

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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SHAWN SHANAWAZ, Individually and On )  
Behalf of All Others Similarly Situated, )

Plaintiff, )

vs. )

INTELLIPHARMACEUTICS )  
INTERNATIONAL INC., ISA ODIDI and )  
DOMENIC DELLA PENNA, )

Defendants. )

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Case No. 1:17-cv-05761

HON. J. PAUL OETKEN

**STIPULATION OF  
SETTLEMENT**

This Stipulation of Settlement (including the Exhibits) (collectively, the “Stipulation”) is entered into this 4th day of November, 2019 between Lead Plaintiffs David Ducharme, Sam Snyder and Julia Ann Snyder (on behalf of themselves and each of the putative Class Members), Additional Plaintiffs Guy Braverman and Eric Ludwig, and defendants Intellipharmaceutics International Inc. (“Intellipharmaceutics” or the “Company”), Dr. Isa Odidi, and Domenic Della Penna. This Stipulation is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims (as defined below) upon and subject to the terms and conditions herein.

## **I. DEFINITIONS**

As used in the Stipulation, the following terms have the meanings specified below:

### *The Parties*

- 1.1 “Additional Counsel” means Pomerantz LLP, counsel for Additional Plaintiffs;
- 1.2 “Additional Plaintiffs” means Guy Braverman and Eric Ludwig;
- 1.3 “Company” or “Intellipharmaceutics” means Intellipharmaceutics International, Inc.;
- 1.4 “Defendants” means Intellipharmaceutics and the Individual Defendants;
- 1.5 “Individual Defendants” means Dr. Isa Odidi and Domenic Della Penna;
- 1.6 “KSF” means Kahn Swick & Foti, LLC and its predecessors and successors;
- 1.7 “Lead Counsel” means KSF;
- 1.8 “Lead Plaintiffs” means David Ducharme, Sam Snyder and Julia Ann Snyder, who were appointed as Lead Plaintiffs by order of the Court dated November 21, 2017;
- 1.9 “Parties” means Lead Plaintiffs (on behalf of themselves and the Class Members), Additional Plaintiffs, Intellipharmaceutics, and the Individual Defendants;

1.10 “Plaintiffs” means the Lead Plaintiffs and the Additional Plaintiffs;

1.11 “Plaintiffs’ Counsel” means KSF and Pomerantz LLP;

Additional Defined Terms

1.12 “Action” means the above-captioned case;

1.13 “Authorized Claimant” means any Class Member whose claim for recovery has been allowed pursuant to the terms of the Stipulation;

1.14 “Claimant” means any Class Member who files a Proof of Claim in such form and manner, and within such time, as the Court shall prescribe;

1.15 “Claims Administrator” means Rust Consulting Inc.;

1.16 “Claim Form” shall have the meaning set forth in ¶3.1 of this Stipulation;

1.17 “Class” means, for the purposes of settlement only: all persons or entities who purchased or otherwise acquired Intellipharmaceutics common stock in a Covered Transaction at any time from May 21, 2015 through and including July 27, 2017 (the “Class Period”) and were or may have been damaged thereby. Excluded from the Class are Defendants, members of their immediate families, and their legal representatives, heirs, successors or assigns. “Covered Transaction” means either: (i) a transaction in Intellipharmaceutics common stock listed for trading on the NASDAQ Stock Market; or (ii) a transaction in Intellipharmaceutics common stock to which the United States securities laws apply, including as provided in *Morrison v. National Australia Bank*, 561 U.S. 247 (2010). For the avoidance of any doubt, “Covered Transaction” shall not include any transaction in Intellipharmaceutics common stock listed for trading on the Toronto Stock Exchange (TSX).

1.18 “Class Member” means a Person who falls within the definition of the Class;

1.19 “Class Notice and Administration Fund” shall have the meaning set forth in ¶2.10 of this Stipulation;

1.20 “Class Period” means the period of time between May 21, 2015 and July 27, 2017, inclusive;

1.21 “Contribution Agreement” means that agreement attached hereto as Exhibit C.

1.22 “Court” means the United States District Court for the Southern District of New York;

1.23 “Effective Date” means the first date by which all of the events and conditions specified in ¶7.1 of the Stipulation have occurred;

1.24 “Escrow Account” means an interest-bearing account maintained by the Escrow Agent;

1.25 “Escrow Agent” means KSF;

1.26 “Exhibits” means all of the exhibits to this Stipulation, including Exhibit A, Exhibit A-1, Exhibit A-2, Exhibit A-3, Exhibit B, Exhibit C and Exhibit D;

1.27 “Fee and Expense Application” shall have the meaning set forth in ¶6.1 of this Stipulation;

1.28 “Fee and Expense Award” shall have the meaning set forth in ¶5.2 of this Stipulation;

1.29 “Final” means when the last of the following with respect to the Judgment shall occur: (i) the expiration of the time to file a motion to alter or amend the Judgment under Federal Rule of Civil Procedure 59(e) has passed without any such motion having been filed; (ii) the expiration of the time in which to appeal the Judgment has passed (including to the extent that the time to appeal has been extended in a manner provided for in the Federal Rules of Civil Procedure)

without any appeal having been taken, unless the date to take such an appeal shall have been extended by Court order; (iii) if a motion to alter or amend the Judgment is timely filed, the motion is denied; and (iv) if an appeal is taken, either (a) the appeal has been dismissed and the time, if any, for commencing any further appeal has expired, or (b) the Judgment has been affirmed in its entirety and the time, if any, for commencing any further appeal has expired. For purposes of this paragraph, an “appeal” shall include any petition for a writ of certiorari or other writ that may be filed in connection with approval or disapproval of this Settlement but shall not include any appeal that concerns only the issue of attorneys’ fees and reimbursement of costs or payments to Plaintiffs or the Plan of Allocation;

1.30 “Final Approval Hearing” shall have the meaning set forth in ¶3.2 of this Stipulation;

1.31 “Judgment” means the final order and judgment approving the Settlement and dismissing the Action with prejudice, to be entered by the Court substantially in the form attached hereto as Exhibit B;

1.32 “Net Settlement Fund” means the balance of the Settlement Fund after payment of items (a) through (d) of ¶5.2 of this Stipulation;

1.33 “Notice” shall have the meaning set forth in ¶3.1 of this Stipulation;

1.34 “Person” means an individual, corporation, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust, unincorporated association, government, or any political subdivision or agency thereof, and any entity, including any business or legal entity, and, as to each of the foregoing, their spouses, heirs, predecessors, successors, representatives, or assignees;

1.35 “Plan of Allocation” means a plan or formula of allocation of the Settlement Fund, to be proposed by Lead Counsel and approved by the Court, whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of the items set forth in ¶5.2(a)-(d) herein;

1.36 “Preliminary Approval Order” means the preliminary order issued by the Court for mailing and publication as defined in ¶3.1 herein and substantially in the form of Exhibit A hereto;

1.37 “Released Claims” means all claims (including but not limited to Unknown Claims), demands, losses, rights, and causes of action of any nature whatsoever, that have been or could have been asserted in the Action or could in the future be asserted in any forum, whether foreign or domestic, by Plaintiffs, any member of the Class, or their successors, assigns, executors, administrators, representatives, attorneys and agents, whether brought directly, indirectly, or derivatively against any of the Released Defendants’ Parties, which arise out of, are based on, or relate in any way to, directly or indirectly, any of the allegations, acts, transactions, facts, events, matters, occurrences, representations or omissions involved, set forth, alleged or referred to in the Action, or which could have been alleged in the Action, and which arise out of, are based upon, or relate in any way, directly or indirectly, to the purchase, acquisition, transfer, holding, ownership, disposition or sale of Intellipharma common stock, by any members of the Class during the Class Period, and/or any disclosures, public filings, registration statements, or other statements by Intellipharma or any Defendant based upon or arising out of any facts, matters, allegations, transactions, events, disclosures, statements, acts or omissions that were asserted or could have been asserted in this Action or in any other action or forum, whether arising under federal, state, common or foreign law. For the avoidance of doubt, “Released Claims” does not include claims to enforce the Settlement.

1.38 “Released Defendants’ Claims” means all claims (including but not limited to Unknown Claims), demands, losses, rights, and causes of action of any nature whatsoever, that have been or could have been asserted in the Action by the Released Defendants’ Parties or any of them against any of the Released Plaintiffs’ Parties, which arise out of or relate in any way to the institution, prosecution, assertion, settlement or resolution of the Action (except for claims to enforce the Settlement).

1.39 “Released Defendants’ Parties” means each and all of the Defendants, each of their respective family members (for individuals) and past, present and future direct and indirect parent entities, subsidiaries, related entities and affiliates, and, as applicable, their respective past and present general partners, limited partners, principals, shareholders, investors (however denominated), joint ventures, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, reinsurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof.

1.40 “Released Plaintiffs’ Parties” means each and all of the plaintiffs, consisting of Plaintiffs and members of the Class, and, as applicable, their respective family members, and their respective past, present and future general partners, limited partners, principals, shareholders, investors (however denominated), joint ventures, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof.

1.41 “Settlement” means the settlement embodied in this Stipulation;

1.42 “Settlement Amount” means the sum of One Million Six Hundred Thousand Dollars (\$1,600,000.00) in cash;

1.43 “Settlement Fund” means the Settlement Amount, deposited, or to be deposited into the Escrow Account, pursuant to ¶2.2 of this Stipulation, together with any amounts paid in accordance with the Contribution Agreement, plus all interest earned thereon pursuant to ¶¶2.2, 2.3, and 2.6 of this Stipulation;

1.44 “Stipulation” shall have the meaning set forth in the introductory paragraph of this document;

1.45 “Summary Notice” shall have the meaning set forth in ¶3.1 of this Stipulation;

1.46 “Supplemental Agreement” means that agreement attached hereto as Exhibit D.

1.47 “Unknown Claims” means any and all claims, demands, rights, liabilities, and causes of action of every nature and description which Plaintiffs, members of the Class, or any Defendant does not know or suspect to exist in his, her or its favor at the time of their release of the Released Claims or the Released Defendants’ Claims, and including, without limitation, those which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the settlement or the releases.

## II. LITIGATION

### *Plaintiffs’ Allegations.*

Plaintiffs in this action asserted claims on behalf of the putative Class under sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder. Plaintiffs alleged that Defendants made materially false and misleading statements and omissions during the Class Period with respect to the Company’s New Drug



Application (“NDA”) for Rexista, an abuse-deterrent extended release formulation of oxycodone hydrochloride.

Plaintiffs allege Defendants’ false and misleading statements and omissions caused the price of Intellipharma’s common stock price to rise from \$2.71 on May 20, 2015 (the day before the Company announced that it intended to accelerate the development of Rexista) to a Class Period high of \$3.92 on May 26, 2015. On July 24, 2017, in advance of a meeting of an FDA joint advisory committee meeting with respect to the NDA, the FDA released briefing documents prepared by Intellipharma and by the FDA’s staff that raised questions among industry commentators about the adequacy of the information concerning Rexista’s abuse-deterrent properties included in the NDA. Following release of the briefing documents, the price of Intellipharma’s common stock declined. Thereafter, in a press release issued on July 26, 2017, Intellipharma reported that the joint advisory committee had voted to recommend that the FDA decline to approve the NDA; following that release, the price for Intellipharma’s common stock further declined in trading on July 26 and July 27, 2017.

Defendants deny that they have committed or intended to commit any wrongdoing or violations of law arising out of any of the conduct, statements, acts, or omissions alleged in the Action and maintain that their conduct was at all times proper and in compliance with applicable provisions of law.

***Procedural History.***

The original complaint in this consolidated action was filed on July 28, 2017. Two additional lawsuits were filed shortly thereafter. The Court consolidated the related actions, appointed Mr. Ducharme, Mr. Snyder and Mrs. Snyder Lead Plaintiffs and approved Lead Plaintiffs’ selection of Kahn Swick & Foti, LLC as Lead Counsel.

On January 29, 2018, Plaintiffs filed the Amended Complaint. Defendants timely filed a motion to dismiss, which Plaintiffs opposed. On December 17, 2018, the Court entered an opinion and order in which U.S. District Judge J. Paul Oetken granted in part and denied in part the motion to dismiss. The Court dismissed Plaintiffs' claims to the extent they were based on alleged misstatements or omissions concerning Rexista's bioequivalency to Oxycontin or concerning Rexista's oral and nasal abuse-deterrent features. The Court denied the motion to dismiss with respect to Plaintiffs' claims concerning the abuse-deterrent studies that had been included in the NDA. Thereafter, Defendants filed an Answer to the Amended Complaint.

On May 5, 2019, Lead Plaintiffs filed a Motion for Class Certification, Appointment of Class Representatives, and Appointment of Counsel, a Memorandum of Law in Support of the Motion, and a Declaration in Support of the Motion, which included an Expert Report in Support of the Motion. Soon thereafter, the parties agreed to a stay of proceedings in the Action while they pursued mediation of the claims in dispute with Michelle Yoshida of Phillips ADR, a private mediator with substantial experience mediating claims in securities class actions.

On August 1, 2019, the Parties met and engaged in settlement mediation in New York City. On August 9, 2019, Lead Counsel for Plaintiffs and counsel for Defendants executed a Memorandum of Understanding setting forth the material terms of the settlement.

***Investigation by Plaintiffs' Counsel***

Following its appointment as Lead Counsel, KSF conducted an extensive investigation of Defendants and the conduct that formed the basis for the allegations in the Amended Complaint. This investigation included: the retention of and coordination with private investigators; interviews of numerous persons with knowledge of the allegations, including former employees of Intellipharma as well as third parties; consultation with experts on the issues of damages

and market efficiency; a thorough review of the Company's annual reports, press releases, and financial statements; thorough review of myriad news articles and analysis reports; and other factual and legal research, including substantial research on complex issues.

Beginning on February 19, 2019, Plaintiffs received on a rolling basis from Intellipharmaeutics nearly 3,800 pages of documents in total concerning the allegations in the Amended Complaint, focused on the NDA and communications between Intellipharmaeutics and the FDA concerning the NDA, and immediately commenced review and analysis of these materials. Plaintiffs' Counsel are continuing to review these documents to confirm the fairness, reasonableness and adequacy of the settlement.

### **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

Defendants have denied and continue to deny all claims and contentions alleged by Plaintiffs in the Action, and maintain that they have meritorious defenses. Defendants have expressly denied and continue to deny all charges of wrongdoing 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. Defendants also have denied and continue to deny, *inter alia*, that they engaged in any conduct that was subject to or violated the federal securities laws, that Plaintiffs or Class Members have suffered damages, that the price of Intellipharmaeutics common stock or any other Intellipharmaeutics securities were artificially inflated by reason of alleged misrepresentations, non-disclosures, or otherwise, or that Plaintiffs or Class Members were harmed by the conduct alleged in the Amended Complaint.

Nonetheless, Defendants have concluded that further litigation of the Action would be protracted and expensive, and have also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Action. Based on these considerations,

Defendants determined that it is desirable and beneficial to settle the Action in the manner and upon the terms and conditions set forth in this Stipulation. As set forth below in ¶8.3 of this Stipulation, neither this Stipulation nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement shall constitute an admission or finding of wrongful conduct, acts, or omissions.

#### **IV. CLAIMS OF PLAINTIFFS AND BENEFITS OF SETTLEMENT**

Plaintiffs believe the claims asserted in this Action have merit. However, Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against Defendants through trial and possible appeals. Plaintiffs also have taken into account the uncertain outcome and the risk of any litigation, especially complex litigation such as this Action.

Further, Plaintiffs have considered the Action's inherent difficulties and delays. Plaintiffs also are mindful of the financial condition of Intellipharmaceutics, the amount of available insurance coverage, and the inherent problems of proof and the possible defenses to the securities law violations asserted in the Action. Based on their evaluation, Plaintiffs and Plaintiffs' Counsel believe that the Settlement set forth in the Stipulation confers substantial benefits upon and is in the best interests of the Class.

#### **V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

##### **1. The Agreement**

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Parties, that, subject to Court approval, the Action and the Released Claims shall be finally and fully compromised, settled, and released, and the Action shall be dismissed with prejudice as to all Parties, upon and subject to the terms and conditions of the Stipulation, as follows.

**2. The Settlement**

**a. The Settlement Class**

2.1 The Parties stipulate, for purposes of this Stipulation and the Settlement only, to the certification of the Class pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure. If for any reason (including the exercise of a right to terminate under the Stipulation) Final Approval of the Settlement is not granted, then the certification of the Class shall become null and void without further order of the Court or any other court.

**b. The Settlement Fund**

2.2 Intellipharmaceutics shall cause to be paid the Settlement Amount within the time set forth in ¶2.3 of this Stipulation, below, into the Escrow Account in settlement of the Action and the Released Claims which, with any accrued interest, and together with any amounts later contributed in accordance with the Contribution Agreement, shall constitute the Settlement Fund. Other than the sole and exclusive obligation of Intellipharmaceutics to cause to be paid the Settlement Amount to the Escrow Agent and the obligations of Intellipharmaceutics under the Contribution Agreement, neither Intellipharmaceutics nor any other Defendant shall have any obligation to make any payment into the Settlement Fund pursuant to this Stipulation or the Settlement.

2.3 Subject to the terms of this Stipulation, Intellipharmaceutics shall cause to be paid the Settlement Amount into the Escrow Account within thirty (30) business days after entry of the Preliminary Approval Order. To enable the timely payment of the Settlement Amount, Lead Counsel shall, no later than five (5) days after the entry of the Preliminary Approval Order, provide counsel for the Defendants with wire transfer instructions and a completed Form W-9 for the Escrow Account. If the Settlement Amount is not paid within thirty (30) business days after

entry of the Preliminary Approval Order (and provided that Lead Counsel has timely provided the wire instructions and taxpayer identification detailed above), Plaintiffs may require interest to be paid by Intellipharmaceuticals or its insurer at the published three-month LIBOR rate per annum on such dates, from thirty (30) business days after entry of the Preliminary Approval Order until the Settlement Amount is paid.

2.4 This is not a claims-made settlement. Defendants will have no ability to recapture any of the Settlement Amount, unless the Settlement is terminated or does not become effective as set forth in Section 7 of this Stipulation.

2.5 The Released Defendant Parties shall have no responsibility for or incur any liability with respect to the management, investment, or distribution of the Settlement Fund or Net Settlement Fund or for any losses suffered by, or fluctuations in the value of, the Settlement Fund or Net Settlement Fund.

**c. The Escrow Agent**

2.6 The Escrow Agent shall invest the Settlement Fund, or any portion thereof, in instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or its agencies and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates.

2.7 The Escrow Agent shall not disburse the Settlement Fund except as provided in the Stipulation or by Court order. Upon Final Approval of the Settlement and completion of the claims processing, the Escrow Agent shall distribute the Net Settlement Fund (as defined below) in accordance with the Court-approved Plan of Allocation without further order of the Court.

2.8 Subject to further order and/or direction as may be made by the Court, the Escrow Agent is authorized to execute transactions on behalf of the Class Members that are consistent with the terms of the Stipulation.

2.9 All funds held by the Escrow Agent shall be deemed and considered to be *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

2.10 After payment of the Settlement Fund to the Escrow Agent, Lead Counsel may establish a “Class Notice and Administration Fund” of up to \$\_\_\_\_\_ from the Settlement Fund. The Class Notice and Administration Fund may be used by Lead Counsel, without prior approval of the Court, only to pay costs and expenses reasonably and actually incurred in connection with providing notice to the Class (including any reimbursement of banks, brokerage houses or other nominees solely for their reasonable out-of-pocket expenses incurred in providing notice to beneficiaries who are Class Members, which expenses would not have been incurred except for the sending of such notice, subject to further order of the Court with respect to any dispute concerning such compensation), locating Class Members, assisting with the filing of claims, administering and distributing the Settlement Fund to Authorized Claimants, processing Proof of Claim and Release forms, and paying escrow fees and costs, if any. Any costs or expenses for notice or claims administration in excess of \$\_\_\_\_\_ shall be paid from the Settlement Fund, subject to the approval of Lead Counsel and further approval of the Court. The Class Notice and Administration Fund also may be invested and earn interest as provided for in ¶2.6 of this Stipulation.

2.11 The Released Defendants’ Parties shall not have any responsibility for or incur any liability with respect to: any act, omission, or determination of or by the Escrow Agent, or any

designees or agents thereof; the Class Notice and Administration Fund; the administration of, distribution of, or disbursement from the Class Notice and Administration Fund; the Settlement Fund; the administration of, distribution of, or disbursement from the Settlement Fund; the Net Settlement Fund; or the administration of, distribution of, or disbursement from the Net Settlement Fund.

**d. Taxes**

2.12 The Parties and the Escrow Agent agree to treat the Settlement Fund as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. §1.468B-1. In addition, the Escrow Agent shall timely make such elections as necessary or advisable, including the “relation-back election” (as defined in Treas. Reg. §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Claims Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

2.13 For the purpose of Section 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Claims Administrator. The Claims Administrator shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)). Such returns shall reflect that all Taxes (including any estimated Taxes, interest or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶2.14 of this Stipulation.

2.14 All Taxes (including any estimated Taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including: (i) any Taxes or tax detriments



that may be imposed upon the Released Defendants' Parties with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a "qualified settlement fund" for federal or state income tax purposes ("Taxes"); and (ii) expenses and costs incurred (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) tax returns) ("Tax Expenses"), shall be paid out of the Settlement Fund; in no event shall the Released Defendants' Parties have any responsibility for or liability with respect to the Taxes or the Tax Expenses. Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(1)(2)). The Parties hereto agree to cooperate with the Claims Administrator, the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of ¶¶2.12 to 2.14 of this Stipulation.

2.15 For the purpose of ¶¶2.12 to 2.14 of this Stipulation, references to the Settlement Fund shall include the Settlement Fund, the Class Notice and Administration Fund and the Net Settlement Fund, and shall also include any earnings on each of the foregoing.

**e. Effect of Termination or Lack of Effectiveness of Settlement**

2.16 In the event that the Effective Date does not occur or the Settlement is terminated or does not become effective for any reason, including, without limitation, in the event that the Settlement is not approved by the Court or the Judgment is reversed or vacated following appeal,

the Settlement Fund (including without limitation any amounts contributed pursuant to the Contribution Agreement) and the Class Notice and Administration Fund and the Net Settlement Fund (in each case, including accrued interest), less certain expenses actually incurred and properly due and owing in connection with the Settlement provided for herein, shall be refunded to Intellipharma as provided in ¶7.3 of this Stipulation, below, within 30 days of termination of the Settlement.

**3. Preliminary Approval Order and Final Approval Hearing**

3.1 Promptly after execution of the Stipulation, and no later than November 11, 2019, Plaintiffs shall submit the Stipulation together with its Exhibits to the Court and shall apply for entry of the Preliminary Approval Order, substantially in the form of Exhibit A hereto, requesting, *inter alia*, the preliminary approval of the Settlement set forth in the Stipulation, and approval for mailing the Notice of Pendency and Proposed Settlement of Class Action (the “Notice”) substantially in the form of Exhibit A-1 hereto, mailing the Proof of Claim and Release (the “Claim Form”) substantially in the form of Exhibit A-2 hereto, and publication of a Summary Notice (the “Summary Notice”) substantially in the form of Exhibit A-3 hereto. The Notice shall include the general terms of the Settlement set forth in the Stipulation, the proposed Plan of Allocation, the general terms of the Fee and Expense Application (as defined below), and the date of the Final Approval Hearing (as defined below). Plaintiffs shall consult in good faith with Defendants as to the language of the motion and related pleadings seeking such Preliminary Approval Order.

3.2 Lead Counsel shall request the Court to schedule a hearing after notice is given (the “Final Approval Hearing”) at which Plaintiffs will seek final Court approval of the Settlement and entry of the Judgment. At the Final Approval Hearing, Lead Counsel also will request that

the Court approve the proposed Plan of Allocation and the Fee and Expense Application, as provided for in ¶¶3.1 and 6.1 to 6.4 of this Stipulation. The form of Preliminary Approval Order submitted to the Court shall specifically include provisions that, among other things, will:

(a) Preliminarily approve this Stipulation and the Settlement as being fair, just, reasonable and adequate;

(b) Preliminarily certify the Class, solely for purposes of the Settlement, and preliminarily find, solely for purposes of the Settlement, that each element for certification of the Class pursuant to Rule 23 of the Federal Rules of Civil Procedure is met;

(c) Approve the form of the Notice for mailing to Members of the Class;

(d) Approve the form of the Claim Form for mailing to Members of the Class;

(e) Approve the form of Summary Notice for publication;

(f) Direct Lead Counsel to mail or cause to be mailed by first class mail the Notice and the Claim Form to those Persons in the Class who can be identified through reasonable effort, on or before the date specified in the Preliminary Approval Order;

(g) Direct nominees who purchased or otherwise acquired common stock of Intellipharma for the benefit of Class Members between May 21, 2015 and July 27, 2017, inclusive, to send the Notice and Claim Form to all such Class Members within ten (10) days after receipt of the Notice or send a list of the names and addresses of such beneficiaries to the Claims Administrator within ten (10) days of receipt of the Notice;

(h) Direct Lead Counsel to cause the Summary Notice to be published once in the *Investor's Business Daily*, on or before the date specified in the Preliminary Approval Order, and once online over the *PR Newswire*, on or before the date specified in the Preliminary Approval Order, and to place a copy of the Complaint and the Stipulation (including Exhibits) on the website

of Lead Counsel or a website maintained by Lead Counsel, on or before the date specified in the Preliminary Approval Order;

(i) Provide that Class Members who wish to participate in the Settlement shall complete and file Claim Forms pursuant to the instructions contained therein;

(j) Find that the notice given pursuant to subparagraphs (c)-(i) above constitutes the best notice practicable under the circumstances and constitutes valid, due and sufficient notice to all Class Members, complying fully with the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Constitution of the United States, and any other applicable law;

(k) Schedule the Final Approval Hearing to be held by the Court to consider and determine whether the Settlement should be approved as fair, reasonable and adequate, and whether the Judgment approving the Settlement should be entered;

(l) Provide that any Class Member who so desires may exercise the right to exclude themselves from the Class but only if they comply with the requirements for so doing as set forth in the Notice;

(m) Provide that at or after the Final Approval Hearing, the Court shall determine whether the proposed Plan of Allocation should be approved;

(n) Provide that at or after the Final Approval Hearing, the Court shall determine and enter an Order regarding whether and in what amount attorneys' fees and reimbursement of expenses should be awarded to Lead Counsel out of the Settlement Fund;

(o) Provide that pending final determination of whether the Settlement should be approved, neither Plaintiffs nor any Class Member, whether directly, representatively, or in

any other capacity, shall commence or prosecute any action or proceeding in any court or tribunal asserting any of the Released Claims against any of the Released Defendants' Parties;

(p) Provide that any objections to: (i) the Settlement; (ii) entry of the Judgment approving the Settlement; (iii) the proposed Plan of Allocation; or (iv) Lead Counsel's fee and expense application(s), and any papers submitted in support of said objections, shall be considered by the Court at the Final Approval Hearing only if, on or before the date specified in the Preliminary Approval Order, Persons making objections shall have filed and served written objections (which shall set forth each objection and the basis therefore) and copies of any papers in support of their position as set forth in the Preliminary Approval Order; and

(q) Provide that the Final Approval Hearing may be continued or adjourned by Order of the Court without further notice to the Class.

#### **4. Releases**

4.1 Upon the Effective Date, as defined in ¶7.1 of this Stipulation, Plaintiffs and each of the Class Members, on behalf of themselves, their respective present and former parent entities, subsidiaries, divisions, and affiliates, the present and former employees, officers, directors, advisors, partners, and agents of each of them, and the predecessors, heirs, executors, administrators, trusts, family members, successors and assigns of each of them, and anyone claiming through or on behalf of any of them, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims as against the Released Defendants' Parties, or any of them, whether or not such Class Member executes and delivers a Claim Form or participates in the Settlement Fund.

4.2 Upon the Effective Date, all Class Members and anyone claiming through or on behalf of any of them, will be forever barred and enjoined from commencing, instituting,

intervening in or participating in, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind or character (whether brought directly, in a representative capacity, derivatively, or in any other capacity), asserting any of the Released Claims against any of the Released Defendants' Parties.

4.3 Upon the Effective Date, with respect to any and all Released Claims, the Plaintiffs shall expressly waive, and each Class Member shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by California Civil Code § 1542 (to the extent it applies) or any other law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Plaintiffs, for themselves and on behalf of all Class Members, expressly acknowledge that they may hereafter discover facts in addition to or different from those that any of them or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims or otherwise, but upon the Effective Date, Plaintiffs expressly shall have, and each Class Member shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, reckless, intentional, with or without

malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs acknowledge, and the Class Members shall be deemed to have acknowledged, and by operation of the Judgment shall have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

4.4 Upon the Effective Date, each of the Released Defendants' Parties shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Released Plaintiffs' Parties from the Released Defendants' Claims, except for those claims brought to enforce the Settlement.

**5. Administration and Calculation of Claims, Final Awards, and Supervision and Distribution of Settlement Fund**

5.1 The Claims Administrator shall administer and calculate the claims submitted by Class Members under the supervision of Lead Counsel and pursuant to the Preliminary Approval Order entered by the Court.

5.2 Subject to the terms of this Stipulation and any orders of the Court, the Settlement Fund shall be applied as follows:

(a) to pay all the costs and expenses reasonably and actually incurred in connection with providing notice, locating Class Members, assisting with the filing of claims, administering and distributing the Settlement Fund to Authorized Claimants, processing Claim Forms, and pay escrow fees and costs, if any;

(b) to pay Taxes and Tax Expenses;

(c) after the Effective Date, to pay Lead Counsel's attorneys' fees and expenses, to the extent allowed by the Court (the "Fee and Expense Award");

(d) after the Effective Date, to distribute the Net Settlement Fund to Authorized Claimants as allowed by the Stipulation (including ¶¶5.3-5.7 below) and the Plan of Allocation and any other applicable order of the Court.

5.3 Upon the Effective Date and thereafter, and in accordance with the terms of the Stipulation and the Plan of Allocation, the Net Settlement Fund shall be distributed to Authorized Claimants, subject to and in accordance with ¶¶5.4 through 5.7 below.

5.4 Any Person falling within the definition of the Class may be excluded from the Class by submitting to the Claims Administrator a request for exclusion which complies with the requirements set forth in the Notice and is postmarked no later than fourteen (14) days prior to the date of the Settlement Hearing. Any Person who submits a valid and timely request for exclusion (and does not subsequently revoke this request for exclusion) shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation (including the releases herein) or the Judgment. However, a Class Member may submit a written revocation of a request for exclusion within ninety (90) days after the mailing of the Notice, or such other period as may be ordered by the Court, and may receive payments pursuant to this Stipulation and Settlement provided the Class Member also submits a valid Claim Form, as set forth in ¶5.6 below, within ninety (90) days after the mailing of the Notice, or such other period as may be ordered by the Court.

5.5 Within ninety (90) days after the mailing of the Notice or such other time as may be set by the Court, each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Claim Form, signed under penalty of perjury and supported by such documents as are specified in the Claim Form and as are reasonably available to the Authorized Claimant.



5.6 All Class Members who fail to timely submit a Claim Form within ninety (90) days after the mailing of the Notice, or such other period as may be ordered by the Court, shall be forever barred from receiving any payments pursuant to the Stipulation and the Settlement, but will in all other respects be subject to and bound by the provisions of the Stipulation, the releases contained herein, and the Judgment.

5.7 The Net Settlement Fund shall be distributed to the Authorized Claimants substantially in accordance with a Plan of Allocation to be described in the Notice and approved by the Court. If there is any balance remaining in the Net Settlement Fund after six (6) months from the date of distribution of such Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), such balance shall be reallocated among and distributed to Authorized Claimants in an equitable and economic fashion. Thereafter, any remaining balance should be donated to an appropriate 501(c)(3) non-profit organization(s) to be selected by Lead Plaintiffs with approval of the Court.

5.8 No Person shall have any claim against Plaintiffs' Counsel, the Claims Administrator, or other entity designated by Lead Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

5.9 It is understood and agreed by the Parties that any proposal Plan of Allocation of the Net Settlement Fund including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a part of the Stipulation and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel the Stipulation or affect or delay the finality of the Judgment or Settlement of

the Action (including the releases contained in the Stipulation), or any other orders entered pursuant to the Stipulation.

5.10 Defendants will take no position with respect to the Proposed Plan of Allocation or such plan as may be approved by the Court. The Plan of Allocation is a matter separate and apart from the Settlement and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the Settlement.

5.11 The Released Defendants' Parties shall not have any responsibility for or incur any liability with respect to: any act, omission, or determination of or by the Claims Administrator, or any designees or agents thereof; any act, omission, or determination of or by any other entity designated by Lead Counsel as referenced in ¶5.8 of this Stipulation; the Plan of Allocation; or the administration of the Plan of Allocation.

**6. Lead Counsel's Attorneys' Fees and Reimbursement of Expenses and Lead Plaintiffs' Expenses**

6.1 Lead Counsel may submit an application or applications for distributions to it from the Settlement Fund for: (a) an award of attorneys' fees; and (b) reimbursement of actual expenses, including the fees of any experts or consultants incurred in connection with prosecuting the Action, plus any interest on such attorneys' fees and expenses accrued at the same rate and for the same periods as earned by the Settlement Fund (until paid), as may be awarded by the Court (the "Fee and Expense Application"). Defendants will not take any position on any Fee and Expense Application that Lead Counsel may file, provided that such Fee and Expense Application seeks an award of attorneys' fees in an amount not greater than thirty-three and one-third percent (33 1/3%) of the Settlement Fund and reimbursement of expenses incurred in connection with the prosecution of this Action not to exceed \$110,000.00, and further provided that any such Fee and Expense Application is subject to the approval of the Court.

6.2 The attorneys' fees and expenses, as awarded by the Court, shall be paid to Lead Counsel from the Settlement Fund, as ordered, within three (3) days after the Effective Date of the Settlement, subject to the joint and several obligation of Lead Counsel to make appropriate refunds or repayments to the Settlement Fund plus interest (accrued as from the date the funds of the Settlement Fund are deposited with the Escrow Agent until the date the appropriate refunds or repayments are made), if and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the fee or expense award is reduced or reversed.

6.3 The procedure for and the allowance or disallowance by the Court of any applications by Lead Counsel for attorneys' fees and expenses (including the fees of experts and consultants) to be paid out of the Settlement Fund are not part of the Settlement and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement. The Fee and Expense Award and Plaintiffs' Fee and Expense Application are not settlement terms and will not be grounds for terminating the Settlement or proposed Settlement. Any order or proceedings relating to the Fee and Expense Application, or Plaintiffs' expenses application, or any appeal from any order relating to either of the foregoing or reversal or modification of either of the foregoing, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment or the Settlement (including the releases contained therein).

6.4 The Released Defendants' Parties shall have no responsibility for, and no liability whatsoever with respect to: any Fee and Expense Application that Lead Counsel may file; any Plaintiffs' expenses application that Plaintiffs or Lead Counsel may file; any payments to Lead Counsel pursuant to ¶¶6.1 and 6.2, above; or any Fee and Expense Award that the Court may make in the Action. The Released Defendants' Parties also shall have no responsibility for, and

no liability whatsoever with respect to any other Person who may seek fees and expenses in connection with prosecuting or helping to prosecute this Action against Defendants or to any other Person who may assert some claim to: any payments to Lead Counsel pursuant to ¶¶6.1 and 6.2, above; or any Fee and Expense Award that the Court may make in the Action.

**7. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination**

7.1 The Effective Date of the Stipulation and the Settlement shall be conditioned on the occurrence of all of the following events:

(a) the Settlement Amount has been paid into the Settlement Fund as required by ¶2.2 of this Stipulation;

(b) the Court has entered the Preliminary Approval Order substantially in the form attached hereto as Exhibit A as referenced in ¶3.1 of this Stipulation;

(c) the Court has entered the Judgment, or a judgment substantially in the form of Exhibit B hereto, which, *inter alia*, dismisses the Action with prejudice as to all Defendants and includes the releases set forth in this Stipulation; and

(d) the Judgment has become Final.

7.2 Upon the occurrence of all of the events referenced in ¶7.1 of this Stipulation, any and all remaining interest or right of Intellipharma in or to the Settlement Fund, if any, shall be absolutely and forever extinguished. If all of the conditions specified in ¶7.1 of this Stipulation are not met, then the Stipulation shall be canceled and terminated subject to ¶7.4 of this Stipulation unless Lead Counsel and counsel for Defendants mutually agree in writing to proceed with the Settlement.

7.3 Unless otherwise ordered by the Court, in the event that the Effective Date does not occur or the Stipulation shall terminate, or be canceled, or shall not become effective for any

reason, including, without limitation, in the event that the Settlement is not approved by the Court or the Judgment is reversed or vacated following any appeal taken therefrom, then within fourteen (14) days after written notification of such event is sent by counsel for Intellipharmaeutics to the Escrow Agent, the Settlement Fund (including accrued interest), including the Settlement Amount, plus the Class Notice and Administration Fund (including accrued interest), and the Net Settlement Fund, and all payments disbursed, including all expenses, costs, and any Fee and Expense Award and any Plaintiffs' time and expense allocations – excluding only expenses and costs which have either been disbursed or are determined to be chargeable to the Class Notice and Administration Fund, in connection with providing notice and other reasonable administrative costs of implementing the Settlement, pursuant to ¶2.10 of this Stipulation, and Taxes and Tax Expenses that have been paid or that have accrued and will be payable at some later date – shall be refunded by the Escrow Agent to Intellipharmaeutics or its insurer pursuant to written instructions from Intellipharmaeutics or its successor-in-interest. Such amount to be refunded shall not be reduced by any investment losses on funds in escrow and any such losses shall be an obligation of the Escrow Agent. If said amount or any portion thereof is not returned within such fourteen (14) day period, then interest shall accrue thereon at the rate earned on the Settlement Fund until the date that amount is returned. At the request of counsel to Intellipharmaeutics, the Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Fund and Class Notice and Administration Fund and pay the proceeds, after deduction of any fees or expenses reasonably incurred in connection with such application(s) for refund, pursuant to written direction from Intellipharmaeutics or its successor-in- interest.

7.4 In the event that the Stipulation is not approved by the Court or the Settlement is not approved by the Court or is terminated or fails to become effective in accordance with its

terms, the Parties shall be restored to their respective positions in the Action as of the moment immediately before the memorandum of understanding was executed on August 9, 2019. In such event, the terms and provisions of the Stipulation and any document executed pursuant to or in furtherance of the Stipulation or the Settlement, with the exception of ¶¶2.11, 7.3-7.5, and 8.4, shall have no further force and effect with respect to the Parties and shall not be used in this Action or in any other proceeding for any purpose, and any order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*. No order of the Court or modification or reversal on appeal of any Court order concerning the Plan of Allocation or the amount of any attorneys' fees, costs, expenses and interest awarded by the Court to Lead Counsel shall constitute grounds for cancellation or termination of the Stipulation.

7.5 If the Effective Date does not occur, or if the Stipulation is terminated pursuant to its terms, neither Plaintiffs nor Lead Counsel shall have any obligation to repay any amounts actually and properly disbursed from the Class Notice and Administration Fund. In addition, any expenses already incurred and properly chargeable to the Class Notice and Administration Fund pursuant to ¶2.10 of this Stipulation at the time of such termination or cancellation, but which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of the Stipulation prior to the balance being refunded in accordance with ¶¶2.10 and 7.3 of this Stipulation.

7.6 If a bankruptcy proceeding is commenced against Intellipharmaceutics or a trustee, receiver, or conservator is appointed under any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of the Settlement Fund, or any portion thereof, by or on behalf of Intellipharmaceutics to be a preference, voidable transfer,

fraudulent transfer, or similar transaction, then, at Plaintiffs' option, the releases given and Judgment entered in favor of Defendants pursuant to this Stipulation shall be null and void.

7.7 Notwithstanding the foregoing ¶7.6, Plaintiffs' right to nullify the releases and Judgment as to any Defendant pursuant to ¶7.6 shall expire upon the Effective Date.

7.8 Simultaneously herewith, the Parties, by and through their respective counsel, are executing a Supplemental Agreement, attached hereto as Exhibit D, which gives Intellipharma the right, but not the obligation, to terminate the Settlement in the event that a certain portion of the Class delivers timely and valid requests for exclusion from the Class (the "Supplemental Agreement").

## **8. Miscellaneous Provisions**

8.1 The Parties (a) acknowledge that it is their intent to consummate this agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their reasonable best efforts to accomplish the terms and conditions of the Stipulation.

8.2 Subject to the terms of this Stipulation, the Parties intend this Settlement to be a final and complete resolution of all disputes that Plaintiffs and the Class have with the Released Defendants' Parties, and that Defendants have with the Released Plaintiffs' Parties, with respect to the Released Claims and the Released Defendants' Claims, respectively. The Settlement compromises claims which are contested and shall not be deemed an admission by any Plaintiff or Defendant as to the merits of any claim or defense. The Judgment will contain a statement that during the course of the Action, Plaintiffs, Defendants, and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11. In addition, Plaintiffs and the Class will not make applications against the Released Defendants' Parties, and Defendants

will not make applications against the Released Plaintiffs' Parties for fees, costs or sanctions, pursuant to Rule 11, Rule 37, Rule 45 or any other court rule or statute, with respect to any claims or defenses in this Action or to any aspect of the institution, prosecution, or defense of the Action. While retaining its right to deny liability, Intellipharma agrees that the amount paid to the Settlement Fund and the other terms of the Settlement were negotiated in good faith by the Parties and reflect a settlement that was reached voluntarily after consultation with competent legal counsel. The Parties agree to refrain from making disparaging statements about the other in any press release, statements to the media, or other public communications (including statements made in court filings or in court) relating to the Settlement, including the claims to be released pursuant to the Settlement, including prior to the Effective Date.

8.3 Neither the Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Released Defendants' Parties, or; (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Released Defendants' Parties in any civil, criminal, administrative, or other proceeding before any court, administrative agency, arbitration tribunal, or other body. Any of the Released Defendants' Parties may file the Stipulation and/or the Judgment in any action or other proceeding that may be brought against them in order to support a defense, argument, or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or similar defense, argument, or counterclaim.

8.4 All agreements made and orders entered during the course of the Action relating to the confidentiality of information shall survive this Stipulation, pursuant to their terms.



8.5 All of the Exhibits to the Stipulation are material and integral parts hereof and are fully incorporated herein by reference. In the event there exists a conflict or inconsistency between the terms of the Stipulation, on the one hand, and any Exhibit on the other, the terms of this Stipulation shall govern.

8.6 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest.

8.7 The Stipulation and the executed or so ordered versions of those ancillary documents which are attached hereto as Exhibits constitute the entire agreement among the Parties and no representations, warranties or inducements have been made to any party concerning the Stipulation or its Exhibits other than the representations, warranties, and covenants contained and memorialized in such documents. Except as otherwise provided herein, Plaintiffs shall not be responsible for any costs borne by Defendants or their counsel, and Defendants shall not be responsible for any costs borne by Plaintiffs or their counsel.

8.8 Lead Counsel, on behalf of the Class, are expressly authorized by Plaintiffs to take all appropriate action required or permitted to be taken by the Class pursuant to the Stipulation to effectuate its terms and also are expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of the Class which Lead Counsel deem appropriate.

8.9 Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of any party hereto hereby warrants that such Person has the full authority to do so.

8.10 The Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of original executed counterparts shall be filed with the Court.

8.11 The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

8.12 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and all Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement. The Parties agree that any action based on this Stipulation or to enforce any of its terms shall be brought in this Court.

8.13 Plaintiffs and Lead Counsel represent and warrant that none of Plaintiffs' claims or causes of action in the Action have been assigned, encumbered, or in any manner transferred in whole or in part.

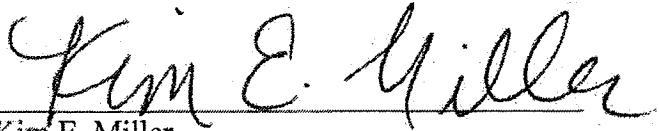
8.14 All terms of this Stipulation and the executed or so ordered versions of those ancillary documents which are attached hereto as Exhibits shall be governed by and interpreted according to the substantive laws of the State of New York, without giving regard or effect to its choice-of-law rules, except to the extent that federal law requires the application of federal law.

8.15 The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

8.16 The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation. Unless otherwise stated herein, any breach of any provision of this Stipulation by any Party hereto shall not constitute grounds for rescission of this Stipulation, but shall constitute grounds only for a claim for specific performance for breach of this Stipulation.

IN WITNESS THEREOF, the parties hereto have caused the Stipulation to be executed,  
by their duly authorized attorneys dated this 4th day of November, 2019.

DATED: November 4, 2019

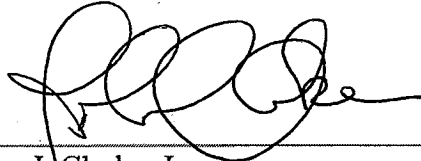


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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

\_\_\_\_\_  
SHAWN SHANAWAZ, Individually and On )  
Behalf of All Others Similarly Situated, )

Plaintiff, )

vs. )

INTELLIPHARMACEUTICS )  
INTERNATIONAL INC., ISA ODIDI and )  
DOMENIC DELLA PENNA, )

Defendants. )  
\_\_\_\_\_

Case No. 1:17-cv-05761

HON. J. PAUL OETKEN

**[PROPOSED] ORDER**  
**PRELIMINARILY APPROVING**  
**SETTLEMENT AND**  
**PROVIDING FOR NOTICE OF**  
**PENDENCY**

**EXHIBIT A**

This Court, having reviewed and considered the parties’ Stipulation and Agreement of Settlement dated November 4, 2019, and Plaintiffs’ motion for an order preliminarily approving the Settlement, ORDERS:

1. The Court preliminarily approves the Stipulation and the Settlement, subject to further consideration at the Settlement Fairness Hearing described below.

2. Pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure, the Court preliminarily certifies, for settlement purposes only, a settlement class consisting of all Persons or entities who purchased or otherwise acquired Intellipharmaceutics common stock in a Covered Transaction at any time from May 21, 2015 through and including July 27, 2017 (the “Class Period”). Excluded from the Class are Defendants, members of their immediate families, and their legal representatives, heirs, successors or assigns. “Covered Transaction” means either: (i) a transaction in Intellipharmaceutics common stock listed for trading on the NASDAQ Stock Market; or (ii) a transaction in Intellipharmaceutics common stock to which the United States securities laws apply, including as provided in *Morrison v. National Australia Bank*, 561 U.S. 247

(2010). For the avoidance of any doubt, “Covered Transaction” shall not include any transaction in Intellipharmaceutics common stock listed for trading on the Toronto Stock Exchange (TSX).

3. The Court has determined preliminarily and for the purpose of settlement only that: (a) the Class is so numerous that joinder of all members is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims or defenses of Plaintiffs are typical of the Class; and (d) Plaintiffs will fairly and adequately protect the interests of the Class. The Court further preliminarily finds that the questions of law or fact common to Class Members predominate over any questions affecting individual members, including but not limited to whether Intellipharmaceutics published materially false and/or misleading statements between May 21, 2015 and July 27, 2017, as alleged by Plaintiffs. The Court also preliminarily finds that a class action is superior to other available methods for the fair and efficient adjudication of this controversy.

4. The Settlement Fairness Hearing shall be held before this Court on \_\_\_\_\_, at \_\_\_\_\_, at the United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY, 10007, 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 Class and should be approved by the Court; whether the Class should be certified pursuant to Rule 23 of the Federal Rules of Civil Procedure; whether a Judgment as provided in the Stipulation and its Exhibit B, which, *inter alia*, dismisses the Action with prejudice as to all Defendants and contains releases, should be entered; whether the proposed Plan of Allocation should be approved; and to determine the amount of reasonable fees, time, costs, expenses, if any, that should be awarded to Lead Counsel. The Court may adjourn the Settlement Fairness Hearing without further notice to Class Members.

5. The Court approves, as to form and content, the Notice of Pendency and Proposed Settlement of Class Action (the “Notice”), the Proof of Claim and Release form (the “Claim Form”), and Summary Notice for publication, included respectively as Exhibits A-1, A-2, and A-3 to the Stipulation, and finds that the mailing and distribution of the Notice and publishing of the Summary Notice substantially in the manner and form set forth therein meet the requirements of Federal Rule of Civil Procedure 23 and due process, and constitute the best notice practicable under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

6. The Court further reserves the right to enter a Final Judgment and Order of Dismissal with Prejudice that approves the Settlement and dismisses the Action on the merits and with prejudice regardless of whether the Court has approved the Plan of Allocation, or awarded attorneys’ fees and expenses or Plaintiffs’ time and expenses

7. The Court appoints Rust Consulting, Inc. (“Claims Administrator”) to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below:

(a) Not later than 14 days after entry of this order (the “Notice Date”), Lead Counsel shall cause a copy of the Notice and the Claim Form, substantially in the forms annexed as Exhibits A-1 and A-2 hereto, to be mailed by first class mail to all Class Members who can be identified with reasonable effort.

(b) Not later than 21 days after the issuance of this Order, Lead Counsel shall cause the Summary Notice to be published in the *Investor’s Business Daily* and once online over the *PR Newswire*, and not later than 21 days after the issuance of this Order, Lead Counsel shall place a copy of the Complaint and the Stipulation (including Exhibits) on the website of Lead

Counsel or a website maintained by Lead Counsel.

(c) Not later than 30 days after the issuance of this Order, Lead Counsel shall cause to be served on Defendants' counsel and filed with the Court proof, by affidavit or declaration, of the mailing and publishing described above.

8. Nominees who purchased or otherwise acquired common stock of Intellipharma for the benefit of Class Members between May 21, 2015 and July 27, 2017, inclusive, shall send the Notice and Claim Form to all such Class Members within ten (10) days after receipt of the Notice or send a list of the names and addresses of such beneficiaries to the Claims Administrator within ten (10) days of receipt of the Notice. Lead Counsel shall, if requested, reimburse, out of the Class Notice and Administration Fund, banks, brokerage houses or other nominees solely for their reasonable out-of-pocket expenses incurred in providing notice to beneficiaries who are Class Members, which expenses would not have been incurred except for the sending of such notice, subject to further order of this Court with respect to any dispute concerning such compensation.

9. All Class Members shall be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable to the Class.

10. Class Members who wish to participate in the Settlement shall complete and submit a Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked no later than \_\_\_\_\_, 2020. Any Class Member who does not timely submit a Claim Form within the time provided for shall be barred from sharing in the distribution of the proceeds of the Net Settlement Fund, unless otherwise ordered by the Court.

11. Any Person who desires to request exclusion from the Class shall do so within the

time set forth and in the manner described in the Notice. All Persons who submit valid and timely requests for exclusion in the manner set forth in the Notice shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or the Judgment.

12. Any Class Member may enter an appearance in the Action, at their own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Lead Counsel.

13. Any Class Member may appear and show cause, if he, she or it has any reason why the proposed Settlement of the Action should or should not be approved as fair, reasonable, and adequate, why a judgment should or should not be entered thereon, why the Plan of Allocation should or should not be approved, or why attorneys' fees and expenses should or should not be awarded to Lead Counsel.

14. Any Class Member who does not make a written objection in the manner provided and/or appear in person or through a representative at the Settlement Fairness Hearing shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the Settlement, to the Plan of Allocation, to the award of attorneys' fees and expenses to Lead Counsel.

15. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and Plan of Allocation.

16. No Released Defendants' Parties or Released Plaintiffs' Parties shall have any responsibility for or liability with respect to the Plan of Allocation or any application for attorneys' fees or reimbursement of expenses submitted by Lead Counsel, and such matters will be



considered separately from the fairness, reasonableness, and adequacy of the Settlement.

17. At or after the Settlement Fairness Hearing, the Court will determine whether the Plan of Allocation proposed by Lead Counsel, and any application for attorneys' fees or reimbursement of expenses, shall be approved.

18. All reasonable expenses incurred in identifying and notifying Class Members, as well as administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither Plaintiffs nor Lead Counsel shall have any obligation to repay any amounts actually and properly disbursed from the Class Notice and Administration Fund.

19. 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 any Released Person of the truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind and shall not be construed as, or deemed to be evidence of, or an admission or concession that, Plaintiffs or any Class Members have suffered any damages, harm, or loss.

20. In the event that the Settlement does not become Final in accordance with the Stipulation or the Effective Date does not occur, this Order shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated. In such event, all orders entered and releases delivered in connection herewith shall also be null and void to the extent provided by and in accordance with the Stipulation.

21. The Court reserves the right to continue the Settlement Fairness Hearing without further notice to the Class Members and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. The Court may approve the Settlement,

with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the Class.

22. Pending the Settlement Fairness Hearing, all Class Members are enjoined from initiating or prosecuting any actions or claims against any Released Defendants’ Parties that are within the scope of the releases provided for by the Stipulation.

23. The following schedule of dates shall govern the resolution of this Settlement:

Deadline for filing of papers in support of (i) the Settlement, (ii) the Plan of Allocation, (iii) the application by Lead Counsel for attorneys’ fees or reimbursement of expenses (collectively, the “Applications”)	
Deadline for Lead Counsel to file affidavit of notice mailing and publication	
Deadline for submitting requests to be excluded from the Class and/or objections	
Deadline for filing an opposition to any of the Applications	
Deadline for filing reply to any opposition to the Applications or any response to any objection(s) filed	
Date of Settlement Fairness Hearing	
Deadline for Class Members’ submission of Proof of Claim and Release forms	

**IT IS SO ORDERED:**

DATED: \_\_\_\_\_

\_\_\_\_\_  
 THE HONORABLE J. PAUL OETKEN  
 UNITED STATES DISTRICT JUDGE  
 SOUTHERN DISTRICT OF NEW YORK

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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SHAWN SHANAWAZ, Individually and On )  
Behalf of All Others Similarly Situated, )

Plaintiff, )

vs. )

INTELLIPHARMACEUTICS )  
INTERNATIONAL INC., ISA ODIDI and )  
DOMENIC DELLA PENNA, )

Defendants. )

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Case No. 1:17-cv-05761

HON. J. PAUL OETKEN

**NOTICE OF PENDENCY**

**EXHIBIT A-1**

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

**If you purchased or otherwise acquired Intellipharmaceutics International Inc. common stock (trading symbol IPCI) between May 21, 2015 and July 27, 2017, inclusive, you could get a payment from a class action settlement.<sup>1</sup>**

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

- The Settlement resolves a federal class action lawsuit alleging that Intellipharmaceutics International Inc. (“Intellipharmaceutics”) and certain of its officers and directors violated the Securities Exchange Act of 1934 (the “Exchange Act”), and Rule 10b-5 promulgated thereunder, by making materially false and misleading statements and omissions with regard to Intellipharmaceutics’ New Drug Application (“NDA”) for Rexista, an abuse-deterrent extended release formulation of oxycodone hydrochloride.
- Defendants (as defined below) deny Plaintiffs’ allegations. The parties disagree on, among other things, whether Defendants violated any federal securities laws and whether the alleged violations actually caused any damages to the Class Members.
- The federal court has certified, for settlement purposes only, a class consisting of all Persons or entities who purchased or otherwise acquired Intellipharmaceutics common stock in a Covered Transaction between May 21, 2015 and July 27, 2017, inclusive. Excluded from the Class are Defendants, members of their immediate families, and their legal representatives, heirs, successors, or assigns. “Covered Transaction” means either: (i) a transaction in Intellipharmaceutics common stock listed for trading on the NASDAQ Stock Market; or (ii) a transaction in Intellipharmaceutics common stock to which the United States securities laws apply, including as provided in *Morrison v. National Australia Bank*, 561 U.S. 247 (2010). For the avoidance of any doubt, “Covered Transaction” shall not include any transaction in Intellipharmaceutics common stock listed for trading on the Toronto Stock Exchange (TSX).
- The Settlement will provide a \$1,600,000 cash Settlement Fund for the benefit of Class Members who purchased or otherwise acquired Intellipharmaceutics common stock between May 21, 2015 and July 27, 2017, inclusive. The minimum “average recovery per damaged share” of Intellipharmaceutics common stock under the Settlement is \$0.08 before deduction of fees and expenses.<sup>2</sup>

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<sup>1</sup> All capitalized terms not otherwise defined in this document shall have the meaning provided in the Stipulation of Settlement, dated November 4, 2019.

<sup>2</sup> In September 2018 there was a 1-for-10 reverse split in Intellipharmaceutics common stock. Values in this document (e.g., artificial inflation per share, share prices, volume, and number of shares, etc.) are unadjusted for this stock split and reflect historical values prior to September 2018. If necessary, the Claims Administrator will adjust Authorized Claimants’ submissions to per-split levels.

- The Court-appointed Lead Plaintiffs are David Ducharme, Sam Snyder and Julia Ann Snyder (collectively, “Lead Plaintiffs”). Additional Plaintiffs are Guy Braverman and Eric Ludwig (collectively, “Plaintiffs”). The defendants are Intellipharmaceutics, Isa Odidi and Domenic Della Penna (the “Individual Defendants”) (collectively, “Defendants”).
- Your legal rights are affected whether you act or do not act. Read this Notice carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM BY _____</b>	The only way to get a payment in this Settlement.
<b>EXCLUDE YOURSELF FROM THE LAWSUIT BY SUBMITTING AN OPT-OUT FORM BY _____</b>	Get no payment pursuant to this Settlement. This is the <b>only</b> option that allows you to be a part of any other lawsuit against the Defendants and their affiliates involving the claims released by this Settlement.
<b>OBJECT BY _____</b>	Write a letter to the Court objecting to the Settlement. You must still file a claim if you want to receive payment from the Settlement.
<b>GO TO A HEARING ON _____</b>	Ask to speak in Court about the Settlement.
<b>DO NOTHING</b>	Get no payment from this Settlement. You will also be giving up your rights regarding all claims released by this Settlement and any other lawsuit as to the common stock.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals by Class Members are resolved.

## **SUMMARY OF THIS NOTICE**

### **Statement of Class Recovery Under the Settlement**

Pursuant to the Settlement described herein, a \$1,600,000.00 cash Settlement Fund has been established. Plaintiffs estimate that there were approximately 18.9 million Intellipharmaceutics common stock shares traded during the Class Period that may have been damaged. Plaintiffs estimate that the minimum “average recovery per damaged share” of Intellipharmaceutics common stock under the Settlement is \$0.08 before deduction of fees and expenses. A Class Member’s actual recovery will be a proportion of the Net Settlement Fund (defined below), determined by that Claimant’s recognized loss (*i.e.*, a claim proved by timely submission of a valid Proof of Claim and Release form) as compared to the total recognized losses of all Class Members. This proportional allocation is called “proration.” *See* the Plan of Allocation beginning on Page 13 for more information.

### **Statement of Claims, Issues, Defenses, and Potential Outcome of Case**

Plaintiffs allege that Defendants violated Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, by making materially false and misleading statements and omissions with respect to Intellipharmaceutics’ NDA for Rexista, an abuse-deterrent extended release formulation of oxycodone hydrochloride.

Defendants moved to dismiss the Complaint, denying all claims and contentions alleged by Plaintiffs in this Action, and maintaining that Plaintiffs did not adequately allege any valid claim under the federal securities laws. Specifically, Defendants argued: (1) that the Complaint did not plausibly allege that any challenged statement was materially false or misleading when made; (2) that the Complaint did not plead facts giving rise to the required “strong inference” of scienter; and (3) that because the Complaint did not sufficiently plead the primary violation, the “control person” claims against the Individual Defendants should be dismissed. Plaintiffs filed their opposition to that motion and Defendants filed a reply. After that motion to dismiss was fully briefed, on December 17, 2018, the Motion to Dismiss was denied in part and granted in part by Judge J. Paul Oetken. On May 13, 2019, the proceedings were stayed in connection with an ongoing private mediation with qualified mediator Michelle Yoshida of Phillips ADR. The Parties came to a settlement agreement on August 9, 2019.

At the time the settlement was reached, Plaintiffs faced the possibility that the Class in this Action would not be certified and that the Action would not survive summary judgment. Had the case gone to trial, Defendants would have asserted a myriad of factual and legal defenses, including that Intellipharmaceutics and the Individual Defendants fully complied with the federal securities laws and did not make any materially untrue or misleading statements or omissions. Defendants would also contest: (1) the measure and amount of recoverable damages, if any; (2) the extent to which the statements that Plaintiffs alleged as materially false or misleading influenced (if at all) the trading prices of Intellipharmaceutics common stock at various times during the relevant time period; and (3) whether Plaintiffs have standing to assert all of the claims in the Complaint.

Furthermore, to the extent Plaintiffs succeeded on any claims, Defendants could take those issues on appeal, which could result in additional years of litigation with no certainty as to outcome for either side. Thus, had this Action continued, Plaintiffs and the proposed Class could face the possibility of obtaining no recovery. This Settlement enables the Class to recover a percentage of the alleged damages as calculated by Lead Counsel in conjunction with their economic consultant, without incurring any additional risk. As a result, Plaintiffs and Counsel believe this settlement is a fair and reasonable recovery.

The Parties disagree on the amount of damages, if any, which would have been recoverable had Plaintiffs prevailed on all claims in this litigation. Plaintiffs contend that the misrepresentations and omissions alleged in the Complaint were the direct cause of the artificial elevation and eventual decline in the price of Intellipharmaceutics' common stock and caused Plaintiffs and the Class to be damaged. Plaintiffs further contend that the alleged stock decline is fully attributable to the alleged misrepresentations and omissions set forth in the Complaint. Defendants contend that they made no misrepresentations or omissions, but in all events the alleged misrepresentations and/or omissions set forth in the Complaint did not cause a decline in Intellipharmaceutics common stock and, therefore, Plaintiffs and the Class have not been damaged.

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

Lead Counsel will move the Court to award attorneys' fees in an amount not greater than thirty-three and one-third percent (33 1/3%) of the gross Settlement Fund and reimbursement of expenses incurred in connection with the prosecution of this action not to exceed \$110,000.00. The requested fees and expenses would amount to an average of not more than \$0.037 per damaged share in total for fees and expenses for Intellipharmaceutics common stock shares. *See* Questions 8-11 below for more information. Class Members are not personally liable for any such fees, expenses, or compensation.

### **Further Information**

Further information regarding the Action and this Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys' Fees and Settlement Hearing (the "Notice") may be obtained by contacting Lead Counsel: Lewis S. Kahn, Esq., Kahn Swick & Foti, LLC, 1100 Poydras Street, Suite 3200, New Orleans, Louisiana 70163, Telephone: 504-455-1400.

### **Reasons for the Settlement**

For Plaintiffs, the principal reason for the Settlement is the benefit to be provided to the Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. Plaintiffs further considered, after conducting a substantial investigation into the facts of the case, the risks to proving liability and damages. For Defendants, who deny all allegations of wrongdoing or liability, the principal reason for the Settlement is to eliminate the expense, risks, and uncertain outcome of the litigation.

## **HOW YOU GET A PAYMENT—SUBMITTING A PROOF OF CLAIM FORM**

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

To qualify for a payment, you must send in a Proof of Claim and Release form (“Claim Form”). A Claim Form is being circulated with this Notice. You may also get a Claim Form on the Internet at [www.\\_\\_\\_\\_\\_.com](http://www._____.com). Read the instructions carefully, fill out the Claim Form, include all the documents the form asks for, sign it, and mail it postmarked no later than \_\_\_\_\_.

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

The Court will hold a hearing on \_\_\_\_\_, to decide whether to approve the settlement. If the Court approves the settlement, after that, there may be appeals by Class Members. Resolving appeals can take time, perhaps more than a year. It also takes time for all the Claim Forms to be processed.

### **3. What am I giving up to get a payment?**

Unless you specifically exclude yourself, you will be treated as a member of this class action. This means that upon the Effective Date, you will relinquish all Released Claims against the Released Defendants’ Parties. These terms are defined below:

“Released Claims” means all claims (including but not limited to Unknown Claims), demands, losses, rights, and causes of action of any nature whatsoever, that have been or could have been asserted in the Action or could in the future be asserted in any forum, whether foreign or domestic, by Plaintiffs, any member of the Class, or their successors, assigns, executors, administrators, representatives, attorneys and agents, whether brought directly, indirectly, or derivatively against any of the Released Defendants’ Parties, which arise out of, are based on, or relate in any way to, directly or indirectly, any of the allegations, acts, transactions, facts, events, matters, occurrences, representations or omissions involved, set forth, alleged or referred to in the Action, or which could have been alleged in the Action, and which arise out of, are based upon, or relate in any way, directly or indirectly, to the purchase, acquisition, transfer, holding, ownership, disposition or sale of Intellipharma common stock, by any members of the Class during the Class Period, and/or any disclosures, public filings, registration statements, or other statements by Intellipharma or any Defendant based upon or arising out of any facts, matters, allegations, transactions, events, disclosures, statements, acts or omissions that were asserted or could have been asserted in this Action or in any other action or forum, whether arising under federal, state, common or foreign law. For the avoidance of doubt, “Released Claims” does not include claims to enforce the Settlement.

“Released Defendants’ Parties” means each and all of the Defendants, each of their



respective family members (for individuals) and past, present and future direct and indirect parent entities, subsidiaries, related entities and affiliates, and, as applicable, their respective past and present general partners, limited partners, principals, shareholders, investors (however denominated), joint ventures, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof.

“Released Plaintiffs’ Parties” means each and all of the plaintiffs, consisting of Plaintiffs and members of the Class, and, as applicable, their respective family members, and their respective past, present and future general partners, limited partners, principals, shareholders, investors (however denominated), joint ventures, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof.

The “Effective Date” will occur when an order entered by the Court approving the settlement becomes final and not subject to appeal.

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

## **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Defendants’ Parties in some other lawsuit as to the Released Claims in this lawsuit, then you must take steps to remove yourself from this lawsuit. This is called excluding yourself from or “opting out” of the Class. If more than a certain percentage of Class Members opt out or exclude themselves from the Class, Defendants may withdraw from and terminate the Settlement.

### **4. How do I exclude myself from the proposed settlement?**

To exclude yourself from the Class, you must send a signed letter by mail stating that you “request exclusion from the Class in *Shanawaz v. Intellipharmaceutics International Inc. et al.*, Civil Action No. 17-CV-05761-JPO.” Your letter should state the date(s), price(s), and number of shares of all your purchases and sales of Intellipharmaceutics common stock in Covered Transactions during the Class Period. In addition, be sure to include your name, address, telephone number, and signature. You must mail your exclusion request postmarked no later than \_\_\_\_\_ to:

Intellipharmaceutics Securities Litigation

Intellipharmaceutics Securities Litigation

c/o Rust Consulting, Inc.  
P.O. Box \_\_\_\_\_  
Minneapolis, MN \_\_\_\_\_  
(by regular or express mail)

c/o Rust Consulting, Inc.  
625 Marquette Ave., Suite 900  
Minneapolis, MN 55402  
(by express delivery service)

You cannot exclude yourself by telephone or by email. If you ask to be excluded, you will not get any settlement payment and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) the Defendants and the other Released Defendants' Parties in the future. If you exclude yourself, do not send in a Claim Form to ask for any money.

**5. If I do not exclude myself from the Settlement, can I sue the Defendants and the other Released Defendants' Parties later for the same alleged conduct?**

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Defendants' Parties for any and all Released Claims. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is \_\_\_\_\_.

**6. If I exclude myself from the settlement, can I get money from the proposed settlement?**

No, but you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Released Defendants' Parties.

**IF YOU DO NOTHING**

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

The judgment of the Court will be binding upon you if you do nothing. You will get no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other Released Defendants' Parties about the Released Claims in this case, ever again. To share in the Net Settlement Fund, you must submit a Claim Form (*see* Question 1). To start, continue, or be a part of any other lawsuit against the Defendants and the other Released Defendants' Parties about the Released Claims in this case, you must exclude yourself from this Class (*see* Question 4).

**THE LAWYERS REPRESENTING CLASS MEMBERS**

**8. Do I have a lawyer in this case?**

The Court ordered that the law firm of Kahn Swick & Foti, LLC represent all Class Members. This firm is called Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Lead Counsel's fees and expenses, which will be paid from the gross Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

**9. How will Lead Counsel be paid?**

Lead Counsel will move the Court to award plaintiff's counsel's attorneys' fees from the gross Settlement Fund in a total amount not greater than thirty-three and one-third percent (33 1/3%) of the gross Settlement Fund and reimbursement of their expenses in an amount no greater than \$110,000.00, plus interest on such expenses may be sought.

**10. How will the notice costs and expenses be paid?**

Lead Counsel is authorized by the Stipulation to pay the Claims Administrator's fees and expenses incurred in connection with giving notice, administering the settlement, and distributing the settlement proceeds to the members of the Class. The Claims Administrator's fees and expenses will be paid out of the gross Settlement Fund and are estimated to be \$115,000.00. The Claims Administrator was selected through a competitive bidding process and multiple bids were reviewed and considered.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the Settlement or some part of it.

**11. How do I object to the Settlement?**

If you are a Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation, and/or the application by Lead Counsel for an award of fees and expenses. You may write to the Court setting out your objection(s). You should state reasons why you think the Court should not approve any or all of the settlement terms or arrangements.

You must object in writing by sending a signed letter stating that you object to the proposed settlement in *Shanawaz v. Intellipharmaceutics International Inc. et al.*, Civil Action No. 17-CV-05761-JPO. Your objection must include a cover page identifying this case name and number and naming the hearing date of \_\_\_\_, at \_\_\_\_ at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl St., Courtroom 706, New York, NY 10007. Be sure to include your name, address, telephone number, and signature; identify the date(s), price(s), and number of shares of all purchases and sales of Intellipharmaceutics common stock you made during the Class Period, and state the reasons why you object to the settlement. Your objection must be postmarked on or before to the Court; Kahn Swick & Foti, LLC, on behalf of the Plaintiffs; and Counsel for the Defendants at the following addresses:

**COURT:**

Clerk of the Court  
Daniel Patrick Moynihan  
United States Courthouse  
500 Pearl Street  
New York, NY 10007

**FOR LEAD PLAINTIFFS:**

Lewis S. Kahn  
KAHN SWICK & FOTI, LLC  
1100 Poydras Street, Suite 3200  
New Orleans, LA 70163

*Lead Counsel for Lead Plaintiffs and the Class*

**FOR DEFENDANTS:**

John J. Clarke, Jr.  
DLA PIPER LLP (US)  
1251 Avenue of the Americas  
New York, NY 10020

*Counsel for Defendants Intellipharmaceutics, Isa  
Odidi and Domenic Della Penna*

You do not need to go to the Settlement Hearing to have your written objection considered by the Court.

At the Settlement Hearing, any Class Member who has not previously submitted a request for exclusion from the Class may appear and be heard, to the extent allowed by the Court, to state any objection to the settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the Settlement Hearing. If you or your representative intend to appear in person but have not submitted a written objection postmarked by \_\_\_\_\_, it is recommended that you give advance notice to Lead Counsel for the Class and/or counsel for Defendants of your intention to attend the hearing in order to object and the basis for your objection. You may contact them at the addresses provided above.

**12. What is the difference between objecting to the Settlement and excluding myself from the Settlement?**

Objecting is simply telling the Court that you do not like something about the proposed settlement. You can object only if you remain in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. 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.

**13. When and where will the Court decide whether to approve the proposed settlement?**

The Court will hold a Settlement Hearing on \_\_\_\_\_ at \_\_\_\_, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl St., Courtroom 706, New York, NY 10007. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. At the Settlement Hearing, the Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement and the application of Lead Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections mailed in accordance with the instructions in the answer to Question 11. The Court also will listen to people who seek to speak at the hearing, but decisions regarding the conduct of the hearing will be made by the Court. *See* Question 11 for more information about speaking at the hearing. The Court will also decide how much to pay to Lead Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Hearing. Thus, if you want to come to the hearing, you should check with Lead Counsel before coming to be sure that the date and/or time has not changed.

**GETTING MORE INFORMATION**

**14. Are there more details about the proposed settlement?**

This Notice summarizes the proposed settlement. More details are contained in a Stipulation and Agreement of Settlement with Defendants dated November 4, 2019 (the "Stipulation"). You can get a copy of the Stipulation by writing to Lead Counsel at their address above.

You also can call the Claims Administrator toll-free at \_\_\_\_\_; write to the Claims Administrator at Intellipharmaceutics Securities Litigation, c/o Rust Consulting, Inc. P.O. Box \_\_\_\_, Minneapolis, MN \_\_\_\_\_; or visit the website at [www.\\_\\_\\_\\_\\_.com](http://www._____.com), where you will find a Claim Form, answers to common questions about the Settlement, and other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

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

For more detailed information concerning the matters involved in this Action, you can inspect the pleadings, the Stipulation, the Orders entered by the Court, and the other papers filed in the Action at the office of the Clerk of Daniel Patrick Moynihan United States Courthouse, 500 Pearl St., Courtroom 706, New York, NY 10007, during regular business hours. You may also contact Lead Counsel.

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

This Plan of Allocation has been prepared by Plaintiffs and Lead Counsel with the

assistance of their economics consultant. Defendants do not agree with the characterization that any damages were suffered by any Members of the Class.

The \$1,600,000 cash Settlement Amount, together with any amounts paid in accordance with the Contribution Agreement, and the interest earned thereon, shall be the gross Settlement Fund. The gross Settlement Fund, less all taxes and approved costs, fees, and expenses (the “Net Settlement Fund”) shall be distributed to Members of the Class who submit acceptable Claim Forms (“Authorized Claimants”).

The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s recognized loss. The recognized loss formula is not intended to be an estimate of the amount a Class Member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the settlement. The recognized loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The following proposed Plan of Allocation reflects the allegations in the Class Action Complaint for Violation of Securities Laws (the “Complaint”) that Defendants made materially untrue and misleading statements and omissions with respect to Intellipharmaceutics’ NDA for Rexista, an abuse-deterrent, extended-release formulation of oxycodone hydrochloride. The Complaint alleges that these misrepresentations resulted in the artificial inflation of the prices of the Company’s common stock during the Class Period from May 21, 2015 to July 27, 2017, inclusive. Defendants deny that they did anything wrong.

Each Authorized Claimant shall be paid based on the percentage of the Net Settlement Fund that each Authorized Claimant’s recognized loss bears to the total of the recognized losses of all Authorized Claimants (the “Pro Rata Share”).

Shares eligible for recognizable losses are those shares of Intellipharmaceutics’ common stock purchased or otherwise acquired in Covered Transactions from May 21, 2015 to July 27, 2017, inclusive.

“Covered Transaction” means either: (i) a transaction in Intellipharmaceutics common stock listed for trading on the NASDAQ Stock Market; or (ii) a transaction in Intellipharmaceutics common stock to which the United States securities laws apply, including as provided in *Morrison v. National Australia Bank*, 561 U.S. 247 (2010). For the avoidance of any doubt, “Covered Transaction” shall not include any transaction in Intellipharmaceutics common stock listed for trading on the Toronto Stock Exchange (TSX).

## **INTELLIPHARMACEUTICS PLAN OF ALLOCATION**

1. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws as opposed to losses caused by market or industry factors or company-specific factors unrelated to the alleged violations of law. The Plan of Allocation reflects Plaintiffs' damages expert's analysis undertaken to that end, including a review of publicly available information regarding Intellipharmaceutics and statistical analysis of the price movements of Intellipharmaceutics common stock and the price performance of relevant market and peer indices during the Class Period. The Plan of Allocation, however, is not a formal damages analysis.

2. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

3. The Plan of Allocation generally measures the amount of loss that a Class Member can claim for purposes of making *pro rata* allocations of the cash in the Net Settlement Fund to Authorized Claimants. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. In this case, Plaintiffs allege that Defendants made false statements and omitted material facts from May 21, 2015 through July 27, 2017 that inflated the price of Intellipharmaceutics Securities. It is alleged that an FDA disclosure denying Intellipharmaceutics' NDA for Rexista on July 27, 2017 impacted the market price of Intellipharmaceutics Securities and removed the alleged artificial inflation from the stock price.

4. In addition, the Plan of Allocation takes into account the fact that the Court's December 17, 2018 Order dismissed all claims related to allegedly false and misleading statements made between May 21, 2015 and November 24, 2016, inclusive. Because of the dismissal of these claims, it is far less likely that Plaintiffs could prevail on those claims. Accordingly, Recognized Losses resulting from purchases/acquisitions during this time period calculated pursuant to paragraph 6 below shall be discounted by fifty percent (50%) to reflect the increased litigation risk on the dismissed claims.

### **CALCULATION OF RECOGNIZED LOSS**

5. A Recognized Loss Amount will be calculated for each Intellipharmaceutics common stock purchased or acquired in a Covered Transaction during the Class Period from May 21, 2015 (inclusive) through July 27, 2017 (prior the opening of the market).<sup>3</sup> If the calculation of a Recognized Loss Amount for any particular share purchased or acquired during the Class Period

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<sup>3</sup> The Recognized Loss Amount for each Intellipharmaceutics common stock share purchased on July 27, 2017 shall be zero.

results in a negative number, that number shall be set to zero.

6. For each Intellipharmaceutics common stock share purchased or acquired in a Covered Transaction during the Class Period, and

- (i) Sold before the market opened on July 24, 2017, the Recognized Loss Amount for each share shall be zero;
- (ii) sold after the market opened on July 24, 2017, and before July 27, 2017, the Recognized Loss Amount for each share is ***the least of***; (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below minus the dollar artificial inflation applicable to each such share on the date of sale as set forth in Table 1 below; or (ii) the purchase/acquisition price minus the sale price.;
- (iii) sold after the market opened for trading on July 27, 2017, through the close of market trading on October 24, 2017, the Recognized Loss Amount for each share is ***the least of*** (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below; (ii) the purchase/acquisition price minus the sale price; or (iii) the purchase/acquisition price **minus** the average closing price of Intellipharmaceutics common stock between July 27, 2017 and the date of sale, as shown in Column [3] of Table 21 attached to this Notice;
- (iv) held as of the close of market trading on October 24, 2017, the Recognized Loss Amount for each share is ***the lesser of*** (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below; or (ii) the purchase/acquisition price **minus** \$1.03, the average closing price of Intellipharmaceutics between July 27, 2017, and October 24, 2017, as shown on the last line of Column [3] of Table 2 attached to this Notice.

#### ADDITIONAL PROVISIONS

7. If a Class Member has more than one purchase/acquisition or sale of Intellipharmaceutics common stock in Covered Transactions during the Class Period, all purchases/acquisitions and sales of like securities shall be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

8. Purchases or acquisitions and sales of Intellipharmaceutics Securities in Covered Transactions shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of



Intellipharmaceutics Securities during the Class Period shall not be deemed a purchase, acquisition or sale of these shares of Intellipharmaceutics Securities for the calculation of an Authorized Claimant's Recognized Claim nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of Intellipharmaceutics Securities unless (i) the donor or decedent purchased or otherwise acquired such shares of Intellipharmaceutics Securities during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of Intellipharmaceutics Securities; and (iii) it is specifically so provided in the instrument of gift or assignment.

9. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of the Intellipharmaceutics shares. The date of a "short sale" is deemed to be the date of sale of Intellipharmaceutics Securities. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" is zero. In the event that a Claimant has an opening short position in Intellipharmaceutics Securities, the earliest Class Period purchases or acquisitions shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

10. The sum of a Claimant's Recognized Loss Amounts will be the Claimant's "Recognized Claim."

11. With respect to all shares of Intellipharmaceutics Securities purchased or acquired by a Claimant in Covered Transactions during the Class Period, the Claims Administrator will determine if the Claimant had a market gain or loss with respect to his, her or its overall transactions during the Class Period in those shares. For purposes of making this calculation, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount<sup>4</sup> and (ii) the sum of the Sales Proceeds<sup>5</sup> and the Holding Value.<sup>6</sup> This difference will be deemed a Claimant's market gain or loss with respect to his, her or its overall transactions in Intellipharmaceutics Securities. If a Claimant has a market gain, the value of that Claimant's Recognized Claim, and thus that Claimant's actual recovery, will be zero. If the Claimant has a Recognized Claim *and* a market loss, the value of the Claimant's Recognized Claim will be the lesser of the two.

12. An Authorized Claimant's Recognized Claim shall be the amount used to calculate the Authorized Claimant's *pro rata* share of the Net Settlement Fund. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net

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<sup>4</sup> The "Total Purchase Amount" is the total amount the Claimant paid (excluding all fees, taxes and commissions) for Intellipharmaceutics Securities purchased or acquired in a Covered Transaction during the Class Period.

<sup>5</sup> The Claims Administrator shall match any sales of Intellipharmaceutics Securities during the Class Period first against the Claimant's opening position in Intellipharmaceutics Securities (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received for sales of the remaining Intellipharmaceutics Securities sold during the Class Period is the "Sales Proceeds."

<sup>6</sup> For each common stock share purchased or acquired in a Covered Transaction during the Class Period that was still held as of the close of trading on October 24, 2017, the Claims Administrator shall ascribe a "Holding Value" of \$1.03.

Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

13. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

14. The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

**TABLE 1****Intellipharmaceutics Common Share Artificial Inflation**

<b>Transaction Date</b>	<b>Artificial Inflation Per Share</b>
May 21, 2015 - July 23, 2017	\$1.38
July 24, 2017 – July 26, 2017	\$1.11

**TABLE 2****Intellipharmaceutics Common Share Price and Average 90-Day Look-Back Price  
July 27, 2017 – October 24, 2017**

<b>Date</b>	<b>IPCI Common Stock Closing Price</b>	<b>IPCI Common Stock Average Closing Price Between July 27, 2017 and Date Shown Closing Price</b>
July 27, 2017	\$1.36	\$1.36
July 28, 2017	\$1.41	\$1.39
July 31, 2017	\$1.27	\$1.35
August 1, 2017	\$1.22	\$1.32
August 2, 2017	\$1.25	\$1.30
August 3, 2017	\$1.23	\$1.29
August 4, 2017	\$1.17	\$1.27
August 7, 2017	\$1.26	\$1.27
August 8, 2017	\$1.14	\$1.26
August 9, 2017	\$1.00	\$1.23
August 10, 2017	\$0.92	\$1.20
August 11, 2017	\$0.86	\$1.17
August 14, 2017	\$0.85	\$1.15
August 15, 2017	\$1.09	\$1.15
August 16, 2017	\$0.96	\$1.13
August 17, 2017	\$0.97	\$1.12
August 18, 2017	\$0.95	\$1.11
August 21, 2017	\$0.93	\$1.10
August 22, 2017	\$0.89	\$1.09
August 23, 2017	\$0.94	\$1.08
August 24, 2017	\$0.93	\$1.08
August 25, 2017	\$1.00	\$1.07
August 28, 2017	\$0.97	\$1.07
August 29, 2017	\$0.95	\$1.06
August 30, 2017	\$0.93	\$1.06
August 31, 2017	\$0.95	\$1.05

<b>Date</b>	<b>IPCI Common Stock Closing Price</b>	<b>IPCI Common Stock Average Closing Price Between July 27, 2017 and Date Shown Closing Price</b>
September 1, 2017	\$0.97	\$1.05
September 5, 2017	\$0.97	\$1.05
September 6, 2017	\$0.93	\$1.04
September 7, 2017	\$0.99	\$1.04
September 8, 2017	\$1.03	\$1.04
September 11, 2017	\$1.03	\$1.04
September 12, 2017	\$0.98	\$1.04
September 13, 2017	\$0.98	\$1.04
September 14, 2017	\$1.00	\$1.04
September 15, 2017	\$0.98	\$1.04
September 18, 2017	\$0.92	\$1.03
September 19, 2017	\$0.92	\$1.03
September 20, 2017	\$0.92	\$1.03
September 21, 2017	\$0.90	\$1.02
September 22, 2017	\$0.85	\$1.02
September 25, 2017	\$1.01	\$1.02
September 26, 2017	\$1.04	\$1.02
September 27, 2017	\$1.11	\$1.02
September 28, 2017	\$1.07	\$1.02
September 29, 2017	\$0.99	\$1.02
October 2, 2017	\$1.02	\$1.02
October 3, 2017	\$1.03	\$1.02
October 4, 2017	\$1.09	\$1.02
October 5, 2017	\$1.11	\$1.02
October 6, 2017	\$1.11	\$1.03
October 9, 2017	\$1.13	\$1.03
October 10, 2017	\$1.15	\$1.03
October 11, 2017	\$1.08	\$1.03
October 12, 2017	\$1.07	\$1.03
October 13, 2017	\$1.06	\$1.03
October 16, 2017	\$1.03	\$1.03
October 17, 2017	\$0.99	\$1.03
October 18, 2017	\$0.98	\$1.03
October 19, 2017	\$1.00	\$1.03
October 20, 2017	\$1.00	\$1.03
October 23, 2017	\$0.98	\$1.03
October 24, 2017	\$0.98	\$1.03

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

If you purchased common stock of Intellipharmaeutics in a Covered Transaction from May 21, 2015 to July 27, 2017, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that **WITHIN TEN 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 Intellipharmaeutics common stock during such time period or (b) request additional copies of this Notice and the Claim Form, which will be provided to you free of charge, and within ten days mail the Notice and Claim Form directly to the beneficial owners of that Intellipharmaeutics common stock. If you choose to follow alternative procedure (b), the Court has directed that upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. 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. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Intellipharmaeutics Securities Litigation  
c/o Rust Consulting, Inc.  
P.O. Box \_\_\_\_\_  
Minneapolis, MN \_\_\_\_\_  
(by regular or express mail)

Intellipharmaeutics Securities Litigation  
c/o Rust Consulting, Inc.  
625 Marquette Ave., Suite 900  
Minneapolis, MN 55402  
(by express delivery service)

If you choose to mail the Notice and Claim Form yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Claim Form and which would not have been incurred but for the obligation to forward the Notice and Claim Form, upon submission of appropriate documentation to the Claims Administrator.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE J. PAUL OETKEN  
UNITED STATES DISTRICT JUDGE  
SOUTHERN DISTRICT OF NEW YORK



## CLAIMANT'S STATEMENT

1. I (we) purchased Intellipharmaeutics common stock in Covered Transactions and was (were) damaged thereby. (Do not submit this Proof of Claim if you did not purchase Intellipharmaeutics common stock during the designated Class Period).

2. By submitting this Proof of Claim, I (we) state that I (we) believe in good faith that I am (we are) a Class Member as defined above and in the Notice of Pendency and Proposed Settlement of Class Action (the "Notice"), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Actions or anyone excluded from the Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)

3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Litigation or Settlement in connection with processing of the Proof of Claim.

4. I (we) have set forth where requested below all relevant information with respect to each purchase of Intellipharmaeutics common stock shares during the Class Period, and each sale, if any. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.

5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, sale or retention of Intellipharmaeutics common stock listed below in support of our claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)

6. I (we) understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your recognized claim. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives securities such as options.)

7. Upon the occurrence of the Effective Date, as defined in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release, remise and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Released Persons", as defined in the Notice.

8. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim form whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at \_\_\_\_\_ or visit their website at [www.\\_\\_\\_\\_\\_.com](http://www._____.com) to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted.



**PART I - CLAIMANT INFORMATION**

Beneficial Owner's First Name	MI	Beneficial Owner's Last Name
Co-Beneficial Owner's First Name	MI	Co-Beneficial Owner's Last Name
Entity Name (if claimant is not an individual)		
Representative or Custodian Name (if different from Beneficial Owner(s) listed above)		
Address 1:		
Address 2:		
City	State	ZIP
Foreign Province	Foreign Country	
Day Phone	Evening Phone	
Email Address		
Account Number:		

Specify one of the following:

- Individual(s)  
  Corporation  
  UGMA Custodian  
  IRA  
  Partnership  
 Estate  
  Trust  
 Other:

Enter Taxpayer Identification Number below for the Beneficial Owner(s).

Social Security No. (for individuals)                      or                      Taxpayer Identification No. (for estates, trusts, corporations, etc.)



**PART II - TRANSACTIONS IN INTELLIPHARMACEUTICS COMMON STOCK**

**Beginning Holdings:**

State the total number of shares of INTELLIPHARMACEUTICS common stock owned at the close of trading on May 21, 2015, long or short (*must be documented*).

**Purchases:**

A. Separately list each and every purchase of INTELLIPHARMACEUTICS common stock in a Covered Transaction during the period from May 21, 2015 and October 24, 2017, inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Price	Total Cost (Excluding Commissions, Taxes, and Fees)	Transaction Type (P/R)*

\*P – Purchase, R – Received (Transfer-In)

**Sales:**

B. Separately list each and every sale of INTELLIPHARMACEUTICS common stock in a Covered Transaction during the period May 21, 2015 and October 24, 2017, inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price	Amount Received (Excluding Commissions, Taxes, and Fees)	Transaction Type (S/D)*

\*S – Sale, D – Delivery (Transfer-Out)

**Ending Holdings:**

State the total number of INTELLIPHARMACEUTICS common stock owned at the close of trading on October 24, 2017, long or short (*must be documented*).

**If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.**

**Certification**

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)  
(See Item 2 on Page \_\_\_ for instructions)

Date: \_\_\_\_\_

**THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN \_\_\_\_\_, 2020 AND MUST BE MAILED TO:**

Intellipharmaceutics Securities Litigation  
c/o Rust Consulting, Inc.  
P.O. Box \_\_\_\_\_  
Minneapolis, MN \_\_\_\_\_  
(by regular or express mail)

Intellipharmaceutics Securities Litigation  
c/o Rust Consulting, Inc.  
625 Marquette Ave., Suite 900  
Minneapolis, MN 55402  
(by express delivery service)

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by \_\_\_\_\_, 2020 and if a postmark is indicated on the envelope and it is mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

### **REMINDER CHECKLIST**

- Please be sure to sign this Proof of Claim. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
- Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use highlighter on the Proof of Claim or any supporting documents.
- If you move after submitting this Proof of Claim, please notify the Claims Administrator of the change in your address.

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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SHAWN SHANAWAZ, Individually and On )  
 Behalf of All Others Similarly Situated, )  
 )  
 Plaintiff, )  
 )  
 vs. )  
 )  
 INTELLIPHARMACEUTICS )  
 INTERNATIONAL INC., ISA ODIDI and )  
 DOMENIC DELLA PENNA, )  
 )  
 Defendants. )

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Case No. 1:17-cv-05761

HON. J. PAUL OETKEN

**SUMMARY NOTICE**

**EXHIBIT A-3**

TO: ALL PERSONS WHO PURCHASED INTELLIPHARMACEUTICS COMMON STOCK (TRADING SYMBOL IPCI) IN COVERED TRANSACTIONS BETWEEN MAY 21, 2015 AND JULY 27, 2017:

**YOU ARE HEREBY NOTIFIED**, pursuant to an Order of the United States District Court for the Southern District of New York, that a hearing will be held on \_\_\_\_, at \_\_\_\_, before the Honorable J. Paul Oetken at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl St., Courtroom 706, New York, NY 10007, for the purpose of determining: (1) whether the proposed Settlement for the sum of \$1,600,000 in cash should be approved by the Court as fair, reasonable and adequate; (2) whether, after the hearing, this Action should be dismissed with prejudice pursuant to the terms and conditions set forth in the Stipulation and Agreement of Settlement dated as of November 4, 2019; (3) whether the Plan of Allocation is fair, reasonable and adequate and should be approved; and (4) whether the application of Lead Counsel for the payment of attorneys’ fees and reimbursement of expenses incurred in this Action should be approved.

If you purchased or otherwise acquired Intellipharmaceutics common stock (trading symbol IPCI) between May 21, 2015 and July 27, 2017, inclusive, your rights may be affected by the Settlement of this Action. If you have not received a detailed Notice of Pendency and Proposed

Settlement of Class Action (“Notice”) and a copy of the Proof of Claim and Release, you should obtain copies by writing to Intellipharmaceutics Securities Litigation, c/o Rust Consulting, Inc., P.O. Box \_\_\_\_\_, Minneapolis, MN \_\_\_\_\_, or by visiting the website at www.\_\_\_\_\_.com. The Notice contains details about this Action and Settlement, including what you must do to exclude yourself from the Settlement, object to the Settlement, or file a Proof of Claim. If you are a Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release postmarked no later than \_\_\_\_\_, establishing that you are entitled to recovery.

If you desire to be excluded from the Class, you must submit a Request for Exclusion postmarked by \_\_\_\_\_, in the manner and form explained in the detailed Notice referred to above. All Members of the Class who have not timely and validly requested exclusion from the Class will be bound by any judgment entered in the Action pursuant to the terms and conditions of the Stipulation of Settlement. Your objection(s) must be mailed on or before \_\_\_\_\_ to: the Court; Kahn Swick & Foti, LLC on behalf of the Lead Plaintiffs; and Counsel for the Defendants, at the following addresses:

**COURT:**

Clerk of the Court  
Daniel Patrick Moynihan  
United States Courthouse  
500 Pearl Street  
New York, New York 10007

**FOR LEAD PLAINTIFFS:**

Lewis S. Kahn  
KAHN SWICK & FOTI, LLC  
1100 Poydras Street, Suite 3200  
New Orleans, LA 70163

*Lead Counsel for Lead Plaintiffs and the Class*

**FOR DEFENDANTS:**

John J. Clarke, Jr.  
DLA PIPER LLP (US)  
1251 Avenue of the Americas  
New York, New York 10020

*Counsel for Defendants Intellipharmaceutics, Isa Odidi  
and Domenic Della Penna*

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.** If you have any questions about the settlement, you may contact Lead Counsel for Lead Plaintiffs and the Class at the address listed above.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE J. PAUL OETKEN  
UNITED STATES DISTRICT JUDGE  
SOUTHERN DISTRICT OF NEW YORK



**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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SHAWN SHANAWAZ, Individually and On )  
 Behalf of All Others Similarly Situated, )  
 )  
 Plaintiff, )  
 )  
 vs. )  
 )  
 INTELLIPHARMACEUTICS )  
 INTERNATIONAL INC., ISA ODIDI and )  
 DOMENIC DELLA PENNA, )  
 )  
 Defendants. )

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Case No. 1:17-cv-05761

HON. J. PAUL OETKEN

**[PROPOSED] FINAL  
JUDGMENT AND ORDER OF  
DISMISSAL WITH PREJUDICE**

**EXHIBIT B**

This matter came before the Court for hearing on the application of the Settling Parties for approval of the Settlement set forth in the Stipulation of Settlement dated November 4, 2019. Due and adequate notice having been given of the Settlement, and the Court having previously certified the Class for settlement purposes only, and having considered all papers filed and proceedings held herein, and good cause appearing,

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that:**

This Judgment incorporates by reference the definitions in the Stipulation, and all capitalized terms used herein shall have the same meanings set forth in the Stipulation.

This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including Class Members.

Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of settlement only, the Class is hereby certified, Lead Plaintiffs David Ducharme, Sam Snyder and Julia Ann Snyder are certified as the Class representatives and Lead Counsel Kahn Swick & Foti, LLC is appointed as Class Counsel. Additional Plaintiffs are Guy Braverman and Eric Ludwig,

represented by Pomerantz LLP.

Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby approves the Settlement and finds that said Settlement is, in all respects, fair, reasonable, adequate to, and in the best interests of, the Lead Plaintiffs, Additional Plaintiffs, the Released Plaintiffs' Parties, and each of the Class Members. This Court further finds the Settlement is the result of arm's-length negotiations between experienced counsel representing the interests of the Lead Plaintiffs, Additional Plaintiffs, the Released Plaintiffs' Parties, the Class Members, and the Defendants. Accordingly, the Settlement is hereby approved in all respects and shall be consummated in accordance with its terms and provisions. The Parties are hereby directed to perform the Stipulation.

Except as to any individual claim of those Persons who have validly and timely requested exclusion from the Class, the Action and all claims contained therein, as well as all of the Settled Claims, are dismissed with prejudice as against each and all of the Released Defendants' Parties, including all Defendants. Lead Plaintiffs, Additional Plaintiffs, the Released Plaintiffs' Parties and the Class will not make applications against any of Released Defendants' Parties, and Defendants will not make applications against Lead Plaintiffs, Additional Plaintiffs or the Released Plaintiffs' Parties, for fees, costs, or sanctions pursuant to Rule 11, Rule 37, Rule 45 or any other court rule or statute, with respect to any claims or defenses in this Action or to any aspect of the institution, prosecution, or defense of this Action.

Upon the Effective Date, Lead Plaintiffs, Additional Plaintiffs, the Released Plaintiffs' Parties and each of the Class Members, shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims (including Unknown Claims) as against the Released Defendants' Parties, whether or not such

Class Member executes and delivers a Claim Form or participates in the Settlement Fund.

Upon the Effective Date, all Class Members (including Lead Plaintiffs and Additional Plaintiffs) and anyone claiming through or on behalf of any of them, except any Person who has validly and timely requested exclusion from the Class, will be forever barred and enjoined from commencing, instituting, intervening in or participating in, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind or character (whether brought directly, in a representative capacity, derivatively, or in any other capacity) asserting any of the Released Claims against any of the Released Defendants' Parties.

Upon the Effective Date, each of the Released Defendants' Parties shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Lead Plaintiffs, Additional Plaintiffs, the Released Plaintiffs' Parties, each and all of the Class Members, and Lead Counsel from all claims whatsoever arising out of, relating to, or in connection with the investigation, institution, prosecution, assertion, settlement, or resolution of the Action or the Released Claims, except for those claims brought to enforce the Settlement.

The Court hereby finds that the distribution of the Notice of Pendency and Proposed Settlement of Class Action and the publication of the Summary Notice as provided for in the Preliminary Approval Order constituted the best notice practicable under the circumstances – including individual notice to all Class Members who could be identified through reasonable effort – of those proceedings and of the matters set forth therein, including the proposed Settlement, to all Persons entitled to such notice, and said notice fully satisfied the requirements of Federal Rule of Civil Procedure 23, the requirements of due process, and any other applicable law.

Neither any objection to this Court's approval of the Plan of Allocation submitted by Lead

Counsel nor to any portion of this order regarding the attorneys' Fee and Expense Application shall in any way disturb or affect the finality of this Judgment.

Neither the Stipulation nor the Settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, concession or evidence of, the validity of any Released Claim, the truth of any fact alleged in the Action, the deficiency of any defense that has been or could have been asserted in the Action, or of any alleged wrongdoing, liability, negligence, or fault of any Released Defendants' Parties; or (b) is or may be deemed to be or may be used as an admission, concession or evidence of, any fault or misrepresentation or omission of, including with respect to any statement or written document attributed to, approved or made by, any Released Defendants' Parties in any civil, criminal, administrative, or other proceeding before any court, administrative agency, arbitration tribunal, or other body. Any Released Defendants' Parties may file the Stipulation and/or the Judgment in any other action or other proceeding that may be brought against them in order to support a defense, argument, or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense, argument, or counterclaim.

Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (a) implementation of this Settlement; (b) disposition of the Settlement Fund; (c) all Parties hereto for the purpose of construing, enforcing and administering the Stipulation and this Judgment.

After completion of the processing of all claims by the claims administrator, Escrow Agent shall disburse the Net Settlement Fund in accordance with the Stipulation and Plan of Allocation without further order of this Court.

The Court finds that during the course of the Action, the Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, the Court finds and concludes that due and adequate notice was directed to all Class Members advising them: (a) that Lead Counsel would seek an award of attorneys' fees of up to thirty-three and one-third percent (33 1/3 %) of the Settlement Fund and reimbursement of expenses incurred in connection with the prosecution of the Action not to exceed \$110,000.00; and (b) that Class Members had a right to object to such application(s). A full and fair opportunity was given to all Persons who are Class Members to be heard with respect to the application for the award of attorneys' fees and expenses. The Court finds and concludes that the requested fee award is reasonable and awards attorneys' fees of \_\_\_\_\_% percent of the Settlement Fund, plus reimbursement of expenses in the amount of \$ \_\_\_\_\_, both to be paid from the Settlement Fund pursuant to the Stipulation, not less than 35 days after entry of this Order.

Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, the Court finds and concludes that due and adequate notice was directed to all Class Members advising them of the Plan of Allocation and of their right to object, and a full and fair opportunity was given to all Class Members to be heard with respect to the Plan of Allocation. The Court finds that the formula for the calculation of the claims of Authorized Claimants, which is set forth in the Notice of Pendency and Proposed Settlement of Class Action sent to Class Members, provides a fair and reasonable basis upon which to allocate among Class Members the proceeds of the Settlement Fund established by the Stipulation, with due consideration having been given to administrative convenience and necessity. The Court hereby finds and concludes that the Plan of Allocation set forth in the Notice is in all respects fair and reasonable and the Court hereby

approves the Plan of Allocation.

This Action is hereby dismissed in its entirety with prejudice as to all Defendants.

In the event that the Settlement does not become Final in accordance with the Stipulation or the Effective Date does not occur, this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated. In such event, all orders entered and releases delivered in connection herewith shall also be null and void to the extent provided by and in accordance with the Stipulation.

There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE J. PAUL OETKEN  
UNITED STATES DISTRICT JUDGE  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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SHAWN SHANAWAZ, Individually and On )  
Behalf of All Others Similarly Situated, )

Plaintiff, )

vs. )

INTELLIPHARMACEUTICS )  
INTERNATIONAL INC., ISA ODIDI and )  
DOMENIC DELLA PENNA, )

Defendants. )

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Case No. 1:17-cv-05761

HON. J. PAUL OETKEN

**CONTRIBUTION AGREEMENT**

**EXHIBIT C**

This Contribution Agreement is entered into as of November 4, 2019 by and between lead plaintiffs David Ducharme, Sam Snyder and Julia Ann Snyder, additional plaintiffs Guy Braverman and Eric Ludwig, and defendant Intellipharmaceutics International, Inc. (“Intellipharmaceutics” or the “Company”) as a supplement to the Stipulation of Settlement dated as of November 4, 2019 (the “Stipulation”) by and among those parties together with individual defendants Dr. Isa Odidi and Domenic Della Penna. Capitalized terms not defined herein shall have the meaning provided in the Stipulation.

1. Intellipharmaceutics agrees that any and all tax refunds up to \$400,000.00 that it receives on or before the Expiration Date as the result of the Company’s pending applications with the Canada Revenue Agency for refunds for the 2014 and 2015 tax years based on Scientific Research & Experimental Development tax credits (the “SR&ED Funds”) shall be paid by Intellipharmaceutics into the Settlement Fund no later than 7 days after those funds have been received by the Company. The “Expiration Date” shall be the date that is 547 days after the date of entry of the Judgment.

2. For the avoidance of doubt, Intellipharmaceutics shall have no obligation to make the payment provided for in paragraph 1 either (a) from amounts other than the SR&ED Funds, or (b) once the amount of SR&ED Funds contributed by Intellipharmaceutics to the Settlement Fund shall equal \$400,000.00.

3. Intellipharmaceutics shall have no obligation to contribute any amount to the Settlement Fund after the Expiration Date. If the Settlement is not finally approved by the Court or the Stipulation is terminated, then Intellipharmaceutics shall have no obligation to pay any part of the SR&ED Funds to the Settlement Fund. If Intellipharmaceutics makes any payment to the Settlement Fund pursuant to this Contribution Agreement before the Settlement is terminated or

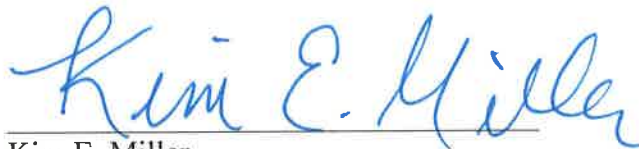


does not become effective, then such amounts (together with interest or investment proceeds accrued thereon) shall be repaid to Intellipharmaceutics by the Escrow Agent within 14 business days of receiving the written notification provided for in ¶7.3 of the Stipulation.

4. If Intellipharmaceutics has not deposited the full amount contemplated in paragraph 1 by the last business day preceding the Expiration Date, then no later than 5:00 p.m. ET on that date a duly-authorized representative of Intellipharmaceutics shall provide Lead Counsel with a sworn statement setting forth the amount of SR&ED Funds, if any, that Intellipharmaceutics has received since the date of this Contribution Agreement. Lead Counsel shall be permitted to file publicly with the Court the sworn statement provided by Intellipharmaceutics.

IN WITNESS THEREOF, the Parties enter into this Contribution Agreement through their authorized attorneys as of the date first written above.

DATED: November 4, 2019

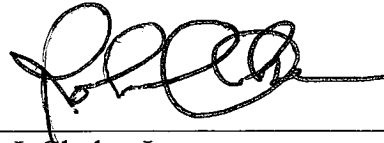


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*Lead Counsel for Lead Plaintiffs and the Class*

A handwritten signature in black ink, appearing to read "J. Clarke", written over a horizontal line.

John J. Clarke, Jr.

**DLA PIPER LLP**

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New York, NY 10020

Telephone: (212) 335-4500

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*Counsel for Defendant*

*Intellipharmaeutics International Inc.*

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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SHAWN SHANAWAZ, Individually and On )  
Behalf of All Others Similarly Situated, )

Plaintiff, )

vs. )

INTELLIPHARMACEUTICS )  
INTERNATIONAL INC., ISA ODIDI and )  
DOMENIC DELLA PENNA, )

Defendants. )

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Case No. 1:17-cv-05761

HON. J. PAUL OETKEN

**SUPPLEMENTAL**  
**AGREEMENT TO**  
**STIPULATION OF**  
**SETTLEMENT**

**EXHIBIT D**

1. Intellipharmaceutics International, Inc. (“Intellipharmaceutics”), in its sole and absolute discretion, may withdraw from the Settlement and the Stipulation if the Opt-Out Threshold is reached. The Opt-Out Threshold means that, and is reached when, requests for exclusion are received from members of the Class who, in the aggregate, would have received an amount equal to or larger than 5% of the cash settlement fund under the Plan of Allocation. In the event of withdrawal by Intellipharmaceutics, the Stipulation shall become null and void and shall have no further force or effect, except that the provisions of Sections V.2e and 7.3 of the Stipulation shall apply to Intellipharmaceutics.

2. To be valid for purposes of this Supplemental Agreement, a request for exclusion must contain the information requested and otherwise be in substantial compliance with the requirements set out in the Notice approved by the Court in the Preliminary Approval Order.

3. Copies of all requests for exclusion received, together with copies of all written revocations of requests for exclusion, shall be delivered by Lead Counsel to counsel for each Defendant within three business days of receipt but in no event later than five calendar days before the Settlement Fairness Hearing.

4. If Intellipharmaceutics elects to withdraw from the Settlement and the Stipulation pursuant to this agreement, written notice of such withdrawal must be provided to Lead Counsel on or before three calendar days prior to the Settlement Fairness Hearing. In the event that any additional requests for exclusion are received within the six calendar days prior to the Settlement Fairness Hearing which would trigger the 5% of Settlement Fund threshold provided herein, then Intellipharmaceutics may still elect to withdraw from the Settlement and this Stipulation, by providing written notice of withdrawal to Lead Counsel by email and overnight mail.

5. Lead Counsel may communicate with potential Class Members regarding their

decision(s) to opt out. If a sufficient number of potential Class Members submit written revocations of their requests for exclusion (in accordance with the requirements set forth in the Notice for such revocation but not later than seven days before the Settlement Fairness Hearing) such that the total number of shares of Intellipharmaceutics common stock in connection with which exclusion is requested falls below the Opt-Out Threshold as set forth in paragraph 1 herein, Lead Counsel shall notify Intellipharmaceutics and notice by Intellipharmaceutics of withdrawal pursuant to this agreement shall immediately become null and void.

6. Any dispute between the Parties concerning the interpretation or application of the above provisions shall be presented to the Court for resolution upon the application of either Party.

7. No request for exclusion shall be filed with the Court unless and until a dispute among the Parties concerning the interpretation or application of the above provisions to such request arises and in that event such request shall be filed and maintained with the Court under seal (subject to the Court's approval).

9. Nothing stated herein shall be read, construed or understood as superseding in any way the other conditions for the Effective Date of the Stipulation set forth in Section 7.1 of the Stipulation.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be executed, by their duly authorized attorneys, date as of Nov 4, 2019

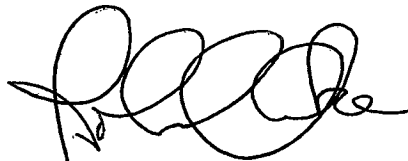
DATED: November 4, 2019

  
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*Counsel for Defendants Intellipharmaeutics, Isa  
Odidi, and Domenic Della Penna*