

**UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT**

BRIAN PEREZ, Individually and On Behalf of
All Others Similarly Situated,

Plaintiff,

v.

HIGHER ONE HOLDINGS, INC., et al.,

Defendants.

Case No.: 3:14-cv-755-AWT

Class Action

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, MOTION FOR
ATTORNEYS' FEES AND EXPENSES, AND SETTLEMENT FAIRNESS HEARING**

If you purchased the securities of Higher One Holdings, Inc. ("Higher One") between August 7, 2012 through August 6, 2014, both dates inclusive (the "Settlement Class Period"), you could be entitled to a payment from a class action settlement (the "Settlement").

A federal court authorized this Notice. It is not a solicitation from a lawyer.

- The Court will hold a Settlement Hearing on **July 10, 2018, at 10:00 AM** to decide whether to approve the Settlement. If approved by the Court, the Settlement will provide seven million five hundred thousand dollars (\$7,500,000) (the "Settlement Amount"), plus interest earned thereon, minus attorneys' fees, costs, administrative expenses, and any compensatory awards to the Plaintiffs, and net of any taxes, to pay claims of investors who purchased or otherwise acquired Higher One securities during the Settlement Class Period.
- The Settlement represents an average recovery of \$0.44 per share of Higher One stock for the 17.14 million estimated shares that Plaintiffs allege were damaged and declined in value as a result of Defendants' alleged misconduct during the Settlement Class Period. This estimate solely reflects the average recovery per damaged share of Higher One stock before the deductions outlined in the preceding paragraph. 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 Settlement Class Members, the date(s) you purchased and sold Higher One securities, and the total number of valid claims filed. See the Plan of Allocation below for more details.
- To claim your share of the Settlement, you must submit a valid Proof of Claim and Release form **postmarked by May 26, 2018**.
- Lead Counsel for the Settlement Class intend to ask the Court to award them fees of up to 30% of the Settlement Amount and reimbursement of up to seventy-five thousand dollars (\$75,000.00) in out-of-pocket litigation expenses. Since the Action's inception in May 2014, Lead Counsel have expended considerable time and effort in the prosecution of this litigation on a wholly contingent-fee basis (meaning that they have not yet been paid anything) and advanced the expenses of the litigation out of their own pockets in the expectation that if they were successful in obtaining a recovery for the Class, they would be paid from such recovery. Lead Counsel also intends to ask the Court to grant Plaintiffs an award not to exceed three thousand dollars (\$3,000.00) total, or one thousand five hundred dollars (\$1,500.00) to each Plaintiff. Collectively, the

attorneys' fees and litigation expenses and the awards to Plaintiffs are estimated to average \$0.14 per damaged share of Higher One stock. The average cost per damaged share will vary depending on the number of acceptable Proofs of Claim submitted. If approved by the Court, these amounts will be paid from the Settlement Fund.

- The approximate recovery, after the deduction of attorneys' fees and expenses and awards to the Plaintiffs to be approved by the Court, is an average of \$0.30 per damaged share of Higher One 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 of valid Proof of Claim Forms filed.
- The Settling Defendants are Higher One, Mark Volchek, Miles Lasater, Jeffrey Wallace, and Dean Hatton.
- Upon the Effective Date of the Settlement, the Settlement Class Claims will be fully, finally, and forever released as to all of the Released Parties, which include not only the Settling Defendants, but also former Defendant Patrick McFadden ("McFadden"), who passed away during the litigation, and Defendant Christopher Wolf ("Wolf"), neither of whom are signatories to the Stipulation of Settlement (the "Stipulation"). Upon the Effective Date, and as a material condition of the dismissal with prejudice of the Action, all Released Parties shall release all of the Defendant Claims. The Settling Parties agree that, to the extent necessary, they shall jointly move for an Order to be entered by the Court binding Wolf and McFadden, along with their heirs, administrators, successors, and assigns, to the releases in the Stipulation as if they were signatories thereto.
- The Settlement resolves the lawsuit concerning whether Defendants violated the U.S. federal securities laws by allegedly issuing materially false and misleading statements. The Settling Defendants and Plaintiffs disagree on liability and damages. The Settling Defendants deny the lawsuit's allegations and all charges of wrongdoing, fault or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. Plaintiffs believe that, if they prevailed on all their claims and the Court accepted their theory of damages, they would have been able to collect a substantial amount of monies, assuming that the full amount of the judgment was collectable.
- The Settling Parties disagree on how much money could have been won if the investors won at trial.
- 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 any claim you might have. Therefore, you should read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM	The only way to get a payment. Proof of Claim and Release Forms must be postmarked no later than May 26, 2018
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants or any other Released Parties about the legal claims in this lawsuit. Requests for Exclusion must be postmarked no later than June 19, 2018
OBJECT	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 or the Plaintiff compensatory awards. You will still be a member of the Settlement Class. Objections must be received by the Court, Lead Counsel, and Defendants' counsel by June 19, 2018
GO TO THE HEARING	Ask to speak in Court about the fairness of the Settlement on July 10, 2018.
DO NOTHING	Get no payment. Give up your rights.

INQUIRIES

For further information regarding the Action or this Notice or to review the Stipulation of Settlement, please contact the Claims Administrator toll-free at 1-888-305-6486 or at P.O. Box 91346, Seattle, WA 98111. You may also contact representatives of Lead Counsel for the Settlement Class by contacting Matthew L. Tuccillo, Pomerantz LLP, 600 Third Ave., 20th Floor, New York, NY 10016, (212) 661-1100. **Please do not contact the Court or Defendants regarding this Notice.**

BASIC INFORMATION

1. WHY DID I GET THIS NOTICE PACKAGE?

You or someone in your family may have purchased Higher One securities between August 7, 2012 through August 6, 2014 (the "Settlement Class Period").

The Court directed that this Notice be sent to Settlement 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.

2. WHAT IS THIS LAWSUIT ABOUT?

This case is known as *Perez v. Higher One Holdings, Inc.*, Case No. 3:14-cv-755-AWT (the “Action”). The United States District Court for the District of Connecticut is in charge of the Action and the case has been assigned to the Honorable Alvin W. Thompson.

This Action brings claims against Settling Defendants, Defendant Wolf, and former Defendant McFadden. Higher One provided technology-based refund disbursement, payment processing, and data analytics services to higher education institutions and students in the United States, including online checking accounts (called OneAccounts) and a MasterCard ATM debit card through its banking partners, which were regulated by federal banking regulators. Plaintiffs assert claims under Sections §§10(b) and 20(a) of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78j(b) & 78t(a), and Securities and Exchange Commission Rule 10b-5, 17 C.F.R. § 240.10b-5. Specifically, Plaintiffs allege that Higher One’s Pre-Class Period misconduct included improper marketing of and fees charged on OneAccounts and debit cards in violation of §5 of the Federal Trade Commission Act (“FTC Act”), which was addressed by a 2012 Federal Deposit Insurance Corporation (“FDIC”) Consent Order and settlement of a consumer class action, both barring future misconduct. Plaintiffs further allege that throughout the Class Period, Higher One did not comply with the 2012 FDIC Consent Order and continued its prior misconduct, including violating FTC Act §5. Plaintiffs allege that Defendants made false and/or misleading statements and/or omissions between August 7, 2012 to August 6, 2014, inclusive regarding Higher One’s marketing and disclosure practices, compliance with the Federal Trade Commission Act, and compliance with a previously-issued consent order and settlement obligations, thereby exposing Higher One to large potential civil penalties and restitution obligations. The SAC further alleges that partial disclosures and events revealed Defendants’ fraud, thereby injuring Plaintiffs and the Settlement Class of investors. Plaintiffs allege that partial revelations of Defendants’ fraud caused huge stock declines, causing investors to suffer tremendous injury. The Settling Defendants deny all of these allegations.

3. WHY IS THIS A CLASS ACTION?

Classes are generally used in lawsuits that affect a large number of individuals. A class action consolidates into a single action all of the claims of individuals allegedly harmed by the same conduct or course of conduct in the same period of time, thus removing the need for members of the class to file their own individual lawsuits to separately seek to recover for the harm alleged. Once the class is certified, the Court is empowered to resolve all issues on behalf of members of the class, except for those, if any, who specifically choose to exclude themselves from the class.

As part of the preliminary approval process, Plaintiffs will ask the Court to certify a class for settlement purposes only. The proposed Settlement Class will consist of all persons or entities who purchased Higher One securities between August 7, 2012 through August 6, 2014, both dates inclusive. Excluded from the Settlement Class are Settling Defendants, Defendant Wolf, and former Defendant McFadden, members of their immediate families, any officer or director of Higher One during the Settlement Class Period, and any entity in which any Settling Defendant, Defendant Wolf, or former Defendant McFadden have a controlling interest, and the successors, heirs, and assigns of any excluded persons and entities referenced above. Per terms of the Stipulation, the Settling Defendants shall assist in identifying the persons and entities to be excluded from the Settlement Class.

4. WHY IS THERE A SETTLEMENT?

This Action has not gone to trial, and the Court has not decided in favor of either side. Instead, legal counsel for all the parties, along with Defendants' insurance carriers, participated in an all-day mediation before an experienced JAMS mediator and, after further negotiations thereafter, the Settling Parties agreed to the Settlement to avoid the costs and risks of further litigation.

Plaintiffs and Lead Counsel believe that the Settlement is in the Settlement Class Members' best interest and provides them with a substantial benefit now, instead of engaging in years of further uncertain and expensive litigation - including Defendants' motion for reconsideration (pending as of the date the parties agreed to settle) of the Court's order denying their latest motion to dismiss; Plaintiffs' class certification motion, which Defendants would oppose; the parties' cross-motions for summary judgment; pre-trial motions and a lengthy trial; likely appeals; and attempts to enforce any judgment - all with the possibility of no recovery at all. By settling the Action with the Settling Defendants at this point, Plaintiffs are not admitting that the Action lacked merit, or that the Settlement Class's ultimate recovery would not have been greater than the Settlement Amount had litigation continued. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by the Plaintiffs or the Settlement Class Members that any of their claims lack merit; that any defenses asserted by any of the Defendants in the Action have any merit; or that damages recoverable in the Action would not have exceeded the Settlement Fund.

The Settling Defendants have denied and continue to deny all of the allegations made and claims brought by Plaintiffs, maintain that they have meritorious defenses, and believe they would prevail at trial. Nonetheless, the Settling Defendants have concluded that further litigation of this Action would be protracted and expensive, taking into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Action. The Settling Defendants have, therefore, determined that it is desirable and beneficial that the Action be fully and finally settled under the terms and conditions of this Settlement. The Settlement shall in no event be construed as, or deemed to be evidence of, an admission or concession by Settling Defendants with respect to any claim of any fault or liability or wrongdoing or damage to the Plaintiffs or the Settlement Class Members in this Action.

The Settlement must be compared to the risk of no recovery after contested dispositive motions, trial, and likely appeals. A trial is a risky proposition. The claims in the Action involve numerous complex legal and factual issues, many of which would require expert testimony. The Settling Parties disagree on both liability and damages, and do not agree on the average amount of damages per share, if any, that would be recoverable if Plaintiffs were to have prevailed on each claim alleged against the Settling Defendants. Among their many other disagreements are: (1) whether the Settling Defendants violated the securities laws or otherwise engaged in wrongdoing; (2) whether the misrepresentations and omissions alleged by the Plaintiffs were material, false, misleading or otherwise actionable; (3) the extent (if any) that the alleged misrepresentations and omissions influenced Higher One's stock price during the Settlement Class Period; and (4) the method for determining whether, and the extent to which, purchasers of Higher One stock suffered injury and damages that could be recovered at trial.

WHO IS IN THE SETTLEMENT

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

5. HOW DO I KNOW IF I AM PART OF THE SETTLEMENT?

The Settlement Class includes all persons or entities who purchased Higher One securities between August 7, 2012 through August 6, 2014, both dates inclusive.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

Yes. You are not a member of the Settlement Class if you did not purchase Higher One stock on or between the dates listed above. If you purchased Higher One stock some other time, or did not purchase it at all, you are not included within the Settlement Class.

You are also not a member of the Settlement Class if you are on the list of persons and entities that are specifically excluded from it, per question 3 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- 888-305-6486 or at P.O. Box 91346, Seattle, WA 98111, for more information. 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 Settled Claims (defined below) as well as dismissal of the Action, Settling Defendants have agreed that a payment of seven million five hundred thousand dollars (\$7,500,000.00) will be made on Settling Defendants' behalf to be divided, after payment of Court-approved attorneys' fees and expenses, the costs of claims administration including the costs of printing and mailing this Notice and the cost of publishing notice, any compensatory award granted to Plaintiffs, and Taxes (the "Net Settlement Fund"), *pro rata* among all Settlement Class Members who send in a valid Proof of Claim Form.

9. HOW MUCH WILL MY PAYMENT BE?

Your share of the Net Settlement Fund will depend on several factors, including the following: how many Settlement Class Members submit timely and valid Proof of Claim Forms; the total Recognized Losses represented by the valid Proof of Claim and Release Forms that the Settlement Class Members send in; your Recognized Losses, based on the number of Higher One securities you purchased during the Settlement Class Period, how much you paid for them, when you purchased them, and if you sold them, when and for how much you sold them.

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 Settlement Class Members have sent in their Proof of Claim and Release 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 below for more information.

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 and Release Form, which is enclosed with this Notice and may also be downloaded at www.higheronesecuritieslitigation.com. Read the instructions carefully, fill out the Form completely, include all the documents that the Form asks for, sign it, and mail or submit it online so that it is **postmarked no later than May 26, 2018**.

11. WHEN WOULD I GET MY PAYMENT?

The Court will hold a **Settlement Hearing on July 10, 2018** to decide whether to approve the Settlement. If the Court approves the Settlement, there might be appeals afterwards. 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 and Release Forms to be processed. Please be patient.

12. WHAT AM I GIVING UP TO GET A PAYMENT OR TO STAY IN THE CLASS?

Unless you timely exclude yourself, you will remain a Settlement Class Member and will be bound by the Release of claims against the Settling Defendants and the Released Parties. That means you cannot sue, continue to sue, or be part of any other lawsuit against the Settling Defendants or the Released Parties about the Settlement Class Claims in this Action. It also means that all of the Court's orders will apply to you and legally bind you, and you will release your claims in this Action against the Settling Defendants and the Released Parties. The terms of the Release are included in the Proof of Claim and Release Form that is enclosed.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, and you want to keep the right to sue the Settling Defendants and the other Released Parties on your own about the legal issues that were at issue and litigated in this Action, then you must take steps to remove yourself from the Settlement. This is called excluding yourself—sometimes referred to as “opting out” of the Settlement Class. If you decide to exclude yourself from the Settlement Class, and wish to file your own individual lawsuit, Defendants may argue that you may face a time bar under applicable statutes of limitation or repose, risks that you should discuss with an appropriate legal advisor.

13. HOW DO I GET OUT OF THE PROPOSED SETTLEMENT?

To exclude yourself from the Settlement Class, you must send a letter by First-Class Mail (e-mail or phone call will not suffice) stating that you “request exclusion from the Settlement Class in *Perez v. Higher One Holdings, Inc.*, Case No. 3:14-cv-755-AWT.” Your letter must include the date(s), price(s), and number(s) of all purchases and sales of Higher One securities during the Settlement Class Period. In addition, you must include your name, address, telephone number, and your signature. You must mail your exclusion to be **postmarked no later than June 19, 2018** to:

Perez v. Higher One Holdings, Inc.
c/o JND Legal Administration
P.O. Box 91346
Seattle, WA 98111

If you ask to be excluded, you will not get any payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in the Action.

14. IF I DO NOT EXCLUDE MYSELF, CAN I SUE THE SETTLING DEFENDANTS AND THE OTHER RELEASED PARTIES FOR THE SAME THING LATER?

No. Unless you exclude yourself from the Settlement Class, you give up any rights to sue the Settling Defendants and the other Released Parties for the Settlement Class Claims. If you have a pending lawsuit against the Settling Defendants or other Released Parties, speak to your lawyer in that case immediately. You must exclude yourself from this Action to continue your own lawsuit. Remember, the **exclusion deadline is June 19, 2018**.

15. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THE PROPOSED SETTLEMENT?

No. If you exclude yourself, you may not send in a Proof of Claim and Release Form to ask for any money.

THE LAWYERS REPRESENTING YOU

16. DO I HAVE A LAWYER IN THIS CASE?

The Court ordered that the law firm of Pomerantz LLP shall represent the Settlement Class Members, including you. These lawyers are called Lead Counsel. You will not be personally liable for the fees and expenses incurred by these lawyers, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. HOW WILL THE LAWYERS BE PAID?

Lead Counsel has litigated this Action since May 2014 on a wholly contingent basis, meaning that they have not been paid any attorneys' fees for the time devoted to the lawsuit, nor have they been reimbursed their out-of-pocket expenses incurred during that time period. As such, as part of the Settlement approval process, Lead Counsel will move the Court for an award of attorneys' fees in an amount not greater than thirty percent (30%) of the Settlement Fund and for out-of-pocket expenses and costs in an amount not to exceed seventy-five thousand dollars (\$75,000.00) in connection with the litigation, plus interest on such fees, costs, and expenses at the same rate earned by the Settlement Fund. The Court will decide whether to grant this request, and, if it is granted, how much to award Lead Counsel. Such sums as may be approved by the Court will be paid from the Settlement Fund.

Lead Counsel shall file a formal motion with the Court for approval of the Settlement, the Plan of Allocation, the request for attorneys' fees and reimbursement of expenses, and the request for compensatory awards to both of the Plaintiffs of up to three thousand dollars (\$3,000.00) total, or one thousand five hundred dollars (\$1,500.00) apiece, **no later than June 12, 2018**.

Lead Counsel believes that the requested attorneys' fees are warranted in light of its efforts, and those of other counsel in support, on a wholly contingent basis, to investigate the underlying claims, work with a private

investigator and a damages analyst, file initial and multiple amended complaints, litigate multiple motions to dismiss, negotiate and paper a case management and discovery plan, serve initial disclosures in discovery, mediate the dispute before an experienced mediator, and thereafter negotiate the Settlement and work to paper it and submit it to the Court for necessary approvals. Lead Counsel’s motion will argue that the requested fees are well within the range of fees awarded to class counsel under similar circumstances in other cases of this type and are reasonable when compared against Lead Counsel’s actual time devoted to the litigation of the Action at the applicable billing rates of Lead Counsel’s attorneys and paralegals. The Court determines what to award Lead Counsel as fees and expenses from the Settlement Fund, and may award more or less than the amount requested, in its discretion.

OBJECTING TO THE SETTLEMENT

18. HOW DO I TELL THE COURT THAT I OBJECT TO THE PROPOSED SETTLEMENT?

If you are a Settlement 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 *Perez v. Higher One Holdings, Inc.* Case No. 3:14-cv-755-AWT. Be sure to include your name, address, telephone number, and your signature, identify the date(s), price(s), and number(s) of Higher One securities that you purchased, otherwise acquired, sold, or otherwise disposed of during the Settlement Class Period, and state the reasons why you object to the proposed Settlement. If you object to either the Settlement, requested attorneys’ fees, or Plaintiffs’ compensatory award, you subject yourself to the jurisdiction of the Court in this matter, and Plaintiffs, acting through Lead Counsel, will have the right to take your deposition prior to the Settlement Fairness Hearing. If you refuse to have your deposition testimony taken upon Plaintiffs’ request, your objection will be deemed invalid. 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 June 19, 2018**:

COURT	LEAD COUNSEL	SETTLING DEFENDANTS’ COUNSEL
<p>Office of the Clerk United States District Court Abraham Ribicoff Federal Building 450 Main Street Hartford, Connecticut 06103</p>	<p>Matthew L. Tuccillo POMERANTZ LLP 600 Third Avenue 20th Floor New York, NY 10016</p>	<p>Joni Jacobsen DECHERT LLP 35 West Wacker, Suite 3400 Chicago, IL 60601</p> <p><i>Counsel for Defendant Higher One Holdings, Inc.</i></p> <p>Joseph C. Merschman WIGGIN AND DANA LLP One Century Tower 265 Church Street P.O. Box 1832 New Haven, CT 06508-1832</p> <p><i>Counsel for Defendants Mark Volchek, Miles Lasater, Jeffrey Wallace, and Dean Hatton</i></p>

19. WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class and do not want to seek a payment from the Settlement Fund. If you exclude yourself, you have no basis to object because the case no longer affects you.

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 do so.

20. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE PROPOSED SETTLEMENT?

The Court will hold a Settlement Hearing **on July 10, 2018, at 10:00 a.m.**, at the Abraham Ribicoff Federal Building, 450 Main Street, South Courtroom, Hartford, Connecticut 06103, for the following: to determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Settlement Class Members and should be approved by the Court; to determine whether an Order and Final Judgment as provided in the Stipulation should be entered; to determine whether the proposed Plan of Allocation should be approved; to determine any amount of fees, costs, and expenses that should be awarded to Lead Counsel and any compensatory awards to Plaintiffs for their service to the Settlement Class; and to consider such other matters as the Court may deem appropriate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing.

At or after the Settlement Hearing, the Court will decide whether to approve the Settlement and whether, and if so how much, to make awards to Lead Counsel and to the Plaintiffs. 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 Settlement Class Members.

21. DO I HAVE TO COME TO THE HEARING?

No. Lead Counsel will answer questions the Court may have and has extensive experience handling settlement-related hearings of this nature. 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. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

22. 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 18 above) a statement saying that it is your "intention to appear in *Perez v. Higher One Holdings, Inc.* Case No. 3:14-cv-755-AWT." 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. You cannot speak at the hearing if you exclude yourself.

IF YOU DO NOTHING

23. WHAT HAPPENS IF I DO NOTHING AT ALL?

If you do nothing, all of your claims against the Settling Defendants and the Released Parties will be released, but you will not receive any money from this Settlement, because it is necessary to submit a Proof of Claim and Release Form to share in the Settlement proceeds.

GETTING MORE INFORMATION

24. ARE THERE MORE DETAILS ABOUT THE PROPOSED SETTLEMENT?

This Notice summarizes the proposed Settlement. More details are in a Stipulation of Settlement dated February 6, 2018 (the “Stipulation”). The Stipulation is the controlling document describing the proposed Settlement and its terms govern anything to the contrary in this Notice. You can get a copy of the Stipulation and obtain answers to common questions regarding the proposed Settlement by contacting the Claims Administrator toll-free at 1-888-305-6486 or by downloading it from the Claims Administrator’s website at www.higheronesecuritieslitigation.com.

25. HOW DO I GET MORE INFORMATION?

For even more detailed information concerning the matters involved in this Action, reference is made to the Stipulation, to the pleadings in support of the Settlement, to the Orders entered by the Court, and to the other papers filed in the Action, which will be posted on the settlement website at www.higheronesecuritieslitigation.com.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants based on their respective alleged economic losses as a result of the alleged fraud, as opposed to losses caused by market- or industry-wide factors, or company-specific factors unrelated to the alleged fraud. The Claims Administrator shall determine each Authorized Claimant’s share of the Net Settlement Fund based upon the recognized loss formula (the “Recognized Loss”) described below.

A Recognized Loss will be calculated for each share of Higher One stock purchased or otherwise acquired during the Settlement Class Period.¹ The calculation of Recognized Loss will depend upon several factors, including when shares of Higher One were purchased or otherwise acquired during the Settlement Class Period, and in what amounts, and whether those shares were sold, and if sold, when they were sold, and for what amounts. The

¹ During the Settlement Class Period, Higher One common stock was listed on the NYSE under the ticker symbol “ONE.” After the Settlement Class Period, on June 30, 2016, Higher One announced that it had entered into a definitive agreement to sell itself to an affiliate. In connection with the sale, a tender offer was commenced on July 7, 2016 for all outstanding shares of common stock of Higher One at a price of \$5.15 per share. The acquisition was completed on August 4, 2016, upon which all remaining shares of Higher One common stock not purchased in the tender offer were converted into the right to receive \$5.15 in cash.

Recognized Loss is not intended to estimate the amount a Settlement 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 is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. The Claims Administrator will use its best efforts to administer and distribute the Net Settlement Fund to the extent that it is equitably and economically feasible.

The Plan of Allocation was created with the assistance of a consulting damages expert, and reflects the assumption that the prices of Higher One securities were artificially inflated throughout the Settlement Class Period. The estimated alleged artificial inflation in the prices of Higher One securities during the Settlement Class Period is reflected in Table 1 below. The computation of the estimated alleged artificial inflation in the prices of Higher One securities during the Settlement Class Period is based on certain misrepresentations alleged by Plaintiffs and the price change in the stock, net of market- and industry-wide factors, in reaction to the public announcements that allegedly corrected the misrepresentations alleged by Plaintiffs. As reflected in Table 1, the first such alleged misrepresentation was made on August 7, 2012, thus there was no price inflation in Higher One securities on August 6, 2012 or earlier. Moreover, the last alleged corrective disclosure or event occurred on August 7, 2014, thus all alleged price inflation is alleged to have been removed from Higher One’s securities by the closing price that day.

The U.S. federal securities laws allow investors to recover for losses caused by disclosures which corrected the defendants’ previous misleading statements or omissions. Thus, in order to have been damaged by the alleged violations of the federal securities laws, Higher One securities purchased or otherwise acquired during the Settlement Class Period must have been held during a period of time in which its price declined due to the disclosure of information which corrected an allegedly misleading statement or omission. Plaintiffs and Lead Counsel have determined that such price declines occurred on the following dates: May 13, 2014; May 14, 2014; May 15, 2014; and August 7, 2014 (the “Corrective Disclosure Dates”). Accordingly, if a share of Higher One stock was sold before May 13, 2014 (the earliest Corrective Disclosure Date), the Recognized Loss for that share is \$0.00, and any loss suffered is not compensable under the federal securities laws. Likewise, if a share of Higher One stock was both purchased and subsequently sold between two consecutive Corrective Disclosure Dates, the Recognized Loss for that share is \$0.00.

Table 1 Artificial Inflation in Higher One Stock²		
From	To	Per-Share Price Inflation
August 7, 2012	May 12, 2014	\$2.86
May 13, 2014	May 13, 2014	\$2.02
May 14, 2014	May 14, 2014	\$1.63
May 15, 2014	August 6, 2014	\$0.40
August 7, 2014	Thereafter	\$0.00

² Any transactions in Higher One securities executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

The “90-day look back” provision of the Private Securities Litigation Reform Act of 1995 (“PSLRA”) is incorporated into the calculation of the Recognized Loss for Higher One securities. The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that losses on Higher One stock purchased during the Settlement Class Period and held as of the close of the 90-day period subsequent to the Settlement Class Period (the “90-Day Lookback Period”) cannot exceed the difference between the purchase price paid for such stock and its average price during the 90-Day Lookback Period. The Recognized Loss on Higher One stock purchased during the Settlement Class Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such stock and its rolling average price during the portion of the 90-Day Lookback Period elapsed as of the date of sale.

In the calculations below, all purchase and sale prices shall exclude any fees, taxes and commissions. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero.

CALCULATION OF RECOGNIZED LOSS PER SHARE OF HIGHER ONE STOCK

For each share of Higher One stock purchased or otherwise acquired during the Settlement Class Period (i.e., August 7, 2012 through August 6, 2014, inclusive), the Recognized Loss per share shall be calculated as follows:

- i. For each share of Higher One stock purchased during the Settlement Class Period that was sold prior to May 13, 2014, the Recognized Loss per share is \$0.
- ii. For each share of Higher One stock purchased during the Settlement Class Period that was subsequently sold during the period May 13, 2014 through August 6, 2014, inclusive, the Recognized Loss per share is the amount of per-share price inflation on the date of purchase as appears in Table 1 above, *minus* the amount of per-share price inflation on the date of sale as appears in Table 1 above.
- iii. For each share of Higher One stock purchased during the Settlement Class Period that was subsequently sold during the period August 7, 2014 through November 4, 2014, inclusive (i.e., the 90-Day Lookback Period), the Recognized Loss per share is *the lesser of*:
 - a. the amount of per-share price inflation on the date of purchase as appears in Table 1 above;
or
 - b. the purchase price *minus* the “90-Day Lookback Value” on the date of sale provided in Table 2 below.
- iv. For each share of Higher One stock purchased during the Settlement Class Period and still held as of the close of trading on November 4, 2014, the Recognized Loss per share is *the lesser of*:
 - a. the amount of per-share price inflation on the date of purchase as appears in Table 1 above;
or
 - b. the purchase price *minus* the average closing price for Higher One stock during the 90-Day Lookback Period, which is \$3.12.

Table 2					
Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value
8/7/2014	\$3.71	9/8/2014	\$3.87	10/7/2014	\$3.43
8/8/2014	\$3.72	9/9/2014	\$3.86	10/8/2014	\$3.41
8/11/2014	\$3.80	9/10/2014	\$3.85	10/9/2014	\$3.38
8/12/2014	\$3.79	9/11/2014	\$3.83	10/10/2014	\$3.36
8/13/2014	\$3.83	9/12/2014	\$3.81	10/13/2014	\$3.33
8/14/2014	\$3.84	9/15/2014	\$3.80	10/14/2014	\$3.31
8/15/2014	\$3.84	9/16/2014	\$3.78	10/15/2014	\$3.30
8/18/2014	\$3.87	9/17/2014	\$3.76	10/16/2014	\$3.28
8/19/2014	\$3.88	9/18/2014	\$3.75	10/17/2014	\$3.27
8/20/2014	\$3.88	9/19/2014	\$3.75	10/20/2014	\$3.25
8/21/2014	\$3.89	9/22/2014	\$3.74	10/21/2014	\$3.24
8/22/2014	\$3.90	9/23/2014	\$3.72	10/22/2014	\$3.22
8/25/2014	\$3.90	9/24/2014	\$3.69	10/23/2014	\$3.21
8/26/2014	\$3.91	9/25/2014	\$3.66	10/24/2014	\$3.19
8/27/2014	\$3.91	9/26/2014	\$3.62	10/27/2014	\$3.18
8/28/2014	\$3.90	9/29/2014	\$3.59	10/28/2014	\$3.16
8/29/2014	\$3.90	9/30/2014	\$3.57	10/29/2014	\$3.15
9/2/2014	\$3.90	10/1/2014	\$3.53	10/30/2014	\$3.14
9/3/2014	\$3.90	10/2/2014	\$3.51	10/31/2014	\$3.13
9/4/2014	\$3.89	10/3/2014	\$3.48	11/3/2014	\$3.12
9/5/2014	\$3.88	10/6/2014	\$3.45	11/4/2014	\$3.12

INSTRUCTIONS APPLICABLE TO ALL CLAIMANTS

The payment you receive will reflect your proportionate share of the Net Settlement Fund. Such payment will depend on the number of securities that participate in the Settlement, and when those securities were purchased and sold. The number of claimants who send in claims varies widely from case to case.

A purchase or sale of Higher One securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

All purchase and sale prices shall exclude any fees and commissions.

Acquisition by Gift, Inheritance, or Operation of Law: If a Settlement Class Member acquired Higher One securities during the Settlement Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. To the extent that Higher One securities were originally purchased prior to commencement of the Settlement Class Period, the Recognized Loss for that acquisition shall be deemed to be zero (\$0.00).

Notwithstanding any of the above, receipt of Higher One securities during the Settlement Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Higher One securities.

The first-in-first-out (“FIFO”) basis will be applied to purchases and sales. Sales will be matched in chronological order, by trade date, first against Higher One securities held as of the close of trading on August 6, 2012 (the last day before the Settlement Class Period begins) and then against the purchases of Higher One securities during the Settlement Class Period.

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 Higher One securities, the earliest Settlement 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.

With respect to Higher One stock purchased or sold through the exercise of an option, the purchase/sale date of the stock shall be the exercise date of the option and the purchase/sale price of the stock shall be the closing price of Higher One stock on the date of exercise. Any Recognized Loss arising from purchases of Higher One stock acquired during the Settlement Class Period through the exercise of an option on Higher One stock³ shall be computed as provided for other purchases of Higher One stock in the Plan of Allocation.

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 will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

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

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

³ Including (1) purchases of Higher One stock as the result of the exercise of a call option, and (2) purchases of Higher One stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed 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 will be used in the following fashion: (a) first, to pay any amounts mistakenly omitted from the initial disbursement; (b) second, to pay any additional settlement administration fees, costs, and expenses, including those of Lead Counsel or the Claims Administrator 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 will 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 Higher One securities during the Settlement Class Period (CUSIP: 42983D104) 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, 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 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 the Proof of Claim and Release 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 of the addressees for any future mailings to Settlement 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 at:

Perez v. Higher One Holdings, Inc.
c/o JND Legal Administration
P.O. Box 91346
Seattle, WA 98111
www.higheronesecuritieslitigation.com

Dated: March 27, 2018

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