

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

JONATHAN DAVIS and ROEI AZAR, on
Behalf of All Others Similarly Situated,

Plaintiffs,

v.

YELP, INC., JEREMY STOPPELMAN,
LANNY BAKER, and JED NACHMAN,

Defendants.

Case No. 3:18-cv-00400-EMC

NOTICE OF PENDENCY OF CLASS ACTION

TO: ALL INDIVIDUALS AND ENTITIES WHO PURCHASED OR OTHERWISE ACQUIRED SHARES OF YELP COMMON STOCK BETWEEN FEBRUARY 10, 2017 AND MAY 9, 2017, BOTH DATES INCLUSIVE, AND WHO WERE DAMAGED THEREBY (THE “CLASS”)

A federal court has authorized this notice. This is not a solicitation from a lawyer.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOU MAY BE A MEMBER OF THE CLASS DESCRIBED HEREIN. AS SUCH, YOUR RIGHTS MAY BE AFFECTED BY A PENDING CLASS ACTION LAWSUIT. THIS NOTICE ADVISES YOU OF YOUR OPTIONS REGARDING THE CLASS ACTION.

**PLEASE DO NOT CALL OR WRITE THE COURT.
IF YOU HAVE ANY QUESTIONS AFTER READING THIS NOTICE,
YOU SHOULD CONTACT CLASS COUNSEL OR THE ADMINISTRATOR,
AS DISCUSSED FURTHER BELOW.**

This Notice is being sent pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of California (“Court”) to inform you (a) of a class action lawsuit that is now pending in the Court under the above-captioned action (“Action”) against Yelp, Inc. (“Yelp”), Jeremy Stoppelman (“Stoppelman”), Lanny Baker (“Baker”), and Jed Nachman (“Nachman”) (“Defendants”); and (b) that the Action has been certified by the Court to proceed as a class action on behalf of the Class, as defined in paragraph 1 below. **This Notice is not a settlement notice and you are not being asked to submit a claim.**

1. By Order dated October 22, 2019 (Dkt. No. 71), the Court certified the following Class:

All individuals and entities who purchased or otherwise acquired shares of Yelp common stock between February 10, 2017 and May 9, 2017, both dates inclusive, and who were damaged thereby (the “Class”).

Excluded from the Class are:

Defendants, the officers and directors of Yelp (including Jeremy Stoppelman, Lanny Baker, and Jed Nachman), at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest.

2. This Notice is directed to you because you may be a member of the Class. If you are a member of the Class, your rights will be affected by this Action. If you do not meet the Class definition, this Notice does not apply to you. If you are uncertain whether you are a member of the Class, contact Class Counsel listed in paragraph 21 below, the Administrator, or your own attorney.

3. **Defendants have denied all claims and contend that they are not liable for the harm alleged by the Class Representative.**

4. This Notice is not an admission by Defendants or an expression of any opinion by the Court as to the merits of the Action, or a finding by the Court that the claims asserted by the Class Representative¹ in this Action are valid. This Notice is intended solely to inform you of the pendency of this Action and of your rights in connection with it, including the right to request exclusion from the Class. **There is no settlement or monetary recovery at this time.**

5. The Class definition may be subject to change by the Court pursuant to Rule 23 of the Federal Rules of Civil Procedure.

DESCRIPTION AND STATUS OF THE LAWSUIT

6. As described below, this is a securities class action against Defendants for alleged violations of the federal securities laws. On January 18, 2018, a putative securities fraud class action was filed in this Court against Yelp, Jeremy Stoppelman, Lanny Baker, and Jed Nachman, asserting violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5, promulgated thereunder, 17 C.F.R. § 240.10b-5. (Dkt. No. 1).

7. By Order dated April 27, 2018, the Court appointed Jonathan Davis as Lead Plaintiff, pursuant to the Private Securities Litigation Reform Act of 1995, and approved Mr. Davis’s selection of counsel, Glancy Prongay & Murray LLP and Holzer & Holzer LLC as Co-Lead Counsel. (Dkt. No. 23).

8. On June 25, 2018, Lead Plaintiff filed his Amended Class Action Complaint (“FAC”) for Violations of the Federal Securities Laws (Dkt. No. 29).

9. Defendants moved to dismiss the FAC on August 2, 2018 (Dkt. No. 31). Defendants’ motion was fully briefed, and by Order dated November 27, 2018, the Court granted in part and denied in part Defendants’ motion to dismiss the FAC (Dkt. No. 43).

¹ Lead Plaintiff Jonathan Davis (“Lead Plaintiff” or the “Class Representative”) has been certified by the Court as the representative for the Class.

10. The charging allegations which remain in the case after the Order of November 27, 2018 allege that Defendants made misrepresentations and omissions in connection with Yelp's local advertising business on February 9, 2017, during a conference call with investors, again on February 14, 2017, at a Goldman Sachs Technology conference, and finally on March 1, 2017 at a Morgan Stanley Technology Media and Telecom Conference (alleged at paragraphs 81, 83, 87, 91, 99 of the FAC).

11. Defendants deny all of the allegations of wrongdoing asserted in the Action and deny any liability whatsoever to any members of the Class. In particular, Defendants assert that most if not all of the remaining charging allegations are barred as a matter of law by the '34 Act "Safe Harbor" for forward looking statements, that the allegedly omitted facts did not exist, were not known at the time, and/or were not material; and that none of the Defendants had the requisite state of mind to meet the scienter element of a 10b-5 cause of action.

12. While discovery was ongoing, on August 14, 2019, Lead Plaintiff filed his motion for class certification (Dkt. No. 62). On October 22, 2019, pursuant to stipulation by the parties, the Court entered its Order, granting Lead Plaintiff's motion, certifying the Class, appointing Lead Plaintiff Jonathan Davis as the class representative, and appointing as Co-Lead Class Counsel Glancy Prongay & Murray LLP and Holzer & Holzer LLC (Dkt. No. 71). The Court's Order certifying the Class does not guarantee Class Members will receive money or benefits; that will be decided later in the lawsuit.

13. No court has made a ruling on the merits of the Class Representative's allegations or on Defendants' denials and defenses. The litigation is ongoing.

YOUR RIGHTS AS A CLASS MEMBER

14. A class action is a type of lawsuit in which one or several individuals or entities prosecute claims on behalf of all members of a group of similarly situated persons and entities to obtain monetary or other relief for the benefit of the entire group. Class actions avoid the necessity of each member of a class having to file his, her, or its own separate lawsuit to obtain relief. Class actions are used to decide legal and factual issues that are common to all members of a class.

15. If you purchased or otherwise acquired shares of Yelp common stock between February 10, 2017 and May 9, 2017, both dates inclusive, and claim to have lost money thereby, and you are not excluded by definition from the Class, you are a member of the Class. If you are a member of the Class, you have the right to decide whether to remain a member of the Class. If you are a member of the Class and wish to be excluded from the Class, you must request exclusion in accordance with the procedures set forth in paragraphs 17 and 18 below. ***If you want to remain a member of the Class, you do not need to do anything at this time other than to retain your documentation reflecting your transactions in Yelp common stock during the Class Period as discussed below in paragraph 16.*** Your decision is important for the following reasons:

- a. **If you choose to remain a member of the Class**, you will be bound by all past, present and future orders and judgments in the Action, whether favorable or unfavorable. If any money is awarded to the Class, either through a settlement with Defendants or a judgment of the Court after a trial, you may be eligible to receive a share of that award. However, if you remain a member of the Class, you may not pursue a lawsuit on your own behalf with regard to any of the legal claims in this Action. Pursuant to Rule 23(e)(4) of the Federal Rules of Civil Procedure, it is within the Court's discretion whether to allow a second opportunity to request exclusion from the Class if there is a settlement or judgment in the Action after a trial. Please note that if you remain a

member of the Class, you will not be personally responsible for Class Counsel's attorneys' fees or costs. Class Counsel has agreed to represent the Class on a contingent fee basis, which means that they will be awarded fees and costs to be approved by the Court only if they succeed in obtaining a recovery from one or more Defendants. Any attorneys' fees for Class Counsel will be awarded by the Court from the settlement or judgment, if any, obtained on behalf of the Class. As a member of the Class you will be represented by Class Counsel. Alternatively, you may remain a member of the Class and elect to be represented by counsel of your own choosing. If you do retain separate counsel, you will be responsible for that attorney's fees and expenses and that attorney may enter an appearance on your behalf by filing a Notice of Appearance with the Court and mailing it to Class Counsel at the addresses set forth in paragraph 21 below *on or before August 25, 2020*.

- b. **If you choose to be excluded from the Class**, you will not be bound by any orders or judgment in this Action, nor will you be eligible to share in any recovery that might be obtained in this Action. You will retain any right you have to individually pursue any legal rights that you may have against any Defendants with respect to the claims asserted in the Action. Please refer to paragraphs 17-20 below if you would like to request exclusion from the Class.

16. Members of the Class will be eligible to participate in any recovery that might be obtained in the Action. While this Notice is not intended to suggest any likelihood that the Class Representative or members of the Class will obtain any recovery, should there be a recovery, members of the Class will be required to support their requests to participate in the distribution of the recovery by demonstrating their membership in the Class and documenting their purchases, acquisitions, and sales of Yelp common stock. *For this reason, please be sure to keep all records of your transactions in this security.*

HOW TO BE EXCLUDED FROM THE CLASS

17. To exclude yourself from the Class, you must send a letter by first-class mail or an email to the following email address – Info@YelpSecuritiesLitigation.com – stating that you “request exclusion from the Class in *Yelp, Inc. Securities Litigation*, Case No. 3:18-cv-00400-EMC.” Your request must state your full name, address and telephone number and be signed by the person or entity requesting exclusion or an authorized representative. If you are sending this letter or email on behalf of a Class Member (such as an estate, corporation or partnership), please indicate your full name and the basis of your authority to act on behalf of the Class Member. You must email your exclusion request or letter *postmarked no later than August 25, 2020*, to:

Yelp, Inc Securities Litigation
c/o JND Legal Administration
P.O. Box 91030
Seattle, WA 98111

18. You cannot exclude yourself from the Class except by mail or email. Requests for exclusion that do not comply with the above requirements will be invalid, unless otherwise accepted by the Court, subject to any objections of the parties to be resolved by the Court.

19. Do not request exclusion if you wish to participate in this Action as a member of the Class.

20. If you properly request exclusion from the Class, you will not be bound by any orders or judgment in this Action, but you also will not be eligible to share in any recovery that might be obtained in this Action. If you properly request exclusion, you will be entitled to pursue an individual lawsuit, claim or remedy, if available, which you may have, at your own expense. Please note, if you decide to exclude yourself from the Class, due to legal time limits called statutes of limitations and/or statutes of repose, it may be too late for you to assert the claims covered by the Action.

CLASS COUNSEL

21. The Court appointed the law firms of Glancy Prongay & Murray LLP and Holzer & Holzer LLC, as Class Counsel. If you have any questions concerning the matters raised in this Notice, you may contact Class Counsel, as follows:

Kara M. Wolke, Esq.
GLANCY PRONGAY & MURRAY LLP
1925 Century Park East, Suite 2100
Los Angeles, California 90067
Telephone: (310) 201-9150
Facsimile: (310) 201-9160
Email: kwolke@glancylaw.com

Corey D. Holzer, Esq.
HOLZER & HOLZER LLC
1200 Ashwood Parkway, Suite 410
Atlanta, Georgia 30338
Telephone: (770) 392-0090
Facsimile: (770) 392-0029
Email: cholzer@holzerlaw.com

22. Counsel for all of the Defendants are as follows:

Gilbert R. Serota, Esq
Benjamin Halbig, Esq.
ARNOLD & PORTER KAYE SCHOLER LLC
3 Embarcadero Ctr., 9th Floor
San Francisco, CA 94111
Telephone: 415- 471-3100

23. As noted above, unless you elect to retain your own personal lawyer, if you remain in the Class, you will not have any direct obligations to pay the costs of the litigation. If there is a recovery by the Class in this Action, all costs and expenses of the Action, including Class Counsel's attorneys' fees, will be paid from that recovery in an amount approved by the Court.

PLEASE KEEP YOUR ADDRESS CURRENT

24. To assist the Court and the parties in maintaining accurate lists of Class Members, you are requested to mail or email (to: Info@YelpSecuritiesLitigation.com) notice of any changes in your address to:

Yelp, Inc. Securities Litigation
c/o JND Legal Administration
P.O. Box 91030
Seattle, WA 98111

25. If this Notice was forwarded to you by the postal service, or if it was otherwise sent to you at an address that is not current, you should immediately contact the Administrator JND Legal Administration, at the address above or by calling the Administrator toll free at (888) 964-0696 and

providing them with your correct address. If the Administrator does not have your correct address, you may not receive notice of important developments in this Action.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

26. This Notice provides only a summary of the lawsuit and the claims asserted by the Class Representative. For more detailed information regarding the Action, you may contact Class Counsel or visit www.YelpSecuritiesLitigation.com. You may also contact the Administrator at the address listed above or by email at Info@YelpSecuritiesLitigation.com.

27. Complete copies of the pleadings, orders, and other documents filed in this Action are available at <http://www.pacer.gov> or at the office of the Clerk of the Court, United States District Court for the Northern District of California, San Francisco Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102, under Case No. 3:18-cv-00400-EMC.

PLEASE DO NOT CALL OR WRITE THE COURT OR CLERK OF THE COURT REGARDING THIS NOTICE.

NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

28. If, for the beneficial interest of any person or entity other than yourself, you purchased or otherwise acquired shares of Yelp common stock between February 10, 2017 and May 9, 2017, both dates inclusive, you MUST EITHER: (i) WITHIN SEVEN CALENDAR DAYS of receipt of this Notice, request from the Administrator sufficient copies of the Notice to forward to all such beneficial owners and WITHIN SEVEN CALENDAR DAYS of receipt of those Notices forward them to all such beneficial owners; or (ii) WITHIN SEVEN CALENDAR DAYS of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to the Administrator at *Yelp, Inc. Securities Litigation, c/o JND Legal Administration, P.O. Box 91030, Seattle, WA 98111*. If you choose the first option, YOU MUST send a statement to the Administrator confirming that the mailing was made and YOU MUST retain your mailing records for use in connection with any further notices that may be provided in the Action. If you choose the second option, the Administrator will send a copy of the Notice to the beneficial owners. Upon FULL AND TIMELY compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred by providing the Administrator with proper documentation supporting the expenses for which reimbursement is sought.

DATED: JUNE 12, 2020

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA