

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

In re ST. JUDE MEDICAL, INC. SECURITIES LITIGATION	)	Civ. No. 0:10-cv-00851-SRN-TNL
	)	
	)	<u>CLASS ACTION</u>
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This Document Relates To:	)	
ALL ACTIONS.	)	
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**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION**

**TO: ALL PERSONS OR ENTITIES WHO PURCHASED OR OTHERWISE ACQUIRED THE PUBLICLY TRADED SECURITIES OF ST. JUDE MEDICAL, INC. (“ST. JUDE MEDICAL”) BETWEEN APRIL 22, 2009 AND OCTOBER 6, 2009, INCLUSIVE**

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THE SETTLEMENT PROCEEDS, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM FORM”) **POSTMARKED OR SUBMITTED ONLINE ON OR BEFORE JUNE 24, 2015.**

This Notice of Proposed Settlement of Class Action (“Notice”) has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the District of Minnesota (the “Court”). The purpose of this Notice is to inform you of the proposed settlement of the Action (the “Settlement”) and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement as well as counsel’s application for fees, costs, and expenses. This Notice describes the rights you may have in connection with your participation in the Settlement, and what steps you may take in relation to the Settlement and this class action.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM</b>	The only way to get a payment. Proof of Claim Forms must be postmarked or submitted online on or before June 24, 2015.
<b>OBJECT</b>	Write to the Court about why you do not like the Settlement, the Plan of Allocation, and/or the request for attorneys’ fees, costs, and expenses. You will still be a member of the Class. Objections must be received by the Court and counsel on or before May 22, 2015.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the Settlement. Requests to speak must be received by the Court and counsel on or before May 22, 2015.
<b>DO NOTHING</b>	Get no payment. Give up your rights.

**SUMMARY OF THIS NOTICE**

**Statement of Class Recovery**

Pursuant to the Settlement described herein, a \$50 million Settlement Fund has been established. Lead Plaintiff’s damages expert estimates that there were approximately 109.85 million shares of St. Jude Medical common stock which may have been damaged during the Class Period. Lead Plaintiff’s damages expert estimates that the average recovery under the Settlement is roughly \$0.46 per damaged share, before deduction of any taxes on the income thereof, notice and administration costs and the attorneys’ fee, costs, and expense award as determined by the Court. A Class Member’s actual recovery will be a proportion of the Net Settlement Fund determined by that claimant’s Recognized Loss as compared to the total Recognized Losses of all Class Members who submit acceptable Proof of Claim Forms. An individual Class Member may receive more or less than this estimated average amount depending on the number of claims submitted, when during the Class Period a Class Member purchased or acquired St. Jude Medical publicly traded securities, the purchase price paid, and whether those shares were held at the end of the Class Period or sold

during the Class Period, and, if sold, when they were sold and the amount received. See Plan of Allocation as set forth at pages 8-11 below for more information on your Recognized Loss.

### **Statement of Potential Outcome of Case**

Lead Plaintiff and Defendants do not agree on the average amount of damages per share, if any, that would have been recoverable if Lead Plaintiff was to have prevailed on each claim alleged. Defendants deny that they are liable in any respect or that Lead Plaintiff or the Class suffered any injury. The issues on which the parties disagree are many, but include: (1) whether Defendants engaged in conduct that would give rise to any liability to the Class under the federal securities laws, or any other laws; (2) whether Defendants have valid defenses to any such claims of liability; (3) the appropriate economic model for determining the amount by which the prices of St. Jude Medical publicly traded securities were allegedly artificially inflated (if at all) during the Class Period; (4) the amount by which the price of St. Jude Medical publicly traded securities were allegedly artificially inflated (if at all) during the Class Period; (5) the effect of various market forces on the price of St. Jude Medical publicly traded securities at various times during the Class Period; (6) the extent to which external factors influenced the price of St. Jude Medical publicly traded securities at various times during the Class Period; and (7) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading, or the various allegedly adverse material facts that Lead Plaintiff alleged were omitted, influenced (if at all) the price of St. Jude Medical publicly traded securities at various times during the Class Period.

### **Statement of Attorneys' Fees, Costs, and Expenses Sought**

Lead Counsel will apply to the Court for an award of attorneys' fees of twenty-nine percent (29%) of the Settlement Fund, plus costs and expenses not to exceed \$2,750,000, plus interest earned on both amounts at the same rate as earned by the Settlement Fund. Since the Action's inception, Lead Counsel have expended considerable time and effort in the prosecution of this Action on a contingent fee basis and advanced the expenses of the litigation in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees. In addition, the Lead Plaintiff may seek payment for its time and expenses incurred in representing the Class. The requested fees, costs, and expenses amount to an average of approximately \$0.16 per damaged share. The average cost per damaged share will vary depending on the number of acceptable Proof of Claim Forms submitted.

### **Further Information**

For further information regarding the Action, this Notice or to review the Stipulation and Agreement of Settlement, please contact the Claims Administrator toll-free at 1-888-289-3172, or [www.stjudemedicalsecuritieslitigation.com](http://www.stjudemedicalsecuritieslitigation.com).

You may also contact a representative of counsel for the Class: Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, [www.rgrdlaw.com](http://www.rgrdlaw.com).

Please Do Not Call the Court or Defendants with Questions About the Settlement.

### **Reasons for the Settlement**

The principal reason for the Settlement is the benefit to be provided to the Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future.

## **BASIC INFORMATION**

<b>1. Why did I get this notice package?</b>
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You or someone in your family may have purchased or acquired St. Jude Medical publicly traded securities during the time period from April 22, 2009, through and including October 6, 2009 ("Class Period").

The Court directed that this Notice be sent to Class Members because they have a right to know about the proposed Settlement of this class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after objections and

appeals, if any, are resolved, the Claims Administrator appointed by the Court will make the payments provided for in the Settlement.

This Notice explains the class action lawsuit, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the Action is the United States District Court for the District of Minnesota, and the case is known as *In re St. Jude Medical, Inc. Securities Litigation*, Civ. No. 0:10-cv-00851-SRN-TNL. The case has been assigned to the Honorable Susan Richard Nelson. The pension fund representing the Class is the "Lead Plaintiff," and the company and individuals it sued and who have now settled are called the Defendants.

<b>2. What is this lawsuit about?</b>
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This is a federal securities class action brought on behalf of all persons or entities who purchased or otherwise acquired the publicly traded securities of St. Jude Medical during the Class Period. Lead Plaintiff alleges that Defendants violated §§10(b) and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act") by engaging in a fraudulent course of conduct during the period from April 22, 2009 through October 6, 2009, that misled investors about St. Jude Medical's reported and expected financial results, the demand for its products, and the risks to its business. Lead Plaintiff alleges that this course of conduct and these materially false and misleading statements caused St. Jude Medical securities to trade at artificially inflated prices. Defendants deny that they violated the securities laws.

The initial complaint in the Action was filed in the Court on March 18, 2010. The operative complaint in the Action is the Consolidated Amended Class Action Complaint for Violation of the Federal Securities Laws, filed on August 16, 2010 (the "Complaint").

On October 15, 2010, Defendants moved to dismiss the Complaint. Lead Plaintiff filed an opposition to Defendants' motion to dismiss on November 30, 2010, and Defendants filed their reply brief on January 19, 2011. By Order dated December 23, 2011, the Court denied in part and granted in part Defendants' motion to dismiss the Complaint. Defendants thereafter answered the Complaint and denied all of Lead Plaintiff's allegations.

On October 25, 2012, the Court certified claims in this Action for class action treatment, and approved Lead Plaintiff as the class representative.

The parties conducted extensive fact and expert discovery. On October 15, 2013, Defendants filed their motion for summary judgment, and Lead Plaintiff filed its opposition to the motion on December 2, 2013. Defendants filed their reply brief on January 2, 2014. On August 11, 2014, the Court issued a ruling granting in part and denying in part Defendants' motion for summary judgment. Motions to exclude certain expert testimony and other pre-trial motions were under submission at the time the Settlement was reached. Trial in the Action was scheduled to begin on February 23, 2015.

The parties attended formal mediation sessions before the Honorable Layn R. Phillips (Ret.) in October 2014 and January 2015, but were unable to resolve the Action during those sessions, and the parties proceeded towards trial. With the assistance of Judge Phillips, the parties continued their negotiations and ultimately reached an agreement to resolve the Action on the specific terms set forth in the Stipulation and Agreement of Settlement, and summarized herein.

Defendants deny each and all of the claims and contentions of wrongdoing alleged by Lead Plaintiff in the Action. Defendants contend that they did not make any materially false or misleading statements, they disclosed all material information required to be disclosed by the federal securities laws and any alleged misstatements or omissions were not made with the requisite intent or knowledge of wrongdoing. Defendants also contend that any losses suffered by members of the Class were not caused by any false or misleading statements by Defendants and/or were caused by intervening events.

<b>3. Why is this a class action?</b>
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In a class action, one or more people called the plaintiff sues on behalf of people who have similar claims. All of the people with similar claims are referred to as a class or class members. One court resolves the issues for all class members, except for those who exclude themselves from the class.

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

The Court has not decided in favor of the Defendants or of the Class. Instead, both sides agreed to the Settlement to avoid the distraction, costs and risks of further litigation, including trial, and Lead Plaintiff agreed to the Settlement in order to ensure that Class Members will receive compensation. Lead Plaintiff and Lead Counsel believe the Settlement is in the best interest of all Class Members in light of the real possibility that continued litigation could result in no recovery at all.

**WHO IS IN THE SETTLEMENT**

To see if you will get money from this Settlement, you first have to decide if you are a Class Member.

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

The Court directed that everyone who fits this description is a Class Member: ***all persons or entities who purchased or otherwise acquired St. Jude Medical publicly traded securities between April 22, 2009 and October 6, 2009, inclusive***, except those persons and entities that are excluded, as described below.

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

Excluded from the Class are: (i) St. Jude Medical, its parents, subsidiaries, and any other entity owned or controlled by St. Jude Medical; (ii) Daniel J. Starks, John C. Heinmiller, Eric C. Fain, and Michael T. Rousseau; (iii) all other executive officers and directors of St. Jude Medical, or any of its parents, subsidiaries, or other entities owned or controlled by St. Jude Medical; (iv) all immediate family members of the foregoing individuals, including grandparents, parents, spouses, siblings, children, grandchildren and step-relations of similar degree; and (v) all predecessors and successors-in-interest or assigns of any of the foregoing. Also excluded from the Class are those persons who timely and validly excluded themselves therefrom by submitting a request for exclusion pursuant to the Notice of Pendency of Class Action sent to potential Class Members in December 2012.

If one of your mutual funds own St. Jude Medical publicly traded securities, that alone does not make you a Class Member. You are a Class Member only if you directly purchased or acquired St. Jude Medical publicly traded securities during the Class Period. Contact your broker to see if you have purchased or acquired St. Jude Medical publicly traded securities.

If you sold St. Jude Medical publicly traded securities during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you ***purchased or acquired*** St. Jude Medical publicly traded securities, as defined above.

**7. What if I am still not sure if I am included?**

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator toll-free at 1-888-289-3172, or you can fill out and return the Proof of Claim Form enclosed with this Notice package, to see if you qualify.

**THE SETTLEMENT BENEFITS – WHAT YOU GET**

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

In exchange for the Settlement and the release of the Released Claims (defined below) as well as dismissal of the Action, Defendants have agreed that a payment of \$50 million will be made by Defendants (or on their behalf) to be divided, after taxes, fees, and expenses, among all Class Members who send in a valid Proof of Claim Form.

**9. How much will my payment be?**

Your share of the fund will depend on several things, including, how many Class Members submit timely and valid Proof of Claim Forms, the total Recognized Losses represented by the valid Proof of Claim Forms that Class Members send in, the number and type of shares of St. Jude Medical publicly traded securities you purchased or acquired, how much you paid for the shares, when you purchased or acquired, and if you sold your shares and for how much.

By following the instructions in the Plan of Allocation, you can calculate what is called your Recognized Loss. It is unlikely that you will get a payment for all of your Recognized Loss. After all Class Members have sent in their Proof of Claim Forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Loss divided by the total of everyone's Recognized Losses. See the Plan of Allocation at pages 8-11 hereof for more information on your Recognized Loss.

#### **HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM**

##### **10. How can I get a payment?**

To qualify for a payment, you must submit a Proof of Claim Form. A Proof of Claim Form is enclosed with this Notice or it may be downloaded at [www.stjudemedicalsecuritieslitigation.com](http://www.stjudemedicalsecuritieslitigation.com). Read the instructions carefully, fill out the Proof of Claim Form, include all the documents the form asks for, sign it, and mail or submit it online so that it is postmarked or received no later than June 24, 2015. The claim form may be submitted online at [www.stjudemedicalsecuritieslitigation.com](http://www.stjudemedicalsecuritieslitigation.com).

##### **11. When would I get my payment?**

The Court will hold a Settlement Hearing on June 12, 2015, to decide whether to approve the Settlement. If the Court approves the Settlement after that, there might be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proof of Claim Forms to be processed. Please be patient.

##### **12. What are the claims being released in the Action?**

If the Settlement is approved, you will give up all "Released Claims" (as defined below), including "Unknown Claims" (as defined below), against the "Released Parties" (as defined below):

- "Released Claims" means any and all claims, causes of action, rights, actions, suits, obligations, debts, demands, judgments, agreements, promises, liabilities, damages, losses, controversies, costs, expenses or attorneys' fees, of every nature and description whatsoever that were, may have been, or could have been asserted in the Action and whether direct or indirect, now known or unknown, suspected or unsuspected, accrued or unaccrued, in law or in equity whether having arisen or yet to arise, including, without limitation, any claims of violations of federal or state securities laws and any federal or state claims of fraud, intentional misrepresentation, negligent misrepresentation, negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, breach of fiduciary duty, or violations of any state or federal statutes, rules or regulations (including "Unknown Claims" as defined below), that have been or could have been alleged or asserted now or in the future by Lead Plaintiff or any Class Member against the Defendants or any of them or any of the Released Parties in this Action or in any other court action or before any administrative body, tribunal, arbitration panel, or other adjudicatory body, arising out of, relating to, or in connection with both a Class Member's purchase(s) and acquisition(s) of St. Jude publicly traded securities during the Class Period and from the acts, facts, transactions, events, occurrences, disclosures, statements, omissions, or failures to act that were alleged, may have been alleged, or could have been alleged in the Action. Released Claims does not include claims to enforce the Settlement.
- "Released Parties" means Defendants, their past or present directors, officers, employees, consultants, agents, distributors, attorneys, insurers, predecessors, successors, parents, subsidiaries, assigns, devisees, heirs, executors, trustees and/or administrators.
- "Released Parties' Claims" means all claims, demands, losses, rights, and causes of action of any nature whatsoever, known or unknown, contingent or absolute, mature or immature, discoverable or undiscoverable, whether concealed or hidden, suspected or unsuspected, whether arising under federal, state, common or foreign law, which now exist or heretofore have existed, that have been or could have been asserted in the Action or any forum by the Released Parties or any of them against the Lead Plaintiff, Class Members, or Plaintiffs' Counsel, that arise out of or relate in any way to the institution, prosecution, or settlement, of

the claims against the Released Parties, except for claims related to the enforcement of the Settlement.

- “Unknown Claims” means any Released Claims which Lead Plaintiff or any other Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Parties’ Claims which any Released Party does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims and Released Parties’ Claims, the Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and each of the Defendants shall expressly waive, and each of the other Class Members and each of the other Released Parties shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

Lead Plaintiff and Defendants shall expressly, and each of the Class Members and Released Persons shall be deemed to have, and by operation of the Order and Final Judgment, shall have expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. The Lead Plaintiff, Class Members and the Released Parties may hereafter discover facts in addition to or different from those which such party now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Parties’ Claims, but the Lead Plaintiff and Defendants shall expressly, and each Class Member and Released Parties, upon the Effective Date, shall be deemed to have, and by operation of the Order and Final Judgment shall have fully, finally, and forever settled and released any and all Released Claims, or the Released Parties’ Claims, as the case may be, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Lead Plaintiff and Defendants acknowledge, and the Class Members and Released Parties shall be deemed by operation of the Order and Final Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

If you are a member of the Class, all of the Court’s orders will apply to you and legally bind you.

#### **RIGHTS OF CLASS MEMBERS**

<b>13. May I get out of the proposed Settlement?</b>
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No. If you timely and validly requested exclusion from the Class pursuant to the Notice of Pendency of Class Action dated October 25, 2012 previously sent to Class Members: (a) you are excluded from the Class; (b) you are not entitled to share in the proceeds of the Settlement described herein; (c) you are not bound by any judgment entered in the Action; and (d) you are not precluded, by reason of your decision to request exclusion from the Class, from otherwise prosecuting an individual claim, if timely, against Defendants based on the matters complained of in the Action.

## THE LAWYERS REPRESENTING YOU

### 14. Do I have a lawyer in this case?

The Court ordered that the law firm of Robbins Geller Rudman & Dowd LLP represents the Class Members, including you. These lawyers are called Lead Counsel. You will not be charged for these lawyers. They will be paid from the Settlement Fund to the extent the Court approves their application for fees, costs and expenses. If you want to be represented by your own lawyer, you may hire one at your own expense.

### 15. How will the lawyers be paid?

Lead Counsel will move the Court for an award of attorneys' fees of twenty-nine percent (29%) of the Settlement Fund and for expenses and costs in an amount not to exceed \$2,750,000, which were incurred in connection with the Action, plus interest on such fees, costs, and expenses at the same rate earned by the Settlement Fund. In addition, the Lead Plaintiff may seek up to \$6,000 for its time and expenses incurred in representing the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Lead Counsel have not been paid for their services for conducting this Action on behalf of Lead Plaintiff and the Class nor for their substantial litigation expenses. The fee requested will compensate Lead Counsel for their work in achieving the Settlement Fund and is within the range of fees awarded to class counsel under similar circumstances in other cases of this type.

## OBJECTING TO THE SETTLEMENT

### 16. How do I tell the Court that I object to the proposed Settlement?

If you are a Class Member, you can object to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's fee, cost, and expense application. You can write to the Court setting out your objection. The Court will consider your views. To object, you must send a signed letter saying that you object to the proposed Settlement in the *St. Jude Medical Securities Litigation*. Be sure to include your name, address, telephone number, and your signature, identify the date(s), price(s), and number(s) of shares of St. Jude Medical publicly traded securities you purchased, acquired and sold during the Class Period, and state the reasons why you object to the proposed Settlement. Your objection must be filed with the Court and mailed or delivered to each of the following addresses such that it is **received no later than May 22, 2015**:

<b>COURT</b>	<b>LEAD COUNSEL</b>	<b>DEFENDANTS' COUNSEL</b>
Clerk of the Court United States District Court District of Minnesota 100 Warren E. Burger Federal Building and U.S. Courthouse 316 North Robert Street St. Paul, MN 55101	Ellen Gusikoff Stewart ROBBINS GELLER RUDMAN & DOWD LLP 655 West Broadway Suite 1900 San Diego, CA 92101	James K. Langdon DORSEY & WHITNEY LLP 50 South Sixth Street Suite 1500 Minneapolis, MN 55402

## THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

### 17. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing at 11:00 a.m., on June 12, 2015, at the United States District Court for the District of Minnesota, 774 Warren E. Burger Federal Building and U.S. Courthouse, 316 North Robert Street, St. Paul, MN 55101. At the hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Lead Counsel and Lead Plaintiff. After the Settlement Hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take. You should be aware that the Court may

change the date and time of the Settlement Hearing without another notice being sent to Class Members. If you want to attend the hearing, you should check with Lead Counsel beforehand to be sure that the date and/or time has not changed.

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

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come 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 mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

**19. May I speak at the hearing?**

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see question 16 above) a statement saying that it is your “Notice of Intention to Appear in the *St. Jude Medical Securities Litigation*.” Persons who intend to object to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys’ fees, costs, and expenses and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing.

**IF YOU DO NOTHING**

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

If you do nothing, you will get no money from this Settlement.

**GETTING MORE INFORMATION**

**21. Are there more details about the proposed Settlement?**

This Notice summarizes the proposed Settlement. More details are in a Stipulation and Agreement of Settlement dated February 18, 2015 (the “Settlement Agreement”). You can get a copy of the Settlement Agreement and obtain answers to common questions regarding the proposed Settlement by contacting the Claims Administrator toll-free at 1-888-289-3172. A copy of the Settlement Agreement is also available on the Claims Administrator’s website at [www.stjudemedicalsecuritieslitigation.com](http://www.stjudemedicalsecuritieslitigation.com).

**22. How do I get more information?**

For even more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Settlement Agreement, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the District of Minnesota, 100 Warren E. Burger Federal Building and U.S. Courthouse, 316 North Robert Street, St. Paul, MN 55101, during regular business hours. For a fee, all papers filed in this Action are available at [www.pacer.gov](http://www.pacer.gov).

**PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS**

The Settlement Amount of \$50 million and any interest earned thereon shall be the “Settlement Fund.” The Settlement Fund, less all taxes, approved costs, fees, and expenses (the “Net Settlement Fund”) shall be distributed to Class Members who submit timely and valid Proof of Claim Forms to the Claims Administrator (“Authorized Claimants”).

The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s “Recognized Loss” calculated using the Court-approved Plan of Allocation. The Recognized Loss formula (below) is not intended to estimate the amount a Class Member might have been able to recover after a trial; nor to estimate the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. The Court may approve



the Plan of Allocation, or modify it, without additional notice to the Class. Any order modifying the Plan of Allocation will be posted on the settlement website at: [www.stjudemedicalsecuritieslitigation.com](http://www.stjudemedicalsecuritieslitigation.com).

The following proposed Plan of Allocation was created with the assistance of a damages expert who analyzed the movement of St. Jude Medical's publicly traded securities during the Class Period. It takes into account the portion of the stock drops attributable to the alleged fraud. Accordingly, a claimant's "Recognized Loss" will be calculated for purposes of the Settlement as follows<sup>1</sup>:

**COMMON STOCK**

For shares of St. Jude Medical common stock purchased or acquired on or after April 22, 2009 through on or before October 6, 2009, the claim per share shall be as follows (but no less than zero):

1. If sold prior to October 6, 2009, then the claim per share is zero.
2. If sold on or after October 6, 2009 but on or before December 31, 2009, the claim per share shall be the lesser of:
  - a. the purchase price per share times the percent inflation at the time of purchase (see Table A);
  - b. the difference between the purchase price per share and the sales price per share; and
  - c. the difference between the purchase price per share and the average closing price per share from October 6, 2009 up to the date of sale, as set forth in Table B below.
3. If retained at the close of trading on December 31, 2009, or sold thereafter, the claim per share shall be the lesser of:
  - a. the purchase price per share times the percent inflation at the time of purchase (see Table A); and
  - b. the difference between the purchase price per share and \$35.48 per share.

**TABLE A:**

Purchase Date is		Inflation as Percent of Purchase Price
On or After	& On or Before	
4/22/2009	5/11/2009	9.34%
5/12/2009	10/5/2009	12.36%
10/6/2009	10/6/2009	0.00%

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<sup>1</sup> 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.

**TABLE B:**

Date	Closing Price	Average Closing Price from October 6, 2009 through Sales Date	Date	Closing Price	Average Closing Price from October 6, 2009 through Sales Date
10/6/2009	\$33.40	\$33.40	11/18/2009	\$35.06	\$34.25
10/7/2009	\$33.01	\$33.21	11/19/2009	\$34.50	\$34.25
10/8/2009	\$32.79	\$33.07	11/20/2009	\$34.32	\$34.26
10/9/2009	\$34.10	\$33.33	11/23/2009	\$35.01	\$34.28
10/12/2009	\$33.44	\$33.35	11/24/2009	\$36.42	\$34.34
10/13/2009	\$33.27	\$33.34	11/25/2009	\$36.79	\$34.40
10/14/2009	\$32.99	\$33.29	11/27/2009	\$36.41	\$34.46
10/15/2009	\$33.60	\$33.33	11/30/2009	\$36.71	\$34.51
10/16/2009	\$33.83	\$33.38	12/1/2009	\$37.09	\$34.58
10/19/2009	\$34.28	\$33.47	12/2/2009	\$36.96	\$34.64
10/20/2009	\$33.16	\$33.44	12/3/2009	\$36.86	\$34.69
10/21/2009	\$34.11	\$33.50	12/4/2009	\$36.80	\$34.74
10/22/2009	\$34.43	\$33.57	12/7/2009	\$36.99	\$34.79
10/23/2009	\$34.40	\$33.63	12/8/2009	\$36.81	\$34.84
10/26/2009	\$34.75	\$33.70	12/9/2009	\$36.64	\$34.87
10/27/2009	\$35.16	\$33.80	12/10/2009	\$37.90	\$34.94
10/28/2009	\$34.33	\$33.83	12/11/2009	\$38.33	\$35.01
10/29/2009	\$34.23	\$33.85	12/14/2009	\$38.59	\$35.08
10/30/2009	\$34.08	\$33.86	12/15/2009	\$38.22	\$35.15
11/2/2009	\$34.64	\$33.90	12/16/2009	\$38.01	\$35.20
11/3/2009	\$34.61	\$33.93	12/17/2009	\$36.77	\$35.23
11/4/2009	\$34.49	\$33.96	12/18/2009	\$36.80	\$35.26
11/5/2009	\$34.80	\$34.00	12/21/2009	\$37.17	\$35.30
11/6/2009	\$34.79	\$34.03	12/22/2009	\$36.99	\$35.33
11/9/2009	\$35.23	\$34.08	12/23/2009	\$37.11	\$35.36
11/10/2009	\$35.39	\$34.13	12/24/2009	\$36.86	\$35.39
11/11/2009	\$35.49	\$34.18	12/28/2009	\$36.77	\$35.41
11/12/2009	\$34.74	\$34.20	12/29/2009	\$36.85	\$35.43
11/13/2009	\$34.18	\$34.20	12/30/2009	\$37.03	\$35.46
11/16/2009	\$34.46	\$34.21	12/31/2009	\$36.78	\$35.48
11/17/2009	\$34.67	\$34.22			

**Call Options**

1. For call options on St. Jude Medical common stock purchased or acquired on or between April 22, 2009 through October 6, 2009, and
  - a. held at the end of October 5, 2009, the claim per call option is the difference between the price paid for the call option and the proceeds received upon the settlement of the call option contract;
  - b. not held at the end of October 5, 2009, the claim per call option is zero.
2. For call options on St. Jude Medical common stock written on or between April 22, 2009 through October 6, 2009, the claim per call option is zero.

**Put Options**

1. For put options on St. Jude Medical common stock written on or between April 22, 2009 through October 6, 2009, and
  - a. held at the end of October 5, 2009, the claim per put option is the difference between the price paid upon settlement of the put option contract and the initial proceeds received upon the sale of the put option contract;
  - b. not held at the end of October 5, 2009, the claim per put option is zero.

2. For put options on St. Jude Medical common stock purchased or acquired on or between April 22, 2009 through October 6, 2009, the claim per put option is zero.

In the case the option was exercised for St. Jude Medical common stock, the amount paid, or proceeds received, upon settlement of the option contract equals the intrinsic value of the option using St. Jude Medical common stock's closing price on the date the option was exercised.

The combined recovery for the put/call options shall not exceed 3% of the Net Settlement Fund.

For Class Members who held St. Jude securities at the beginning of the Class Period or made more than one purchase, acquisition or sale of St. Jude Medical publicly traded securities during the Class Period, all purchases, acquisitions and sales within the Class Period shall be matched on a First-In, First-Out ("FIFO") basis. Under the FIFO method, Class Period sales will be matched, in chronological order, first against the same type of St. Jude publicly traded securities held at the beginning of the Class Period, and then against purchases or acquisitions in chronological order, beginning with the earliest purchase or acquisition made during the Class Period.

A purchase, acquisition or sale of St. Jude Medical publicly traded securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. All purchase, acquisition and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise or operation of law of St. Jude Medical publicly traded securities during the Class Period shall not be deemed a purchase, acquisition or sale of St. Jude Medical publicly traded securities for the calculation of a claimant's Recognized Loss nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such shares unless specifically provided in the instrument of gift or assignment. The receipt of St. Jude Medical publicly traded securities during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase, acquisition or sale of St. Jude Medical securities.

To the extent a claimant had a gain from his, her, or its overall transactions in St. Jude Medical publicly traded securities during the Class Period, the value of the claim will be zero. However, the proceeds from sales of common stock that have been matched against the common stock held at the beginning of the Class Period will not be used in the calculation of such net loss. In addition, shares of St. Jude common stock held at the end of trading on October 7, 2009 shall be assigned a holding value of \$35.48 for purposes of calculating an overall gain or loss. The date of covering a "short sale" is deemed to be the date of purchase of shares. The date of a "short sale" is deemed to be the date of sale of shares. In accordance with the Plan of Allocation, however, the Recognized Loss on "short sales" is zero. In the event that a claimant has an opening short position in St. Jude Medical securities, the earliest Class Period purchases shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

Payment according to the Plan of Allocation will be deemed conclusive against all Authorized Claimants. A Recognized Loss will be calculated as defined herein and cannot be less than zero. The Claims Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Loss as compared to the total Recognized Losses of all Authorized Claimants. No distribution shall be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Class Members who do not submit acceptable Proof of Claim Forms will not share in the Settlement proceeds. The Settlement and the Final Judgment and Order of Dismissal with Prejudice dismissing this Action will nevertheless bind Class Members who did not submit a request for exclusion and/or submit an acceptable Proof of Claim Form.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim Form. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request.

Defendants, their respective counsel, and all other Released Parties will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation or the payment of any claim. Lead Plaintiff and Plaintiffs' Counsel, likewise, will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. Lead Counsel have the right, but not the obligation, to accept late but otherwise valid claims. If any funds remain in the Net Settlement Fund by reason of un-cashed distribution checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund after at least six (6) months after the initial distribution of such funds shall be used: (a) first, to pay any amounts omitted from the initial disbursement, including claims submitted after the date of the initial distribution or previously defective claims cured after the date of the initial distribution; (b) second, to pay any additional settlement administration fees, costs, and expenses, including those of Lead Counsel as may be approved by the Court; and (c) finally, to make a second distribution to claimants who cashed their checks from the initial distribution and who would receive at least \$10.00, after payment of the estimated costs, expenses, or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. These redistributions shall be repeated, if economically feasible, until the balance remaining in the Net Settlement Fund is *de minimis* and such remaining balance shall then be distributed to a non-sectarian, not-for-profit organization identified by Lead Counsel.

### **SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased or acquired St. Jude Medical publicly traded securities during the Class Period for the beneficial interest of an individual or organization other than yourself, the Court has directed that, WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THIS NOTICE IF YOU HAVE NOT ALREADY DONE SO IN CONNECTION WITH THE DISSEMINATION OF THE NOTICE OF PENDENCY OF CLASS ACTION DATED OCTOBER 25, 2012, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased or acquired such securities during such time period or (b) request additional copies of this Notice and the Proof of Claim Form, which will be provided to you free of charge, and within ten (10) days mail the Notice and Proof of Claim Form directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedure (b), upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed and retain the names and addresses for any future mailings to Class Members. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Your reasonable expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

*St. Jude Medical Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 808061  
Petaluma, CA 94975-8061  
1-888-289-3172  
[www.stjudemedicalsecuritieslitigation.com](http://www.stjudemedicalsecuritieslitigation.com)

Dated: March 9, 2015

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA