

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

*In re MiMedx Group, Inc. Securities Litigation*

**Civil Action No 1:13-cv-03074  
Hon. Thomas W. Thrash**

**CLASS ACTION**

**NOTICE OF PENDENCY AND  
SETTLEMENT OF CLASS ACTION**

If you purchased or otherwise acquired shares of MiMedx Group, Inc. ("MiMedx" or the "Company") common stock during the period from March 29, 2012 through and including September 4, 2013 ("Settlement Class Period") you could get a payment from a class action settlement (the "Settlement").

*Under law, a federal court has authorized this notice.*

If approved by the Court, the settlement will provide \$2,979,000.00 in cash to pay claims of investors who purchased MiMedx common stock during the period from March 29, 2012 through and including September 4, 2013 ("Settlement Class Period").

- The Settlement represents an average recovery of \$.03 per share of MiMedx common stock for the 97,851,013 shares outstanding as of September 4, 2013, the end of the Class Period. A share may have been traded more than once during the Class Period. This estimate solely reflects the average recovery per outstanding share of MiMedx common stock. The indicated average recovery per share will be the total average recovery for all purchasers of that share. This is not an estimate of the actual recovery per share you should expect. Your actual recovery will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold MiMedx stock and the total number and amount of claims filed.
- Attorneys for the Lead Plaintiffs ("Lead Counsel") intend to ask the Court to award them fees of \$993,000 or one third of the Settlement Fund, reimbursement of litigation expenses of no more than \$265,000, and an award to the Lead and Named Plaintiffs not to exceed \$4,500 each. Collectively, the attorneys' fees and expenses are estimated to average \$0.013 per share of MiMedx common stock. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The approximate recovery, after deduction of attorneys' fees and expenses approved by the Court, is an average of \$0.017 per share of MiMedx common stock. This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will vary depending on your purchase price and sales price, and the number and amount of claims filed.
- The Settlement resolves the lawsuit concerning whether MiMedx and certain of its officers and directors made false and misleading statements, in violation of federal securities laws, based upon the allegations set forth in the Amended Complaint, including that MiMedx misrepresented the status of certain of its products as qualifying for exemption from FDA regulation. Defendants MiMedx, Parker H. Petit ("Petit"), William Taylor ("Taylor") and Michael Senken ("Senken") (collectively, "Defendants") deny all allegations of misconduct.
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this notice carefully.

## YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

<b>SUBMIT A CLAIM FORM NO LATER THAN JANUARY 18, 2016</b>	The only way to get a payment.
<b>EXCLUDE YOURSELF NO LATER THAN MARCH 15, 2016</b>	Get no payment. This is the only option that allows you to be part of any other lawsuit against the Defendants about the legal claims in this case.
<b>OBJECT NO LATER THAN MARCH 22, 2016</b>	Write to the Court about why you do not like the settlement.
<b>GO TO A HEARING ON APRIL 5, 2016</b>	Speak in Court about the fairness of the settlement.
<b>DO NOTHING</b>	Get no payment. Give up rights.

## INQUIRIES

**Please do not contact the Court regarding this notice.** All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class members should be directed to:

MiMedx Group, Inc.  
Securities Litigation  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson St., Ste. 3  
Media, PA 19063  
Tel.: 866-274-4004  
Fax: 610-565-7985  
info@strategicclaims.net

or

THE ROSEN LAW FIRM,  
P.A.  
275 Madison Avenue, 34<sup>th</sup>  
Floor  
New York, NY 10016  
Tel.: 212-686-1060  
Fax: 212-202-3827  
info@rosenlegal.com

## COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

- 1. Why did I get this Notice?**  
You or someone in your family may have acquired MiMedx common stock during the Class Period.
- 2. What is this lawsuit about?**  
The case is known as In re MiMedx Group, Inc., et al Securities Litigation, Case No. 13-CV-03074 (the "Litigation"), and the Court in charge of the case is the United States District Court for the Northern District of Georgia.

The Class Action involves whether the Defendants violated the federal securities laws because the Company allegedly made false and misleading statements to the investing public as set out in the complaint, including that their AmnioFix and EpiFix Injectable

products met all of the requirements of Section 361 of the Public Health Services Act and were therefore exempt from regulation by the FDA. The Defendants deny they did anything wrong. The Settlement resolves all of the claims in the Class Action against the Defendants.

**3. Why is this a class action?**

In a class action, one or more persons and/or entities, called Lead Plaintiffs, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a Class, and these individual persons and/or entities are known as Class Members. One court resolves all of the issues for all Class Members, except for those Class Members who exclude themselves from the Class.

**4. Why is there a Settlement?**

Plaintiffs and the Defendants do not agree regarding the merits of Plaintiffs' allegations with respect to liability or the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail at trial on each claim. The issues on which the Plaintiffs and the Defendants disagree include: (1) whether the Defendants made false and misleading statements; (2) whether the Defendants made these statements with the intent to defraud the investing public; (3) whether the statements were the cause of the Class Members' alleged damages; and (4) the amount of damages, if any, suffered by the Class Members.

This matter has not gone to trial and the Court has not decided in favor of either Plaintiffs or the Defendants. Instead, Plaintiffs and the Defendants have agreed to settle the Class Action. Plaintiffs and Lead Counsel believe the settlement is best for all Class Members because of the risks associated with continued litigation and the nature of the defenses raised by the Defendants. Even if Plaintiffs win at trial, and also withstand the Defendants' inevitable challenge on appeal, Plaintiffs might not be able to collect some, or all, of the judgment.

**5. How do I know if I am part of the Class settlement?**

To be a Class Member, you must have purchased or otherwise acquired MiMedx common stock during the Period from March 29, 2012 through and including September 4, 2013.

**6. Are there exceptions to being included?**

Yes. Excluded from the Class are the Defendants, all former officers and directors of MiMedx, and all such excluded Persons' immediate families, legal representatives, heirs, successors, and assigns, and any entity in which any excluded Person has or had a controlling interest. Also, if you exclude yourself from the Class, as described below, you are not a part of the Class.

**7. What does the Settlement provide?**

**a. What is the Settlement Fund?**

The proposed Settlement calls for the Defendants to create a Settlement Fund (the "Settlement Fund") consisting of \$2,979,000 in cash. The Settlement is subject to Court approval. Also, subject to the Court's approval, a portion of the Settlement Fund will be

used to pay Plaintiffs' attorneys' fees and reasonable litigation expenses and any award to Lead and Named Plaintiffs. A portion of the Settlement Fund also will be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and any notice and claims administration expenses permitted by the Court. After the foregoing deductions from the Settlement Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Class Members who submit valid claims.

**b. What can you expect to receive under the proposed Settlement?**

Your share of the Net Settlement Fund will or may depend on: (i) the number of claims filed; (ii) the dates you purchased and sold MiMedx common stock; (iii) the prices of your purchases and sales; (iv) the amount of administrative costs, including the costs of notice; and (v) the amount awarded by the Court to Lead and Named Plaintiffs and Lead Counsel for attorneys' fees, costs, and expenses.

The Claims Administrator will determine each Class Member's *pro rata* share of the Net Settlement Fund based upon each Class Member's valid "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; it also is not an estimate of the amount that will be paid to Class Members pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Class Members with valid claims.

The Net Settlement Fund will be distributed to Class Members who submit valid, timely claim forms ("Authorized Claimants") under the below Plan of Allocation, which reflects Plaintiffs' contention that because of the alleged misrepresentations made by Defendants, the price of MiMedx common stock was artificially inflated during the Class Period and that disclosure of the true facts caused changes in the inflated stock price.

Plan of Allocation

For purposes of determining the amount an Authorized Claimant will recover from the Settlement, Lead Counsel, with the aid of a financial consultant, has developed the Plan of Allocation. It is designed to fairly allocate the proceeds of the Net Settlement Fund to Authorized Claimants.

The Court has not made any finding that the Released Parties are liable to the Class or that the Class has suffered any compensable damages, nor has the Court made any finding that the payments allowed under this Plan of Allocation are an accurate measure of damages.

The Claims Administrator will determine each Class Member's *pro rata* share of the Net Settlement Fund based upon each claimant's "Recognized Claim" from transactions in MiMedx Stock as a member of the Class. No distribution will be made on a claim where the potential distribution amount is less than ten dollars (\$10.00) in cash.

A claimant's Recognized Claim will be calculated as follows:

**For shares of common stock purchased between March 29, 2012 and September 4, 2013, inclusive:**

A. For shares retained at the end of trading on September 4, 2013, the Recognized Claim shall be the lesser of:

- (1) \$2.21 per share; or
- (2) the difference between the purchase price per share and \$5.00<sup>1</sup>.

B. For shares sold between March 29, 2012 and September 3, 2013, inclusive, the Recognized Claim shall be zero.

C. For shares sold on September 4, 2013, the Recognized Claim shall be the lesser of:

- (1) \$2.21 per share; or
- (2) the difference between the purchase price per share and the sales price per share for each share sold.

**c. Are there any further limitations on the amount I may receive?**

- i) To the extent there are sufficient funds in the Net Settlement Fund, each Class Member with a Recognized Claim that satisfies the requirements approved by the Court ("Authorized Claimant") will receive an amount equal to the Authorized Claimant's Recognized Claim described above. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Claim bears to the total of the Recognized Claims of all Authorized Claimants.
- ii) For Class members who conducted multiple transactions in MiMedx common stock during the Class Period, the earliest subsequent sale shall be matched first against those shares in the Claimant's opening position on the first day of the Class Period, and then matched chronologically thereafter against each purchase made during the Class Period.
- iii) Transactions during the Class Period resulting in a gain shall be netted against the Class Members transactions resulting in a loss to arrive at the Recognized Claim.
- iv) Any Class members whose collective transactions in MiMedx common stock during the Class Period resulted in a net gain shall not be entitled to share in the Net Settlement Fund.

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<sup>1</sup> Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title 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." The mean (average) daily closing trading price of MiMedx common stock during the 90-day period is calculated for the period beginning on September 4, 2013 and ending on December 2, 2013.

- v) The purchase and sales prices exclude any brokerage commissions, transfer taxes or other fees.
- vi) The covering purchase of a short sale is not an eligible purchase. Gifts and transfers are not eligible purchases.

**8. How can I get a payment?**

To qualify for a payment, you must send in a form entitled "Proof of Claim and Release" form. This claim form is attached to this Notice. You may also obtain a claim form on the Internet at [www.strategicclaims.net](http://www.strategicclaims.net). Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the claim form together with all documentation requested in the form, postmarked no later than January 18, 2016, to:

MiMedx Group, Inc. Securities Litigation  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson St., Ste. 3  
Media, PA 19063  
Tel.: 866-274-4004  
Fax: 610-565-7985  
[info@strategicclaims.net](mailto:info@strategicclaims.net)

The Claims Administrator will process your claim and determine whether you are an "Authorized Claimant."

**9. What am I giving up to get a payment or stay in the Class?**

Unless you exclude yourself, you will remain in the Class. That means that if the Settlement is approved, you and all Class Members will release (agreeing never to sue, continue to sue, or be part of any other lawsuit) all claims against the Defendants, any of their current, former, or future parents, subsidiaries, affiliates, partners, joint venturers, assigns, officers, directors, principals, shareholders, members, agents (acting in their capacity as agents), employees, attorneys, trustees, underwriters, insurers (and their respective businesses, affiliates, subsidiaries, parents and affiliated corporations, divisions, predecessors, shareholders, partners, joint venturers, principals, insurers, reinsurers, successors and assigns, and their respective past, present and future employees, officers, directors, attorneys, accountants, auditors, agents and representatives), reinsurers, advisors, accountants, associates, spouses, estates, and/or any other individual or entity in which any Defendant has or had a controlling interest or which is or was related to or affiliated with any of the Defendants, and the current, former, and future legal representatives, heirs, executors, administrators, predecessors, successors-in-interest, or assigns of any of the foregoing ("Released Parties") in connection with your acquisition or sale of MiMedx common stock during the Class Period, except that you do not release the Released Parties from any claim or action to enforce the Settlement. It also means that all of the Court's orders will apply to you and legally bind you. If you sign the claim form, you are agreeing to a "Release of Claims," which will bar you from ever filing a lawsuit against any Released Party to recover losses from the acquisition or sale of MiMedx common stock during the Class Period, except to enforce the Settlement. That means you will accept a share in the

Net Settlement Fund as sole compensation for any losses you have suffered in the acquisition and sale of MiMedx common stock during the Class Period.

**10. How do I get out of the Settlement?**

If you do not want to receive a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue the Defendants on your own based on the legal claims raised in this Class Action, then you must take steps to get out of the Settlement. This is called excluding yourself from – or "opting out" of – the Settlement. To exclude yourself from the Settlement, you must mail a letter stating you want to be excluded as a Class Member from In re MiMedx Group, Inc. Securities Litigation, Case No. 13-CV-03074. Be sure to include your name, address, telephone number and your signature, along with an accurate list of all of your purchases and sales of MiMedx common stock, including the date, number of shares, and price of the shares purchased or sold and supporting account documentation. You must mail your exclusion request, to be received no later than March 15, 2016, to:

MiMedx Group, Inc. Securities Litigation  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson St., Ste. 3  
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not receive a settlement payment, and you cannot object to the Settlement. If you ask to be excluded, you will not be legally bound by anything that happens in this Class Action.

**11. If I do not exclude myself, can I sue the Defendants for the same thing later?**

No. Unless you exclude yourself, you give up any right to sue the Defendants for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately, since you may have to exclude yourself from this Class to continue your own lawsuit.

**12. Do I have a lawyer in this case?**

The Court has appointed The Rosen Law Firm, P.A. as class counsel to represent the Settlement Class Members for the purposes of this settlement ("Lead Counsel"). You have the option to retain your own separate counsel at your own cost and expense. You need not retain your own separate counsel to opt-out, object, submit a Proof of Claim, or appear at the Final Settlement Hearing.

**13. How will the lawyers be paid?**

Lead Counsel have expended considerable time litigating this action on a contingent fee basis, and have paid for the expenses of the litigation themselves and have not been paid attorneys' fees in advance of this Settlement. Lead Counsel have done so with the expectation that if they are successful in recovering money for the Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund, as is customary in this type of litigation. Lead Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Settlement Fund. Therefore,

Lead Counsel will file a motion asking the Court at the Settlement Hearing to make an award of attorneys' fees in an amount not to exceed \$993,000, for reimbursement of reasonable litigation expenses not to exceed \$265,000, and an award to the Lead Plaintiffs in amounts not to exceed \$4,500 each. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Settlement Fund.

**14. How do I tell the Court that I do not like the Settlement?**

You can tell the Court you do not agree with the Settlement, any part of the Settlement, or Lead Counsel's motion for attorneys' fees, and that you think the Court should not approve the Settlement, by mailing a letter stating that you object to the Settlement in the matter of In re MiMedx Group, Inc. Securities Litigation, Case No. 13-CV-03074. Be sure to include your name, address, telephone number, your signature, a list of your purchases and sales of MiMedx common stock in order to show your membership in the Class, and all of the reasons you object to the Settlement. Be sure to mail the objections to the three different places listed below, to be received no later than March 22, 2016, so the Court will consider your views:

<p>Clerk of the Court United States District Court Richard B. Russell Federal Building 2211 United States Courthouse 75 Ted Turner Drive, SW Atlanta, GA 30303</p>	<p>Laurence M. Rosen, Esq. THE ROSEN LAW FIRM, P.A. 275 Madison Avenue, 34<sup>th</sup> Floor New York, NY 10016 Tel.: 212-686-1060 Fax: 212-202-3827 <i>Lead Counsel for Plaintiffs and the Class</i></p>	<p>Lisa R. Bugni, Esq. ALSTON &amp; BIRD LLP 1201 West Peachtree St., Suite 4200 Atlanta, GA 30309 Tel: 404-881-4959 Fax: 404-253-8359 <i>Counsel for Defendants MiMedx Group, Inc., Parker Petit, William Taylor and Michael Senken</i></p>
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**15. What is the difference between objecting and requesting exclusion?**

Objecting is simply telling the Court you do not like something about the Settlement. You can object only if you stay in the Class. Requesting exclusion is telling the Court you do not want to be part of the Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you. If you stay in the Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

**16. When and where will the Court decide whether to approve the Settlement?**

The Court will hold a Settlement Hearing on April 5, 2016, at 10:00 a.m., at the United States District Court for the Northern District of Georgia, Atlanta Division, Courtroom 2108 at 2211 United States Courthouse 75 Ted Turner Drive, SW, Atlanta, GA 30303. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Lead Counsel for attorneys' fees and expenses.

**17. Do I have to come to the hearing?**

No. Lead Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it.

**18. What happens if I do nothing at all?**

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the claims made in this case ever again.

DATED: NOVEMBER 19, 2015.

BY ORDER OF THE UNITED STATES  
DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF GEORGIA