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8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 SAN FRANCISCO DIVISION

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12 )  
13 IN RE SUNRUN INC. SECURITIES )  
14 LITIGATION )

) Case No. 3:17-cv-02537-VC

) CLASS ACTION

) ORDER PRELIMINARILY APPROVING  
) SETTLEMENT AND PROVIDING FOR  
) NOTICE

) EXHIBIT A TO STIPULATION OF  
) SETTLEMENT

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28 ORDER PRELIMINARILY  
APPROVING SETTLEMENT AND PROVIDING  
FOR NOTICE

1           WHEREAS, (i) Lead Plaintiffs Ricky Elmore, Dmitri Karpov, William McCormick,  
2 Joseph McIntire, and Alice Twomey (collectively, “Lead Plaintiffs”), on behalf of themselves and  
3 the Settlement Class, and (ii) defendants Lynn Michelle Jurich (“Jurich”) and Robert Patrick  
4 Komin, Jr. (“Komin”) (together, “Individual Defendants”) and Sunrun Inc. (“Sunrun” or the  
5 “Company”) (all collectively, “Defendants”) have entered into the Stipulation of Settlement, dated  
6 September 27, 2018 (the “Stipulation”), which is subject to review under Rule 23 of the Federal  
7 Rules of Civil Procedure and which, together with the exhibits annexed thereto, sets forth the terms  
8 and conditions for the proposed settlement and dismissal of the class action pending before the  
9 Court entitled *In re Sunrun Inc. Securities Litigation, Case No. 3:17-cv-02537-VC* (N.D. Cal.) (the  
10 “Litigation”); and the Court having read and considered the Stipulation and the exhibits thereto  
11 and submissions made relating thereto, and finding that substantial and sufficient grounds exist for  
12 entering this Order; and the Settling Parties having consented to the entry of this Order; and

13           WHEREAS, unless otherwise defined, all terms used herein have the same meanings as set  
14 forth in the Stipulation;

15           NOW, THEREFORE, IT IS HEREBY ORDERED:

16           1.       The Court has considered the Stipulation under the applicable standard of review,  
17 which is as rigorous at the preliminary approval stage as at the final approval stage. “At the initial  
18 stage, the inquiry should be whether the settlement is ‘fair, reasonable, and adequate,’ based on  
19 any information the district court receives from the parties or can obtain through its own research.”  
20 *See, e.g., Cotter v. Lyft, Inc.*, 193 F. Supp. 3d 1030, 1037 (N.D. Cal. 2016) (Chhabria, J.). Having  
21 conducted this inquiry, the Court hereby preliminarily approves the settlement set forth therein,  
22 subject to further consideration at the Settlement Hearing described below.

23           2.       Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, and for  
24 purposes of this settlement only, the Litigation is hereby preliminarily certified as a class action  
25 on behalf of all Persons and entities who purchased or otherwise acquired Sunrun securities  
26 between September 16, 2015 and May 21, 2017, inclusive. Excluded from the Class are the  
27 Defendants and their immediate families, the directors and officers of Sunrun at all relevant times,  
28 and their legal representatives, heirs, successors or assigns, and any entity in which Defendants

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1 have a controlling interest. Also excluded from the Class are those Persons who timely and validly  
2 request exclusion from the Class.

3 3. The Court finds, for the purposes of the settlement only, that the prerequisites for a  
4 class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been  
5 satisfied in that: (a) the number of Class Members is so numerous that joinder of all members is  
6 impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of Lead  
7 Plaintiffs are typical of the claims of the Class they seek to represent; (d) Lead Plaintiffs and Lead  
8 Counsel have and will fairly and adequately represent the interests of the Class; (e) the questions  
9 of law and fact common to the Members of the Class predominate over any questions affecting  
10 only individual Class Members; and (f) a class action is superior to other available methods for the  
11 fair and efficient adjudication of the controversy.

12 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes  
13 of the settlement only, Lead Plaintiffs are certified as the class representatives.

14 5. A hearing (the “Settlement Hearing”) shall be held before this Court on February  
15 28, 2019 at 10:00 a.m., at the United States District Court for the Northern District of California,  
16 San Francisco Courthouse, Courtroom 4 – 17th Floor, 450 Golden Gate Avenue, San Francisco,  
17 California 94102, to determine whether the proposed settlement of the Litigation on the terms and  
18 conditions provided for in the Stipulation is fair, reasonable, and adequate to the Class and should  
19 be approved by the Court; whether a Judgment as provided in ¶1.13 of the Stipulation should be  
20 entered; whether the proposed Plan of Allocation is fair, reasonable, and adequate and should be  
21 approved; to determine the amount of fees and expenses that should be awarded to Lead Counsel;  
22 and to determine the amount of expenses to be awarded to each of the Lead Plaintiffs. The Court  
23 may adjourn the Settlement Hearing without further notice to the Members of the Class.

24 6. The Court approves, as to form and content, the Notice of Pendency and Proposed  
25 Settlement of Class Action (the “Notice”), the Proof of Claim and Release form (the “Proof of  
26 Claim and Release”), and the Summary Notice annexed hereto as Exhibits A-1, A-2, and A-3,  
27 respectively, and finds that the mailing and distribution of the Notice and publishing of the  
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1 Summary Notice substantially in the manner and form set forth in ¶¶11-12 of this Order meet the  
2 requirements of Federal Rule of Civil Procedure 23 and due process, and is the best notice  
3 practicable under the circumstances and shall constitute due and sufficient notice to all Persons  
4 entitled thereto.

5 7. The firm of Strategic Claims Services (“Claims Administrator”) is hereby  
6 appointed to supervise and administer the notice program as well as the processing of claims as  
7 more fully set forth below.

8 8. The Court approves the appointment of Huntington Bank as the Escrow Agent to  
9 manage and administer the Settlement Fund for the benefit of the Class.

10 9. The Escrow Agent may, at any time after entry of this Order and without further  
11 approval from Defendants or the Court, disburse at the direction of Lead Counsel up to \$250,000  
12 from the Settlement Fund prior to the Effective Date to pay Notice and Administration Expenses.  
13 After the Effective Date, additional amounts, up to a total of \$50,000, may be transferred from the  
14 Settlement Fund to pay for any additional Notice and Administration Expenses without further  
15 order of the Court. For any additional Notice and Administration Expenses above \$50,000, Lead  
16 Counsel shall obtain Court approval for payments out of the Escrow Account.

17 10. Not later than seven (7) calendar days after the Court signs and enters this Order,  
18 Sunrun shall provide and/or cause its transfer agent to provide to the Claims Administrator a list  
19 of the record owners of Sunrun securities during the Class Period in a usable electronic format,  
20 such as an Excel spreadsheet. This information shall be kept confidential and shall not be used for  
21 any purpose other than to provide the notice contemplated by this Order.

22 11. Not later than seven (7) calendar days after receiving the list of the record owners  
23 of Sunrun securities during the Class Period (the “Notice Date”), the Claims Administrator, shall  
24 mail, by First-Class Mail, postage prepaid, the Notice and Proof of Claim to the list of record  
25 holders of Sunrun common stock, and shall post to its website at  
26 [www.sunrunsecuritiesclassaction.com](http://www.sunrunsecuritiesclassaction.com) the Stipulation and its exhibits, Plaintiffs’ Motion for

1 Preliminary Approval of Class Action Settlement, this Order, and a copy of the Notice and Proof  
2 of Claim.

3 12. Not later than fourteen (14) calendar days after the Notice Date, the Claims  
4 Administrator shall cause the Summary Notice to be published once in the national edition of  
5 *Investor's Business Daily* and once over *GlobeNewswire*.

6 13. Nominees or custodians shall, within ten (10) calendar days of receipt of the Notice  
7 and Proof of Claim, either: (i) request additional copies of the Notice and Proof of Claim sufficient  
8 to send the Notice and Proof of Claim to all beneficial owners for whom they are nominee or  
9 custodian, and within ten (10) calendar days after receipt thereof send copies to such beneficial  
10 owners; or (ii) provide the Claims Administrator with lists of the names, last known addresses and  
11 email addresses (to the extent known) of such beneficial owners. Nominees or custodians who  
12 elect to send the Notice and Proof of Claim to their beneficial owners shall send a written  
13 certification to the Claims Administrator confirming that the mailing has been made as directed.  
14 Additional copies of the Notice and Proof of Claim shall be made available to any nominee or  
15 custodian requesting same for the purpose of distribution to beneficial owners. The Claims  
16 Administrator shall, if requested, reimburse nominees or custodians out of the Settlement Fund  
17 solely for their reasonable out-of-pocket expenses incurred in providing notice to beneficial  
18 owners, up to \$0.70 per unit if the Nominee elects to undertake the mailing of the Notice and Proof  
19 of Claim or up to \$0.10 per name if the Nominee provides the names and addresses to the Claims  
20 Administrator, which expenses would not have been incurred except for the sending of such notice,  
21 and subject to further order of this Court with respect to any dispute concerning such  
22 reimbursement.

23 14. As soon as practicable after receiving lists of beneficial owners from nominees and  
24 custodians, the Claims Administrator shall mail, by First-Class Mail, postage pre-paid, the Notice  
25 and Proof of Claim to all Settlement Class Members whom the Claims Administrator identifies by  
26 reasonable efforts.

1           15.     Promptly upon receiving requests from Class Members, the Claims Administrator  
2 shall mail, by First-Class Mail, postage pre-paid, the Notice and Proof of Claim to such beneficial  
3 owners who request it, or otherwise instruct Class Members as to how to receive the Notice  
4 electronically and how to submit a Proof of Claim and Release form.

5           16.     At least seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall  
6 serve on Defendants’ counsel and file with the Court proof, by affidavit or declaration, of such  
7 mailing and publishing.

8           17.     All Members of the Class shall be bound by all determinations and judgments in  
9 the Litigation concerning the settlement, whether favorable or unfavorable to the Class.

10          18.     Class Members who wish to participate in the settlement shall complete and submit  
11 a Proof of Claim and Release in accordance with the instructions contained therein. Unless the  
12 Court orders otherwise, all Proof of Claim and Release forms must be postmarked or submitted  
13 electronically no later than ninety (90) calendar days from the Notice Date. Any Class Member  
14 who does not timely submit a Proof of Claim and Release within the time provided for, shall be  
15 barred from sharing in the distribution of the proceeds of the Settlement Fund, unless otherwise  
16 ordered by the Court. Notwithstanding the foregoing, Lead Counsel may, in its discretion, accept  
17 late-submitted claims for processing by the Claims Administrator so long as distribution of the Net  
18 Settlement Fund to Authorized Claimants is not materially delayed thereby.

19          19.     Class Members shall be bound by all determinations and judgments in this  
20 Litigation, whether favorable or unfavorable, unless they request exclusion from the Class in a  
21 timely and proper manner, as hereinafter provided. A Class Member wishing to make such request  
22 shall mail, by First-Class Mail, a request for exclusion in written form such that it is received, not  
23 simply postmarked, on or before February 7, 2019 by the Claims Administrator at the address  
24 designated in the Notice. Such request for exclusion must state the name, address and telephone  
25 number of the Person seeking exclusion, must state that the sender requests to be “excluded from  
26 the Class and does not wish to participate in the settlement in *In re Sunrun Inc. Securities*  
27 *Litigation*, Case No. 3:17-cv-02537-VC (N.D. Cal.),” and must be signed by such Person. Such  
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1 Persons requesting exclusion are also directed to state the information requested in the Notice,  
2 including, but not limited to: the date(s), price(s), and amount(s) of Sunrun securities that were  
3 purchased, sold, or otherwise acquired or disposed of during the period September 16, 2015  
4 through May 21, 2017, inclusive. The request for exclusion shall not be effective unless it provides  
5 the required information and is made within the time stated above, or the exclusion is otherwise  
6 accepted by the Court. Class Members requesting exclusion from the Class shall not be bound by  
7 the Settlement and shall not be entitled to receive any payment out of the Net Settlement Fund as  
8 described in the Stipulation and Notice.

9       20. Any Member of the Class may enter an appearance in the Litigation, at his, her or  
10 its own expense, individually or through counsel of their own choice. If such Class Member does  
11 not enter an appearance, he, she or it will be represented by Lead Counsel.

12       21. Any Member of the Class may appear and show cause why the proposed settlement  
13 of the Litigation should or should not be approved as fair, reasonable, and adequate, why a  
14 judgment should or should not be entered thereon, why the Plan of Allocation should or should  
15 not be approved, why attorneys' fees and expenses should or should not be awarded to Lead  
16 Counsel, or why the expenses of Lead Plaintiffs should or should not be awarded; provided,  
17 however, that no Class Member or any other Person shall be heard or entitled to contest such  
18 matters, unless that Person has submitted said objections, papers, and briefs to the Court either by  
19 mailing them to the Class Action Clerk, United States District Court for the Northern District of  
20 California, San Francisco Courthouse, 450 Golden Gate Avenue, Box 36060, San Francisco,  
21 California 94102-3489, or by filing them in person at any location of the United States District  
22 Court for the Northern District of California. Such objections, papers, and briefs must be received  
23 or filed, not simply postmarked, on or before February 7, 2019. Any Member of the Class who  
24 does not make his, her or its objection in the manner and time provided shall be deemed to have  
25 waived such objection and shall forever be foreclosed from making any objection to the fairness  
26 or adequacy of the proposed settlement as set forth in the Stipulation, to the Plan of Allocation, or  
27 to the award of attorneys' fees and expenses to Lead Counsel or expenses of Lead Plaintiffs, unless

1 otherwise ordered by the Court. Attendance at the Settlement Hearing is not necessary, however,  
2 persons wishing to be heard orally in opposition to approval of the settlement, the Plan of  
3 Allocation, and/or the application for an award of attorneys' fees and other expenses are required  
4 to indicate in their written objection their intention to appear at the hearing. Persons who intend to  
5 object to the settlement, the Plan of Allocation, and/or the application for an award of attorneys'  
6 fees and other expenses and desire to present evidence at the Settlement Hearing must include in  
7 their written objections the identity of any witnesses they may call to testify and copies of any  
8 exhibits they intend to introduce into evidence at the Settlement Hearing. If an objector hires an  
9 attorney to represent him, her, or it for the purposes of making an objection, the attorney must file  
10 a notice of appearance with the Court and effect service on the parties to the Litigation on or before  
11 February 7, 2019. Failure to comply with requirements for submitting objections may be excused  
12 by the Court for good cause.

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

16         23. All opening briefs and supporting documents in support of the settlement, the Plan  
17 of Allocation, and any application by Lead Counsel for attorneys' fees and expenses or by Lead  
18 Plaintiffs for their expenses shall be filed and served by January 24, 2019. Replies to any objections  
19 shall be filed and served by February 21, 2019.

20         24. Neither Defendants and their Related Parties nor Defendants' counsel shall have  
21 any responsibility for the Plan of Allocation or any application for attorneys' fees or expenses  
22 submitted by Lead Counsel or Lead Plaintiffs, and such matters will be considered separately from  
23 the fairness, reasonableness, and adequacy of the settlement.

24         25. At or after the Settlement Hearing, the Court shall determine whether the Plan of  
25 Allocation proposed by Lead Counsel, and any application for attorneys' fees or payment of  
26 expenses shall be approved.

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1           26. All reasonable expenses incurred in identifying and notifying Class Members, as  
2 well as administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event  
3 the settlement is not approved by the Court, or otherwise fails to become effective, neither Lead  
4 Plaintiffs nor Lead Counsel shall have any obligation to repay any amounts incurred and properly  
5 disbursed pursuant to ¶¶2.10 or 2.12 of the Stipulation.

6           27. Neither the Stipulation, nor any of its terms or provisions, nor any of the  
7 negotiations or proceedings connected with it, shall be construed as an admission or concession  
8 by Defendants of the truth of any of the allegations in the Litigation, or of any liability, fault, or  
9 wrongdoing of any kind, and shall not be construed as or deemed to be evidence of or an admission  
10 or concession that Lead Plaintiffs or any Class Members have suffered any damages, harm, or loss.

11           28. The Court reserves the right to adjourn the date of the Settlement Hearing without  
12 further notice to the Members of the Class, and retains jurisdiction to consider all further  
13 applications arising out of or connected with the proposed settlement. The Court may approve the  
14 settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate,  
15 without further notice to the Class.

16           29. In the event that the settlement does not become Final in accordance with the terms  
17 of the Stipulation or the Effective Date does not occur, the Stipulation, including any  
18 amendment(s) thereof, except as expressly provided in the Stipulation, and this Preliminary  
19 Approval Order shall be null and void, of no further force or effect, and without prejudice to any  
20 Party, and may not be introduced as evidence or used in any actions or proceedings by any Person  
21 or entity against the Parties, and the Parties shall be deemed to have reverted to their respective  
22 litigation positions in the Litigation as of August 8, 2018.

23           30. Pending further order of the Court, all litigation activity, except that contemplated  
24 herein, in the Stipulation, in the Notice, in the Summary Notice, or in the Judgment, is hereby  
25 stayed and all hearings, deadlines, and other proceedings in this Action, except the Settlement  
26 Hearing and any deadlines set forth in this order, are hereby taken off calendar.

27           IT IS SO ORDERED.

1 DATED: November 20, 2018

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4 THE HONORABLE VINCE CHHABRIA  
5 UNITED STATES DISTRICT JUDGE

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