

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

EDWARD TODD, Individually and on Behalf of All Others
Similarly Situated,

Plaintiff,

v.

STAAR SURGICAL COMPANY, BARRY G. CALDWELL,
and JOHN SANTOS,

Defendants.

CASE NO.: 2:14-CV-05263-MWF-GJS

CLASS ACTION

**LONG FORM NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF CLASS ACTION**

If you purchased or otherwise acquired common stock ("STAAR Securities") of STAAR Surgical Company ("STAAR") between November 1, 2013 and June 30, 2014 (the "Class"), you could get a payment from a class action settlement (the "Settlement").

Under law, a federal court has authorized this Notice. This is not a solicitation from a lawyer.

- Subject to Court approval, Lead Plaintiff on behalf of himself and the other members of the Class has agreed to settle claims against Defendants in exchange for payment of \$7,000,000 (Seven Million Dollars) in cash (the "Settlement Amount") to resolve claims of investors who purchased STAAR Securities between November 1, 2013 and June 30, 2014, inclusive (the "Class Period").
- Based on Lead Plaintiffs' damages expert's estimate of the number of STAAR Securities purchased during the Class Period that may have been affected by the conduct at issue in the Action, and assuming that all Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs as described herein) is \$0.89 per affected STAAR Security. A share may have been traded more than once during the Class Period. This estimate solely reflects the average recovery per affected share of STAAR Securities. The indicated average recovery per affected share will be the total average recovery for all purchasers of that share. This is not an estimate of the actual recovery per share you should expect. Your actual recovery will depend on, among other factors, when and at what prices you purchased or sold STAAR Securities and the total number of shares for which valid claim forms are submitted.
- The Parties do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to prevail in the Action. Among other things, Defendants do not agree that they violated the federal securities laws or that damages were suffered (at all, or in the amount contended by Plaintiffs) by any members of the Class as a result of their conduct.
- Lead Plaintiff's Counsel (identified below) intends to ask the Court to award it and Plaintiff's Counsel Attorneys' Fees in an amount not to exceed twenty-five percent (25%) of the Gross Settlement Fund, an award of Expenses of no more than \$350,000 and an Award to Lead Plaintiff not to exceed \$10,000. Collectively, the maximum amount of Attorneys' Fees and Expenses are estimated to average \$0.27 per affected share of STAAR Securities. If approved by the Court, these amounts will be paid from the Gross Settlement Fund.
- The approximate recovery, after deduction of (i) Attorneys' Fees and Expenses approved by the Court, (ii) Taxes and Tax Expenses, (iii) Notice and Administration Expenses as authorized by the Stipulation and Agreement of Settlement dated June 20, 2017 (the "Stipulation"), (iv) any Compensatory Award to Lead Plaintiff (identified below) approved by the Court, and (v) other fees and expenses authorized by the Court, is an average of \$0.60 per affected share of STAAR Securities (assumes \$125,000 in Notice and Administration Expenses). This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will depend on, among other factors, when and at what prices you purchased or sold STAAR Securities and the total number of shares for which valid claim forms are submitted.
- The Settlement resolves the Action (as defined below), which concerned (among other things) Lead Plaintiff's claims that Defendants STAAR, Barry G. Caldwell, and John Santos (collectively, the "Defendants") made false and misleading statements, in violation of federal securities laws, based upon the allegations set forth in the Corrected Second Amended Complaint (the "Complaint"). The Complaint alleged, among other things, that

STAAR made false and misleading statements concerning STAAR's compliance with regulations promulgated by the Food and Drug Administration ("FDA").

Defendants deny all allegations of misconduct and liability.

- 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 this claim. Therefore, you should read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM NO LATER THAN OCTOBER 9, 2017	The only way to be eligible to receive a payment.
EXCLUDE YOURSELF NO LATER THAN SEPTEMBER 25, 2017	Get no payment. Potentially preserve ability to bring lawsuit against Released Persons concerning the Released Claims.
OBJECT NO LATER THAN SEPTEMBER 25, 2017	Write to the Court about why you do not like the settlement.
GO TO A HEARING ON OCTOBER 16, 2017	Speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

These rights and options and the deadlines to exercise them are explained in this Notice.

This Notice was sent because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments to those persons who timely submit valid claims in the manner described below. Please be patient.

If the proposed Settlement is approved after a fairness hearing ("Settlement Hearing"), the Court will enter an Order and Final Judgment (the "Judgment"). As provided in the Stipulation, the Judgment will dismiss the Complaint on the merits and with prejudice, and provide that all Class Members shall be deemed to have released and forever discharged all Released Claims (to the extent that Class Members have such claims) against all Released Persons. The terms of the release are set forth herein and in the Stipulation.

You may submit a claim or object, or do both, or do nothing. However, if you timely exclude yourself that is the **only** thing you can do: you cannot then also object in writing, appear at the Settlement Hearing to state any objections, or submit a claim.

If you object and do not request exclusion, you will remain a Class Member, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object.

Unless you timely request exclusion from the Class, or unless the Court rejects the proposed Settlement, you are bound by the Stipulation, whether or not you submit a claim or object.

These rights and options are explained in this Notice. **Please take careful note of the deadlines to exercise them, set forth above.**

INQUIRIES

Please do not contact the Court regarding this Notice. All inquiries concerning this Notice, the Proof of Claim and Release form ("Proof of Claim"), or any other questions by Class Members should be directed to:

STAAR Surgical Securities Litigation
c/o GCG
Claims Administrator
PO Box 10466
Dublin, Ohio 43017-4066
Tel.: 1-844-590-5685
www.staarsurgicalsecuritieslitigation.com

or

Michael J. Wernke
POMERANTZ LLP
600 Third Avenue, 20th Floor
New York, NY 10016
Tel.: 212-661-1100
Fax: 212-661-8665
mjwernke@pomlaw.com
Counsel for Lead Plaintiff and the Class

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. **Why did I get this Notice?**

You or someone in your family may have purchased or otherwise acquired STAAR Securities during the Class Period.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. **What is this lawsuit about?**

The case is known as *Edward Todd v. STAAR Surgical Company, et al.*, No. 2:14-cv-05263 (MWF) (the "Action"), and the Court in charge of the case is the United States District Court for the Central District of California. By Order dated September 29, 2014, the Court appointed Edward Todd as Lead Plaintiff, and Pomerantz LLP as Lead Plaintiff's Counsel.

Among other things, the Action is about whether the Defendants violated the federal securities laws by allegedly making false and misleading statements to the investing public concerning STAAR's compliance with regulations promulgated by the FDA. The Defendants have denied and continue to deny the claims, contentions, and allegations made in the Action.

The operative "Complaint" was filed on August 28, 2015. On September 21, 2015, Defendants moved to dismiss the Complaint. Oral argument was heard before the Court on November 16, 2015. On April 12, 2016, the Court denied Defendants' motion. On August 19, 2016, Lead Plaintiff filed his motion for class certification. Oral argument was heard before the Court on December 12, 2016. On January 5, 2017, the Court granted Lead Plaintiff's motion. Prior to reaching agreement on settlement, Defendants produced 357,713 pages of documents, and Lead Plaintiff noticed ten depositions.

Following mediation efforts facilitated by Michelle Yoshida, Esq., the Parties entered into the Stipulation. The Settlement resolves all of the claims in the Action against the Defendants.

3. **Why is this a class action?**

In a class action, one or more persons and/or entities, called lead plaintiff(s) and/or class representatives, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a class, and these individual persons and/or entities are known as class members. One court resolves all of the issues for all class members, except for those class members who exclude themselves from the class.

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

Lead Plaintiff and Defendants do not agree regarding the merits of Lead Plaintiff's allegations with respect to liability or the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail at trial on each claim. The issues on which Lead Plaintiffs and Defendants disagree include, but are not limited to, the following: (1) whether Defendants made false and misleading statements; (2) whether Defendants made these statements knowingly or recklessly; (3) whether the statements were the cause of the Class Members' alleged damages; and (4) the amount of damages, if any, suffered by the Class Members.

This matter has not gone to trial, and the Court has not decided in favor of any party involved in this Action. Instead, Lead Plaintiff and Defendants have agreed to settle the Action. The Settlement was facilitated through mediation efforts conducted by Michelle Yoshida, Esq. Lead Plaintiff and Lead Plaintiff's Counsel believe the settlement is best for all Class Members because of the risks associated with continued litigation and the nature of the defenses raised by Defendants. Each of the Defendants denies the claims asserted against it or him in the Action and denies having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation and have concluded that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

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

To be a Class Member, you must have purchased or otherwise acquired STAAR Securities between November 1, 2013 and June 30, 2014, and still held shares at the close of trading on June 30, 2014.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE MONEY FROM THE SETTLEMENT. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS

FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN OCTOBER 9, 2017.

6. Is anyone excluded from participating in the Class?

Yes. Excluded from the Class are Defendants, the present and former officers and directors of STAAR, and any subsidiary thereof, 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. Also excluded from the Class are those Persons who file valid and timely requests for exclusion.

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator at 1-844-590-5685 for more information. Or you can fill out and return the claim form described in question 8, to see if you qualify.

7. What does the Settlement provide?

a. What is the Gross Settlement Fund?

The proposed Settlement will create a Gross Settlement Fund in the amount of \$7,000,000 (Seven Million Dollars), plus all interest earned thereon. The Settlement is subject to Court approval. Also, subject to the Court's approval, a portion of the Gross Settlement Fund will be used to pay Plaintiff's Counsel's Attorneys' Fees and Expenses and any Compensatory Award to Lead Plaintiff. A portion of the Gross Settlement Fund also will be used to pay (i) Taxes and Tax Expenses in respect of the Gross Settlement Fund; (ii) Notice and Administration Expenses as authorized by the Stipulation; and (iii) other fees and expenses authorized by the Court. After the foregoing deductions from the Settlement Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Class Members who submit valid claims.

b. What can you expect to receive under the proposed Settlement?

Your share of the Net Settlement Fund will or may depend on, among other things: (i) the number of valid claims filed; (ii) the dates you purchased and sold STAAR Securities; (iii) the prices of your purchases and sales; (iv) the amount of Notice and Administration Expenses; and (v) the amount of Attorneys' Fees and Expenses awarded to Plaintiff's Counsel by the Court and the amount of any Compensatory Award to Lead Plaintiff approved by the Court.

PROPOSED PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND AMONG CLASS MEMBERS

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among "Authorized Claimants" as that term is defined in the response to Question 8 below, 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 STAAR Security purchased or otherwise acquired during the Class Period.¹ The calculation of Recognized Loss will depend upon several factors, including when the STAAR Securities were purchased or otherwise acquired during the Class Period, and in what amounts, and whether those securities were sold, and if sold, when they were sold, and for what amounts. The Recognized Loss 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 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 STAAR Securities were artificially inflated throughout the Class Period. The estimated alleged artificial inflation in the prices of STAAR Securities during the Class Period is reflected in Table 1 below. The computation of the estimated alleged artificial inflation in the prices of STAAR Securities during the Class Period is based on certain misrepresentations alleged by Lead Plaintiff and the price change in the security, net of market- and industry-wide factors, in reaction to the public announcements that allegedly corrected the misrepresentations alleged by Lead Plaintiff.

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, STAAR Securities purchased or otherwise acquired during the Class Period must have

¹ During the Class Period, STAAR common stock was listed on the NASDAQ Stock Market under the ticker symbol "STAA."

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. Lead Plaintiff and Lead Plaintiff's Counsel believe that such price declines occurred on: July 1, 2014; July 2, 2014; and August 1, 2014 (the "Corrective Disclosure Dates"). Accordingly, if a STAAR Security was sold before July 1, 2014 (the earliest Corrective Disclosure Date), the Recognized Loss for that security is \$0.00, and any loss suffered is not compensable under the federal securities laws.

Table 1 Artificial Inflation in STAAR Securities^{2, 3}		
From	To	Per-Share Price Inflation
November 1, 2013	June 30, 2014	\$5.64
July 1, 2014	July 1, 2014	\$2.94
July 2, 2014	July 31, 2014	\$1.92
August 1, 2014	Thereafter	\$0.00

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 STAAR Securities. The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that losses on STAAR Securities purchased/acquired during the Class Period and held as of the close of the 90-day period subsequent to the Class Period (the "90-Day Lookback Period") cannot exceed the difference between the purchase price paid for such securities and the average price of the STAAR Securities during the 90-Day Lookback Period. The Recognized Loss on STAAR Securities purchased/acquired during the Class Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such securities and the rolling average price of the STAAR Securities 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 STAAR Security:

For each STAAR Security purchased or otherwise acquired during the Class Period (i.e., November 1, 2013 through June 30, 2014, inclusive), the Recognized Loss per security shall be calculated as follows:

- i. For each STAAR Security purchased during the Class Period that was sold prior to July 1, 2014, the Recognized Loss per security is \$0.
- ii. For each STAAR Security purchased during the Class Period that was subsequently sold during the period July 1, 2014 through September 26, 2014, inclusive (i.e., the 90-Day Lookback Period), the Recognized Loss per security is *the lesser of*:
 - a. the amount of per-security price inflation on the date of purchase as appears in Table 1 above, *minus* the amount of per-security price inflation on the date of sale 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.
- iii. For each STAAR Security purchased during the Class Period and still held as of the close of trading on September 26, 2014, the Recognized Loss per security is *the lesser of*:
 - a. the amount of per-security price inflation on the date of purchase as appears in Table 1 above; or
 - b. the purchase price *minus* the average closing price for STAAR Securities during the 90-Day Lookback Period, which is \$11.92.

² If the price inflation reflected in Table 1 exceeds the purchase price paid for a STAAR Security, then the price inflation shall be equal to the purchase price paid for such security, excluding all fees, taxes and commissions.

³ Any transactions in STAAR 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.

Table 2					
Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value
7/1/2014	\$14.91	7/31/2014	\$13.07	8/29/2014	\$12.15
7/2/2014	\$14.38	8/1/2014	\$12.97	9/2/2014	\$12.14
7/3/2014	\$14.30	8/4/2014	\$12.89	9/3/2014	\$12.12
7/7/2014	\$14.17	8/5/2014	\$12.82	9/4/2014	\$12.10
7/8/2014	\$13.88	8/6/2014	\$12.74	9/5/2014	\$12.09
7/9/2014	\$13.73	8/7/2014	\$12.65	9/8/2014	\$12.08
7/10/2014	\$13.52	8/8/2014	\$12.58	9/9/2014	\$12.06
7/11/2014	\$13.42	8/11/2014	\$12.53	9/10/2014	\$12.06
7/14/2014	\$13.35	8/12/2014	\$12.47	9/11/2014	\$12.05
7/15/2014	\$13.26	8/13/2014	\$12.43	9/12/2014	\$12.04
7/16/2014	\$13.21	8/14/2014	\$12.39	9/15/2014	\$12.02
7/17/2014	\$13.17	8/15/2014	\$12.36	9/16/2014	\$12.01
7/18/2014	\$13.15	8/18/2014	\$12.34	9/17/2014	\$12.00
7/21/2014	\$13.15	8/19/2014	\$12.32	9/18/2014	\$12.00
7/22/2014	\$13.14	8/20/2014	\$12.29	9/19/2014	\$11.99
7/23/2014	\$13.12	8/21/2014	\$12.27	9/22/2014	\$11.97
7/24/2014	\$13.09	8/22/2014	\$12.25	9/23/2014	\$11.96
7/25/2014	\$13.08	8/25/2014	\$12.22	9/24/2014	\$11.95
7/28/2014	\$13.05	8/26/2014	\$12.20	9/25/2014	\$11.93
7/29/2014	\$13.05	8/27/2014	\$12.18	9/26/2014	\$11.92
7/30/2014	\$13.07	8/28/2014	\$12.16		

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 eligible 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 STAAR Securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

Acquisition by Gift, Inheritance, or Operation of Law: If a Class Member acquired STAAR Securities during the 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 STAAR Securities were originally purchased prior to commencement of the Class Period, the Recognized Loss for that acquisition shall be deemed to be zero (\$0.00).

Notwithstanding any of the above, receipt of STAAR Securities during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of STAAR 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 STAAR Securities held as of the close of trading on October 31, 2013 (the last day before the Class Period begins) and then against the purchases of STAAR Securities during the Class Period.

The date of covering a “short sale” is deemed to be the date of purchase of shares of STAAR Securities. The date of a “short sale” is deemed to be the date of sale of shares of STAAR Securities. 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 STAAR common stock, 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.

With respect to STAAR common 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 STAAR common stock on the date of exercise. Any Recognized Loss arising from purchases of STAAR common stock acquired during the Class Period through the exercise of an option on STAAR common stock⁴ shall be computed as provided for other purchases of STAAR Securities 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 (see the Plan of Allocation at p. 4 for additional details). No distribution will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

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

Please contact the Claims Administrator or Lead Plaintiff’s 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 Defendants, their respective counsel, and all other Released Persons will have no responsibility or liability whatsoever for the investment of the Gross Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. Lead Plaintiff and Lead Plaintiff’s 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. 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 three (3) 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 Plaintiff’s 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. If any funds shall remain in the Net Settlement Fund three (3) months after such re-distribution, then such remaining balance will then be distributed to a non-sectarian, not-for-profit organization identified by Lead Plaintiff’s Counsel and approved by the Court.

8. How can I get a payment?

To qualify for a payment, you must send in a form entitled “Proof of Claim and Release.” This claim form is enclosed with this Notice. You may also obtain a claim form on the Internet at www.staarsurgicalsecuritieslitigation.com or by calling the Claims Administrator at 1-844-590-5685. Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the claim form together with all documentation requested in the form, postmarked no later than **October 9, 2017**, to:

STAAR Surgical Securities Litigation
c/o GCG
Claims Administrator
PO Box 10466
Dublin, Ohio 43017-4066

⁴ Including (1) purchases of STAAR common stock as the result of the exercise of a call option, and (2) purchases of STAAR common stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

The Claims Administrator will process your claim and determine whether you are an “Authorized Claimant.”

9. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself by **September 25, 2017**, you will remain in the Class. That means that if the Settlement is approved, you and all Class Members will release all “Released Claims” (and therefore agree never to sue, continue to sue, or be part of any other lawsuit) against the “Released Persons.”

- a. The Released Claims are any and all claims, rights, demands, obligations, damages, actions or causes of action, or liabilities whatsoever, of every nature and description, including both known claims and Unknown Claims, whether arising under federal, state, common or foreign law or regulation, that arise out of or relate in any way to the purchase or sale of STAAR Securities during the Class Period and the acts, facts, statements, or omissions that were or could have been alleged or asserted by Lead Plaintiff or any member of the Class in the Action or in any other action in any court or forum, except that the following are expressly excluded from the definition of Released Claims: (i) all claims of any Person who submits a request for exclusion from the Settlement, to the extent that the Court grants any such request; and (ii) all claims to enforce any of the terms of the Stipulation.
- b. The Released Persons are (i) Defendants; (ii) each of Defendants’ present and former parents, subsidiaries, divisions, departments, affiliates, stockholders, officers, directors, employees, agents; and (iii) any of their advisors, insurers, counsel, underwriters, representatives (and the predecessors, successors, administrators and assigns of each of the foregoing) in their capacities as such.

You do not release the Released Persons from any claim or action to enforce the Settlement.

Remaining in the Class also means that all of the Court’s orders will apply to you and legally bind you. By doing so, you are bound by a “Release of Claims,” which will bar you from ever filing a lawsuit against any Released Person concerning a Released Claim. That means you will accept a share in the Net Settlement Fund as sole compensation for any losses you have suffered in the acquisition and sale of STAAR Securities during the Class Period.

10. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue Defendants on your own based on the legal claims raised in this Action, then you must take steps to get out of the Settlement. This is called excluding yourself from – or “opting out” of – the Settlement.

To exclude yourself from the Settlement, you must mail a letter stating you want to be excluded as a Class Member from Todd v. STAAR Surgical Company, et al., No. 2:14-cv-05263-MWF-GJS (C.D. Cal.). Be sure to include your name, address, telephone number and your signature, along with an accurate list of all of your purchases and sales of STAAR Securities (reflecting the number of STAAR Securities purchased and sold, the dates of such purchases and/or sales, and the price paid or received per share for each purchase or sale) during the Class Period. You must mail your exclusion request to the Claims Administrator at the address below so that it is received no later than **September 25, 2017**:

STAAR Surgical Securities Litigation
EXCLUSIONS
c/o GCG
Claims Administrator
PO Box 10466
Dublin, Ohio 43017-4066

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not receive a settlement payment, and you cannot object to the Settlement. If you ask to be excluded, you will not be legally bound by anything that happens in this Action.

A request for exclusion will not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

If you do not want to be part of the Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Claims against any of the Released Persons.

11. If I do not exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue any of the Defendants or any of the Released Persons for the Released Claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately, since you may have to exclude yourself from this Class to continue your own lawsuit.

12. What if I bought STAAR Securities on someone else's behalf?

If you purchased or otherwise acquired STAAR Securities during the Class Period for the beneficial interest of a Class Member, you must either (a) forward the Short Form Notice to the beneficial owners of STAAR common stock within ten (10) calendar days from the receipt of the Short Form Notice, and provide written confirmation to the Claims Administrator of such; or (2) provide the names and addresses of such persons or entities to *STAAR Surgical Securities Litigation*, c/o GCG, Claims Administrator, PO Box 10466, Dublin, OH 43017-4066. If you choose the second option, the Claims Administrator will send the Short Form Notice to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the out-of-pocket expenses for which reimbursement is sought. Copies of this Notice and the Proof of Claim can be obtained from the website maintained by the Claims Administrator, www.staarsurgicalsecuritieslitigation.com, or by calling the Claims Administrator toll-free at 1-844-590-5685.

13. Do I have a lawyer in this case?

The Court appointed the law firm of Pomerantz LLP as Lead Plaintiff's Counsel to represent you and the Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for Pomerantz LLP is provided below.

14. How will the lawyers be paid?

Plaintiff's Counsel have not been paid any attorneys' fees to date. Plaintiff's Counsel have prosecuted this Action on a contingent fee basis and have paid for all of the expenses of the litigation themselves. Plaintiff's Counsel have done so with the expectation that if they are successful in recovering money for the Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Gross Settlement Fund, as is customary in this type of litigation. Plaintiff's Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Gross Settlement Fund. Therefore, Plaintiff's Counsel will file a motion no later than twenty-eight (28) days prior to the Settlement Hearing asking the Court at the Settlement Hearing to make an award of attorneys' fees in an amount not to exceed 25% of the value of the Gross Settlement Fund, and for an award of reasonable litigation expenses not to exceed \$350,000, and seek a Compensatory Award to Lead Plaintiff not to exceed \$10,000. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Gross Settlement Fund.

15. How do I tell the Court that I do not like the Settlement, the Plan of Allocation, the Request For Attorneys' Fees and Expenses, or the Compensatory Award to Lead Plaintiff?

If you are a Class Member, you can tell the Court you do not agree with the Settlement, any part of the Settlement, the Plan of Allocation, Lead Plaintiff's Counsel's motion for Attorneys' Fees and Expenses, or the request for a Compensatory Award to Lead Plaintiff, and that you think the Court should not approve the Settlement, by mailing a letter stating that you object to the Settlement in the matter of Todd v. STAAR Surgical Company, et al., No. 2:14-cv-05263-MWF-GJS (C.D. Cal.). Be sure to include your name, address, telephone number, your signature, a list of your purchases and sales of STAAR Securities (including the precise dates and prices of any such transactions) in order to show your membership in the Class, and all of the reasons you object to the Settlement. Be sure to mail the objections to each of the different places listed below. The Court will consider your views if your objections are received before **September 25, 2017**.

Counsel for Lead Plaintiff and the Class

Michael J. Wernke, Esq.
Pomerantz LLP
600 Third Avenue
New York, NY 10016

Defendants' Counsel

Dan Marmalefsky, Esq.
Kai Bartolomeo, Esq.
Morrison & Foerster LLP
707 Wilshire Blvd., Suite 6000
Los Angeles, CA 90017-3543

In addition, by the same date, **September 25, 2017**, you must file any objections with the Clerk of the Court, U.S. District Court, Central District of California, 350 West First Street, Los Angeles, California 90012.

16. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement. You can object only if you stay in the Class. Requesting exclusion is telling the Court you do not want to be part of the Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you. If you stay in the Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

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

The Court will hold a Settlement Hearing on **October 16, 2017 at 11:30 a.m.**, at the United States District Court for the Central District of California, Courtroom 5A, 350 West First Street, Los Angeles, CA 90012.

At this hearing, the Court will consider (i) whether the Settlement is fair, reasonable, and adequate, and should be approved by the Court; (ii) whether the Order and Final Judgment as provided under the Stipulation should be entered, dismissing the Complaint on the merits and with prejudice, and to determine whether the release by the Class of the Released Persons as set forth in the Stipulation, should be ordered, along with a permanent injunction barring efforts to bring any Released Claims extinguished by the Settlement; (iii) whether the proposed Plan of Allocation for the distribution of the Net Settlement Fund is fair and reasonable and should be approved by the Court; (iv) the application of Plaintiff's Counsel for an award of Attorneys' Fees and Expenses, and for a Compensatory Award to Lead Plaintiff; (v) Class Members' objections to the Settlement, whether submitted previously in writing or presented orally at the Settlement Hearing by Class Members (or by counsel on their behalf); and (vi) such other matters as the Court may deem appropriate. The Court may decide these issues at the hearing or take them under consideration for later decision.

18. Do I have to come to the hearing?

No. Lead Plaintiff's Counsel will answer any questions the Court may have. However, you are welcome to attend 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 mail your written objection on time, the Court will consider it.

19. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against any of the Released Persons about the Released Claims ever again.

20. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation. You can get a copy of the Stipulation by writing to the Claims Administrator, calling 1-844-590-5685, online at www.staarsurgicalsecuritieslitigation.com, or by accessing the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cacd.uscourts.gov> or by visiting the office of the Clerk of the Court for the United States District Court for the Central District of California, 350 West First Street, Los Angeles, CA 90012 between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

If you have questions about how to complete a Proof of Claim, you can call the Claims Administrator at 1-844-590-5685.

PLEASE DO NOT CALL OR WRITE TO THE COURT OR THE COURT CLERK'S OFFICE FOR INFORMATION OR ADVICE.

DATED: July 21, 2017

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
CENTRAL DISTRICT OF CALIFORNIA