need not contact Class Counsel. If you did not receive this Notice but believe you should have, or if your address changes, please contact the Claims Administrator at:

Envivio Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 990
Corte Madera, CA 94976-0990
Phone: 1-888-286-7250
www.envivioshareholderlitigation.com

THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED

The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation is terminated, the Litigation will proceed as if the Stipulation had not been entered into.

WHAT ARE THE REASONS FOR SETTLEMENT?

The Court has not reached any final decisions in connection with Plaintiffs' claims against Defendants. Instead, Plaintiffs and Defendants have agreed to this Settlement, which was reached with the substantial assistance of Robert Meyer, a highly experienced mediator of complex class actions. In reaching the Settlement, the Settling Parties have avoided the cost, delay and uncertainty of further litigation.

As in any litigation, Plaintiffs and the Class would face an uncertain outcome if they did not agree to the Settlement. The Settling Parties expected that the case could continue for a lengthy period of time and that if Plaintiffs succeeded, Defendants would file appeals that would postpone final resolution of the case. Continuation of the case against Defendants could result in a judgment greater than this Settlement. Conversely, continuing the case could result in no recovery at all or a recovery that is less than the amount of the Settlement.

Plaintiffs and Plaintiffs' Counsel believe that this Settlement is fair and reasonable to the Members of the Class. They have reached this conclusion for several reasons. Specifically, if the Settlement is approved, the Class will receive a significant monetary recovery. Additionally, Plaintiffs' Counsel believe that the significant and immediate benefits of the Settlement, when weighed against the significant risk, delay and uncertainty of continued litigation, are an excellent result for the Class.

³ Section 11 of the Securities Act allows for a possible reduction of damages that mitigate the damages measured by the formula set forth in Section 11(e). In this matter, the recoverable losses related to purchases and sales between the Company's IPO through August 13, 2012 are limited to 50 percent of the statutory measure of damages.

WHO REPRESENTS THE CLASS?

The Court appointed the law firm of Robbins Geller Rudman & Dowd LLP to represent you and other Class Members. These lawyers are called Class Counsel. These lawyers will apply to the Court for payment of attorneys' fees and expenses from the Settlement Fund; you will not be otherwise charged for their work. If you want to be represented by your own lawyer, you may hire one at your own expense.

HOW WILL THE PLAINTIFFS' LAWYERS BE PAID?

Class Counsel will file a motion for an award of attorneys' fees and expenses that will be considered at the Settlement Fairness Hearing. Class Counsel will apply for an award of 25% of the Settlement Fund, plus payment of expenses incurred in connection with the Litigation in an amount not to exceed \$100,000. In addition, each of the Plaintiffs may seek payment of up to \$4,000 for their time and expenses incurred in representing the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Class Counsel for its efforts in achieving this Settlement and for its risk in undertaking this representation on a wholly contingent basis. Class Counsel has committed significant time and expenses in litigating this case for the benefit of the Class. To date, Class Counsel has not been paid for its services in conducting this Litigation on behalf of the Plaintiffs and the Class, or for its expenses. The fees requested will compensate Class Counsel for its work in achieving the Settlement. The Court will decide what constitutes a reasonable fee award and may award less than the amount requested by Class Counsel.

CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

If you want to keep the right to sue or continue to sue Defendants on your own about the legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself from, or "opting out" of, the Class.

To exclude yourself from the Class, you must send a letter by mail saying that you want to be excluded from the Class in the following action: *Joe M. Wiley v. Envivio, Inc., et al.*, Master File No. CIV517185. Be sure to include your name, address, telephone number, and sign the letter. You should also include the number of shares of Envivio common stock you purchased or acquired that are subject to the Litigation. Your exclusion request must be postmarked no later than May 22, 2015 and sent to the Claims Administrator at:

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

You cannot exclude yourself by phone or by e-mail. If you make a proper request for exclusion, you will not receive a Settlement payment, and you cannot object to the Settlement. If you make a proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit.

CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES AND EXPENSES, THE REQUESTED PAYMENT OF COSTS AND EXPENSES TO PLAINTIFFS AND/OR THE PLAN OF ALLOCATION?

Yes. If you are a Class Member, you may object to the terms of the Settlement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs and expenses, the payment to Plaintiffs for their time and expenses, and/or the Plan of Allocation. In order for any objection to be considered, you must file a written statement, accompanied by proof of Class membership, with the Court, and send to Class Counsel by May 22, 2015. The Court's address is Superior Court of San Mateo, Hall of Justice and Records, 400 County Center, Redwood City, CA 94063, and Class Counsel's address is Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101. Attendance at the Settlement Fairness Hearing is not necessary; however, persons wishing to be heard orally at the Settlement Fairness Hearing are required to indicate in their written objection their intention to appear at the hearing and identify any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF FROM THE SETTLEMENT?

Objecting is telling the Court that you do not like something about the proposed Settlement, the Plan of Allocation, Class Counsel's request for an award of attorneys' fees and expenses or payment to Plaintiffs for their time and expenses in representing the Class. You can object **only** if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer applies to you.

HOW CAN I GET A PAYMENT?

In order to qualify for a payment, you must timely complete and return the Proof of Claim form that accompanies this Notice. Read the instructions carefully; fill out the Proof of Claim form; sign it; and mail or submit it online no later than June 15, 2015. The claim form may be submitted online at www.envivoshareholderlitigation.com. If you do not submit a timely Proof of Claim form with all of the required information, you will not receive a payment from the Settlement Fund;

however, unless you expressly exclude yourself from the Class as described above, you will still be bound in all other respects by the Settlement, the Judgment, and the releases contained in them.

WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the same issues in this case or about issues that could have been asserted in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your Released Claims in this case against Defendants and their Related Persons. "Released Claims" shall collectively mean any and all claims (including "Unknown Claims" as defined in paragraph 1.28 of the Stipulation) against Defendants and their Related Persons, arising out of, relating to, or in connection with both (i) the facts, events, transactions, acts, occurrences, statements, representations, misrepresentations, omissions which were or could have been alleged in the Litigation, the *Thomas* action, or the *Silverberg* action, and (ii) the purchase or acquisition, holding, sale or disposition of Envivio common stock purchased or otherwise acquired pursuant to or traceable to the Registration Statement and Prospectus issued in connection with Envivio's April 24, 2012 initial public offering.

"Related Persons" means each of a Defendant's past, present or future parents, subsidiaries and affiliates, and their respective directors, officers, employees, partners, members, principals, agents, underwriters, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or auditors, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, predecessors, successors, assigns, spouses, 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 the settlor or which is for the benefit of any Defendant and/or member(s) of his family.

THE SETTLEMENT FAIRNESS HEARING

The Court will hold a Settlement Fairness Hearing on June 22, 2015, at 2:00 p.m., before the Honorable Marie S. Weiner at the Superior Court of California, County of San Mateo, Department 2, Courtroom 2E, 400 County Center, Redwood City, CA 94063, for the purpose of determining whether: (1) the Settlement of the Litigation for \$8,500,000 in cash should be approved by the Court as fair, reasonable and adequate; (2) to award Plaintiffs' Counsel attorneys' fees and expenses out of the Settlement Fund; (3) to pay Plaintiffs for their time and expenses they incurred in representing the Class out of the Settlement Fund; and (4) the Plan of Allocation should be approved by the Court. The Court may adjourn or continue the Settlement Fairness Hearing without further notice to Members of the Class.

Any Class Member may appear at the Settlement Fairness Hearing and be heard on any of the foregoing matters; provided, however, that no such person shall be heard unless his, her, or its objection is made in writing and is filed, together with proof of membership in the Class and with copies of all other papers and briefs to be submitted by him, her, or it to the Court at the Settlement Fairness Hearing, with the Court no later than May 22, 2015, and showing proof of service on the following counsel:

Jeffrey D. Light
ROBBINS GELLER RUDMAN & DOWD LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

Unless otherwise directed by the Court, any Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived all objections to this Settlement and shall be foreclosed from raising (in this proceeding or on any appeal) any objection to the Settlement, and any untimely objection shall be barred.

HOW DO I OBTAIN ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the proposed Settlement. The records in this Litigation may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Clerk of the Superior Court of California, County of San Mateo. In addition, all of the Settlement Documents, including the Stipulation, this Notice, the Proof of Claim form and proposed Judgment may be obtained by contacting the Claims Administrator at:

Envivio Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 990
Corte Madera, CA 94976-0990
Phone: 1-888-286-7250
www.envivoshareholderlitigation.com

In addition, you may contact Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, if you have any questions about the Litigation or the Settlement.

**DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION
SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES**

If you hold any Envivio common stock purchased or otherwise acquired between April 24, 2012 and October 5, 2012, as a nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

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

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

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

DATED: February 23, 2015

BY ORDER OF THE SUPERIOR COURT OF
CALIFORNIA, COUNTY OF SAN MATEO
HONORABLE MARIE S. WEINER