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and Timothy Slottow, and Nominal Defendant  
Apollo Education Group, Inc.*

[Additional Counsel Listed on Last Page]

**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN AND FOR THE COUNTY OF MARICOPA**

KEVIN J. GUINAN and CHERYL A.  
GUINAN, Derivatively and on Behalf of  
APOLLO EDUCATION GROUP, INC.,  
Plaintiffs,  
v.  
PETER V. SPERLING, GREGORY W.  
CAPPELLI, TERRI C. BISHOP, DR. DANA  
BORN, MATTHEW CARTER, JR.,  
RICHARD H. DOZER, DR. ROY A.  
HERBERGER, JR., DR. ANN KIRSCHNER,  
ROBERT S. MURLEY, MANUEL F.  
RIVELLO, DARBY E. SHUPP, ALLEN R.  
WEISS, BRIAN L. SWARTZ, JOSEPH L.  
D'AMICO, GREGORY J. IVERSON, SEAN  
MARTIN, J. MITCHELL BOWLING, and  
TIMOTHY SLOTTOW,  
Defendants,  
and  
APOLLO EDUCATION GROUP, INC.,  
Nominal Defendant.

No. CV2016-005901

**PRELIMINARY APPROVAL AND  
SCHEDULING ORDER**

(Honorable Roger Brodman)

1  
2 WHEREAS, the Settling Parties have made application, pursuant to Ariz. R. Civ. P.  
3 23.1, for an order (i) preliminarily approving the proposed settlement (“Settlement”) of the  
4 above-captioned shareholder derivative action (the “Action”), in accordance with a Stipulation  
5 and Agreement of Settlement, dated January 5, 2017, and the Exhibits thereto (the  
6 “Stipulation”), (ii) approving the form and manner of the Notice of Pendency and Proposed  
7 Settlement of Shareholder Action (the “Notice”), and (iii) setting a date for the final Settlement  
8 hearing;

9  
10 WHEREAS, the Stipulation sets forth the terms and conditions of the Settlement;

11  
12 WHEREAS, the Settlement appears to be the product of serious, informed, non-  
13 collusive negotiations and falls within the range of possible approval;

14  
15 WHEREAS, all capitalized terms contained herein shall have the same meanings as  
16 set forth in the Stipulation (in addition to those capitalized terms defined herein); and

17  
18 WHEREAS, this Court, having considered the Stipulation and the Exhibits annexed  
19 thereto and Plaintiffs’ submissions in support of the motion for preliminary approval of the  
20 Settlement;

21 NOW THEREFORE, IT IS ORDERED:

22  
23 1. This Court does hereby preliminarily approve, subject to further consideration at  
24 the Settlement Hearing described below, the Stipulation and the terms of the Settlement set  
25 forth therein.

1           2.       The final Settlement Hearing shall be held on **April 21, 2017 at 1:30 p.m.** (2 h  
2 ours), before the Honorable Roger Brodman, Superior Court of Arizona, East Court Building,  
3 Fourth Floor, 101 W. Jefferson, Courtroom 413, Phoenix, Arizona 85003, to determine: (1)  
4 whether the terms of the Settlement should be approved as fair, reasonable, and adequate; (2)  
5 whether the Final Order and Judgment as provided for in ¶ 1.13 of the Stipulation should be  
6 entered; (3) whether to award the Fee and Expense Amount to Plaintiffs' Counsel; and (4)  
7 whether to award the Service Awards to the Plaintiffs, payable from the Fee and Expense  
8 Amount.  
9

10           3.       This Court approves, as to form and content, the Notice, annexed as Exhibit B  
11 to the Stipulation, and finds that the filing of the Stipulation and publication of the Notice  
12 substantially in the manner and form set forth in ¶ 3.2 of the Stipulation, meets the  
13 requirements of Ariz. R. Civ. P. 23.1(c) and due process, is the best notice practicable under  
14 the circumstances, and shall constitute due and sufficient notice to all Persons entitled thereto  
15 of all matters relating to the Settlement.  
16

17           4.       Within ten (10) days of the Court's entry of this Preliminary Approval and  
18 Scheduling Order, Apollo shall: (i) issue a press release announcing the Preliminary Approval  
19 Order and Notice; (ii) post a link to the Notice and to this Stipulation on the Investor Relations  
20 portion of Apollo's website, which posting shall be maintained through the date of the  
21 Settlement Hearing; and (iii) if Apollo is a public company at the time Notice is to be given,  
22 cause a copy of the press release and Notice to be filed with the SEC on Form 8-K. In language  
23 mutually agreeable to the Settling Parties, the form of Notice posted on the Investor Relations  
24 portion of Apollo's website may be amended from time to time to reflect developments in the  
25 progress of the Merger.  
26  
27  
28

1           5.       All costs incurred in the posting of the Notice and the Stipulation on Apollo's  
2 website if Apollo is a public company at the time Notice is to be given, the filing with the SEC  
3 of a copy of the press release and Notice on Form 8-K, and the issuance of the Notice in a  
4 press release shall be paid by Apollo and/or its insurers, and Apollo shall undertake all  
5 administrative responsibility for such posting, filing, and issuance.

6           6.       At least fourteen (14) calendar days prior to the Settlement Hearing, Apollo's  
7 counsel shall file with the Court proof, by affidavit or declaration, that the approved Notice  
8 process has been fully undertaken.

9           7.       All Current Apollo Stockholders shall be bound by all orders, determinations,  
10 and judgments in the Action concerning the Settlement, whether favorable or unfavorable to  
11 Current Apollo Stockholders.

12           8.       Pending final determination of whether the Settlement should be approved, no  
13 Current Apollo Stockholder shall commence or prosecute against any Individual Defendant or  
14 their Related Persons any action or proceeding in any court or tribunal asserting any of the  
15 Released Claims.

16           11.      All papers in support of the Settlement shall be filed with the Court and served at  
17 least seven (7) calendar days prior to the Settlement Hearing.

18           12.      Any Current Apollo Shareholder as of the date of entry of this Order, may  
19 appear and show cause if he, she or it has any reason why the terms of the Settlement should  
20 not be approved as fair, reasonable, and adequate, or why a judgment should not be entered  
21 thereon, provided, however, that unless otherwise ordered by the Court, no Current Apollo  
22 Stockholder shall be heard or entitled to contest the approval of all or any of the terms and  
23 conditions of the Settlement or, if approved, the Order and Final Judgment to be entered  
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1 thereon approving the same, unless that Person has, at least fourteen (14) days prior to the  
2 Settlement Hearing, filed with the Clerk of the Court at the address listed below and served on  
3 the following counsel (delivered by hand or sent by first class mail) appropriate proof of stock  
4 ownership, written objections stating the case name and number *Guinan v. Sterling, et al*, Civil  
5 Action No. CV2016-005901 and the basis therefore, and copies of any papers and briefs in  
6 support thereof:

7  
8 **Clerk of the Court:**

9 CLERK OF SUPERIOR COURT'S OFFICE  
10 East Court Building  
11 101 West Jefferson  
12 Phoenix, Arizona 85003

13  
14 ***Counsel for Plaintiffs:***

15 Phillip Kim, Esq.  
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19 -and-

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25 ***Counsel for Defendants:***

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-and -

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3 Any Current Apollo Stockholder who does not make his, her, or its objection in the manner  
4 provided herein shall be deemed to have waived such objection and shall forever be  
5 foreclosed from making any objection to the fairness, reasonableness, or adequacy of the  
6 Settlement as incorporated in the Stipulation, unless otherwise ordered by the Court, but shall  
7 otherwise be bound by the Order and Final Judgment to be entered and the releases to be  
8 given.  
9

10           13.     Neither the Stipulation nor the Settlement, nor any act performed or document  
11 executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be  
12 deemed to be or may be offered, attempted to be offered or used in any way by the Settling  
13 Parties as a presumption, a concession or an admission of, or evidence of, the validity or  
14 invalidity of any claim or defense, any fault, wrongdoing, liability or omission of the Settling  
15 Parties or of the validity of any Released Claims; or (b) is or may be deemed to be or may be  
16 used as a presumption, concession, admission or evidence of any fault, wrongdoing, liability or  
17 omission of any of the Defendant Released Persons in any civil, criminal, or administrative  
18 proceeding in any court, administrative agency, or other tribunal. Neither the Stipulation nor  
19 the Settlement, nor any act performed or document executed pursuant to or in furtherance of the  
20 Stipulation, or the Settlement, shall be admissible in any proceeding for any purpose, except to  
21 enforce the terms of the Settlement, and except that the Defendant Released Persons may file  
22 the Stipulation and/or the Judgment in any action that may be brought against them in order to  
23 support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, full  
24 faith and credit, release, standing, good faith settlement, judgment bar or reduction or any other  
25  
26  
27  
28

1 theory of claim preclusion or issue preclusion or similar defense or counterclaim. Further, the  
2 Settling Parties, Plaintiff Released Persons, and Defendant Released Persons shall be fully  
3 empowered to offer the Stipulation and any associated documentation in any proceeding in  
4 order to evidence or enforce the releases, stipulation, covenants, and injunctions provided for in  
5 the Settlement.

6  
7 IT IS SO ORDERED.

8 Dated this \_\_\_ day of \_\_\_\_\_, 2017.

9  
10 \_\_\_\_\_  
Honorable Roger Brodman  
Maricopa County Superior Court Judge

11 **Additional Defendants' Counsel:**

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20 *Attorneys for Individual Defendants*  
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*and Manuel F. Ravelo*

# eSignature Page 1 of 1

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Granted with Modifications



/S/ Roger Brodman Date: 1/27/2017  
Judicial Officer of Superior Court



**ENDORSEMENT PAGE**

CASE NUMBER: CV2016-005901

SIGNATURE DATE: 1/27/2017

E-FILING ID #: 8054842

FILED DATE: 1/31/2017 8:00:00 AM

JAMES ST. PIERRE CHRISTIAN

MARK J DEPASQUALE

MAUREEN BEYERS