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In re JERNIGAN CAPITAL, INC. SECURITIES : Master File No. 1:20-cv-09575-JLR-KHP  
LITIGATION :  
: CLASS ACTION  
: \_\_\_\_\_  
This Document Relates To: :  
ALL ACTIONS. :  
: \_\_\_\_\_ X

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

**TO: ALL HOLDERS OF JERNIGAN CAPITAL, INC. (“JERNIGAN” OR THE “COMPANY”) COMMON STOCK AS OF SEPTEMBER 11, 2020, THE RECORD DATE FOR ELIGIBILITY TO VOTE ON THE GOING-PRIVATE TRANSACTION WHEREBY AFFILIATES OF NEXPOINT ADVISORS, L.P. ACQUIRED JERNIGAN’S OUTSTANDING PUBLICLY TRADED COMMON STOCK FOR \$17.30 PER SHARE IN CASH (THE “TRANSACTION”), WHOSE SHARES WERE SOLD FOR \$17.30 IN THE TRANSACTION (THE “CLASS”)**

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT JUNK MAIL, AN ADVERTISEMENT, OR SOLICITATION FROM A LAWYER.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THE LITIGATION. PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THE SETTLEMENT PROCEEDS, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM” OR “CLAIM FORM”) **POSTMARKED OR SUBMITTED ONLINE ON OR BEFORE JUNE 10, 2025.**

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact Jernigan Capital, Inc., n/k/a NexPoint Storage Partners, Inc., or any other Defendant in the litigation or their counsel. All questions should be directed to the Claims Administrator or Lead Counsel (see page 3 below).

This Notice of Pendency and Proposed Settlement of Class Action (“Notice”) has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York (the “Court”). The purpose of this Notice is to inform you of the \$12,000,000 settlement (the “Settlement”) reached in the above-captioned class action lawsuit (the “Action” or “Litigation”); your rights with respect to the Settlement; and the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement and the Plan of Allocation, as well as the application for fees and expenses by Lead Counsel and Lead Plaintiff, as set forth in the Stipulation of Settlement dated February 7, 2025 (the “Stipulation”), by and among lead plaintiff John R. Erickson (“Lead Plaintiff”), on behalf of himself and the Class (as defined above); and defendants Jernigan Capital, Inc., n/k/a NexPoint Storage Partners, Inc. (“Jernigan” or the “Company”), John A. Good, Mark O. Decker, James Dondero, Howard A. Silver, Harry J. Thie, and Rebecca Owen (referred to collectively as the “Defendants”), by their respective counsel.<sup>1</sup> This Notice describes what steps you may take in relation to the Settlement and the Action.

This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Action as to the Defendants or the merits of the claims or defenses asserted by or against the Defendants. This Notice is solely to advise you of the proposed Settlement of the Action and of your rights in connection therewith. Defendants have: (i) denied all claims and wrongdoing asserted in the Action and any liability arising out of the conduct alleged therein; and (ii) asserted various defenses. No trial has yet occurred in this Action and no findings of fact, fault, or liability have been made as to any of the parties.

<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation, which, along with other important documents, is available on the website, [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com). All singular forms of nouns and pronouns include the plural and vice versa.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM</b>	Submitting a claim is the only way to be potentially eligible to receive a payment from the Net Settlement Fund. <b>Proofs of Claim must be postmarked or submitted online on or before June 10, 2025.</b>
<b>EXCLUDE YOURSELF</b>	If you exclude yourself from the Class, you will not be eligible to receive any payment from the Net Settlement Fund. This is the only option that potentially allows you to ever be part of any other lawsuit against any of the Defendants or any other Released Defendants' Persons concerning the Released Plaintiff's Claims. <b>Exclusions must be postmarked on or before May 8, 2025.</b>
<b>OBJECT</b>	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense requests unless you are a Class Member and do not exclude yourself from the Class. <b>Objections must be received by the Court and counsel on or before May 8, 2025. If you submit a written objection, you may (but do not have to) attend the hearing.</b>
<b>GO TO THE HEARING ON MAY 29, 2025</b>	You may ask to speak in Court about the fairness of the Settlement. <b>Requests to speak must be received by the Court and counsel on or before May 8, 2025.</b> If you submit a written objection, you may (but you do not have to) attend the hearing.
<b>DO NOTHING</b>	If you do nothing, you will receive no payment. You will, however, still be a member of the Class, which means that you give up your right to ever be part of any other lawsuit against the Defendants or any other Released Defendants' Persons about the Released Plaintiff's Claims being resolved by this Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

### **SUMMARY OF THIS NOTICE**

#### **Statement of Class Recovery**

Pursuant to the Settlement described herein, a \$12 million settlement fund has been established (the "Settlement Amount"). The Settlement Amount and any interest earned thereon is the "Settlement Fund." The Settlement Fund, less: (i) any Taxes and Tax Expenses; (ii) any Notice and Administration Expenses; and (iii) any attorneys' fees and expenses awarded by the Court to Lead Counsel and Lead Plaintiff (the "Net Settlement Fund"), will be evenly divided between the Class, and distributed to Class Members in accordance with a plan of allocation that is approved by the Court. The proposed plan of allocation (the "Plan of Allocation") is set forth on pages 10 through 11 below. Based on Lead Counsel's estimate of the number of Jernigan shares that were allegedly damaged, the average distribution in the Action is approximately \$0.78 per share of common stock, before deduction of any Taxes on the income earned on the Settlement Amount, Notice and Administration Expenses, Tax Expenses, the attorneys' fees and expenses, and the expenses of Lead Plaintiff (if requested) as determined by the Court. **Class Members should note, however, that the foregoing average recovery per share is only an estimate.** Class Members may receive more or less than this estimated amount, and a Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that Class Member's claims as compared to the total claims of all Class Members, as applicable, who submit acceptable Proofs of Claim. See Plan of Allocation set forth and discussed at pages 10 through 11 below for more information on the calculation of your claim.

#### **Statement of Potential Outcome of Case**

The Settling Parties disagree on both liability and damages and do not agree on the average amount of damages per share of Jernigan common stock, if any, that would be recoverable if the Class prevailed on each claim alleged. Defendants deny that they are liable to the Class and deny that the Class has suffered any damages.

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

Since the Action was filed, Lead Counsel has expended considerable time and effort in the prosecution of the Action on a wholly contingent basis and has advanced the expenses of the Action in the expectation that if it was successful in obtaining a recovery for the Class, it would be paid from such recovery. Lead Counsel will apply to the Court for an award of attorneys' fees not to exceed 33 $\frac{1}{3}$ % of the Settlement Amount, plus expenses not to exceed \$225,000, plus interest earned on both amounts at the same rate as earned by the Settlement Fund. In addition, Lead Plaintiff may request an award not to exceed \$10,000 pursuant to 15 U.S.C. §78u-4(a)(4) in connection with his representation of the Class. If the amounts requested are approved by the Court, the average cost per allegedly damaged Jernigan share will be approximately \$0.27 per common share. Any fees and expenses awarded by the Court, or any award to Lead Plaintiff, shall be paid solely from the Settlement Fund.

## Further Information

For further information regarding the Action, this Notice, or to review the Stipulation of Settlement, please contact the Claims Administrator toll-free at 1-833-419-4863, via email at [info@JerniganSecuritiesSettlement.com](mailto:info@JerniganSecuritiesSettlement.com), or visit the website [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com).

You may also contact a representative of counsel for the Class: Shareholder Relations Department, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, [settlementinfo@rgrdlaw.com](mailto:settlementinfo@rgrdlaw.com).

***Please Do Not Call the Court or Defendants with Questions About the Settlement.***

## Reasons for the Settlement

Lead Plaintiff's principal reason for entering into the Settlement is the benefit to the Class now, without further risk or the delays inherent in continued litigation. The cash benefit under the Settlement must be considered against the significant risk that a smaller recovery—or, indeed, no recovery at all—might be achieved after contested motions, trial, and likely appeals, a process that could last several years into the future.

Defendants have denied, and continue to deny, each and all of the claims and allegations asserted against them in the Litigation. For the Defendants, who have denied and continue to deny all allegations of liability, fault, or wrongdoing whatsoever, the principal reason for entering into the Settlement is to eliminate the costs, burdens, and uncertainty inherent in any litigation, especially in complex cases such as this Litigation. Defendants have concluded that further continuation of this Litigation could be protracted and unnecessarily costly.

## BASIC INFORMATION

### 1. Why did I get this Notice package?

The Court directed that this Notice be mailed to you because you, someone in your family, or an investment account for which you serve as a custodian, may have held Jernigan common stock as of September 11, 2020, the record date for eligibility to vote on the Transaction, and sold shares for \$17.30 in the Transaction.

This Notice explains the class action lawsuit, the Settlement, Class Members' legal rights in connection with the Settlement, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the Litigation is the United States District Court for the Southern District of New York, and the case is entitled *In re Jernigan Capital, Inc. Securities Litigation*, No. 1:20-cv-09575-JLR-KHP. The case has been assigned to the Honorable Jennifer L. Rochon. The person representing the Class is the Lead Plaintiff, and the entity and individuals he sued and who have now settled are the Defendants.

### 2. What is this lawsuit about?

This is a securities class action currently pending before the Honorable Jennifer L. Rochon in the United States District for the Southern District of New York (the "Court"). The initial complaint in the Litigation was filed on November 13, 2020. On February 5, 2021, the Court appointed John R. Erickson as Lead Plaintiff and Robbins Geller Rudman & Dowd LLP as Lead Counsel.

On April 6, 2021, Lead Plaintiff filed the operative amended complaint (the "Complaint"), alleging violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934. More specifically, Lead Plaintiff alleged that shareholders of Jernigan common stock voted on the Transaction pursuant to a materially false and misleading Proxy. Lead Plaintiff alleged that the Proxy misrepresented the nature of the Transaction and failed to disclose material information concerning the role Extra Space Storage Inc. ("Extra Space"), a leader in the self-storage REIT industry, played in the Transaction. Lead Plaintiff also alleged that the Proxy's statement that one reason for the merger was "the limited interest other REITs operating in the self-storage sector would likely have in acquiring the Company's portfolio" was false and misleading because Extra Space was participating directly in the Transaction by providing \$300 million – representing approximately one-third of the purchase price. Lead Plaintiff also alleged that the \$17.30 per share that Jernigan shareholders received in the Transaction represented inadequate consideration.

On June 30, 2021, Defendants moved to dismiss the Complaint. On July 30, 2021, Lead Plaintiff filed his opposition to Defendants' motion to dismiss. On August 20, 2021, Defendants filed their reply brief in further support of their motion to dismiss. On May 20, 2022, the Court held oral argument on Defendants' motion to dismiss. On August 1, 2022, the Court denied Defendants' motion to dismiss. On September 7, 2022, Defendants answered the Complaint. Thereafter, the parties commenced discovery, collectively propounding over 45 requests for the production of documents.

On December 15, 2022, Lead Plaintiff moved for class certification under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, and contemporaneously produced documents in response to Defendants' discovery requests. On January 27, 2023, Defendants' Counsel deposed Lead Plaintiff's expert. On February 9, 2023, Defendants' Counsel

deposed Lead Plaintiff. On February 22, 2023, Defendants filed their opposition to Lead Plaintiff's motion for class certification. On March 29, 2023, Lead Counsel deposed Defendants' expert. On April 21, 2023, Lead Plaintiff filed his reply brief in further support of class certification. On June 9, 2023, the Court held oral argument on Lead Plaintiff's motion for class certification. On June 12, 2023, Magistrate Judge Katharine H. Parker issued a report and recommendation (the "Report & Recommendation") recommending that Lead Plaintiff's motion for class certification be granted. On September 14, 2023, the Court adopted the Report & Recommendation in full and certified the Class. On September 28, 2023, Defendants filed a petition seeking permission, under Federal Rule of Civil Procedure 23(f), to appeal from the Court's September 14, 2023 class certification order (the "Rule 23(f) petition"). On October 10, 2023, Lead Plaintiff filed his opposition to Defendants' Rule 23(f) petition. On February 21, 2024, the U.S. Court of Appeals for the Second Circuit denied Defendants' Rule 23(f) petition.

Lead Plaintiff, through Lead Counsel, pursued extensive discovery concerning the claims against each of the Defendants and the events at issue in the Action. During the period from 2022 to 2024, Lead Plaintiff served Defendants with discovery requests, which resulted in the production of over 35,000 documents totaling over 290,000 pages. Lead Plaintiff also served subpoenas on nine non-parties, who produced over 87,000 additional documents. These productions were the result of extensive negotiations, and Lead Counsel participated in numerous conferences to resolve discovery disputes and to ensure that the Class had access to all relevant materials.

As part of the discovery process, Lead Counsel also carefully reviewed and engaged with Defendants' Counsel on privilege issues, including Defendants' assertions of privilege over documents produced by a third party and Defendants' privilege log which asserted privilege over thousands of documents. Lead Counsel also participated in numerous substantive discussions with Lead Plaintiff's expert regarding the evidentiary record and damages.

During the course of the Litigation, the Settling Parties engaged the services of Greg Danilow of Phillips ADR, a highly qualified mediator experienced in securities litigation (the "Mediator"). In connection with this engagement, the Settling Parties participated in a full-day mediation session before the Mediator, and exchanged opening and reply mediation statements and exhibits, which addressed the parties' respective positions on liability and potential damages. On September 25, 2024, the Mediator made a Mediator's proposal. In response to the Mediator's proposal, the Settling Parties reached an agreement in principle on October 7, 2024 to settle the Action for Twelve Million Dollars in cash (\$12,000,000). On October 11, 2024, the Settling Parties informed the Court of the settlement in principle of the Action. After further negotiations, the Settling Parties executed a term sheet on December 10, 2024. Following additional negotiation, the Settling Parties executed the Stipulation on February 7, 2025, and moved for preliminary approval of the proposed Settlement. The motion was granted on February 19, 2025, and this Notice is being provided pursuant to the Preliminary Approval Order.

Defendants have denied, and continue to deny, the Complaint's allegations and that they violated the federal securities laws in any respect. Defendants contend that they made no false or misleading statements, and they made full and accurate disclosures of all information required to be disclosed by law.

**THE COURT HAS NOT DETERMINED WHETHER DEFENDANTS ARE LIABLE TO LEAD PLAINTIFF OR TO THE CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THE ACTION OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PROPOSED SETTLEMENT OF THE ACTION AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.**

**3. Why is there a settlement? What if there were no settlement?**

The Court has not decided in favor of Defendants or the Class. Instead, both sides agreed to the Settlement to avoid the costs and risks of further litigation, including trial and post-trial appeals. Lead Plaintiff agreed to the Settlement in order to ensure that Class Members will receive compensation, and because Lead Plaintiff (advised by Lead Counsel) considered the Settlement Amount to be a favorable recovery compared to the risk-adjusted possibility of recovery after trial and any appeals, in light of Defendants' arguments that the statements at issue were not actionable at all by the Class, that Defendants were complying with all applicable securities laws, and that the Class did not suffer any damages. Lead Plaintiff and Lead Counsel believe the Settlement is in the best interest of all Class Members in light of the real possibility that continued litigation could result in no recovery at all.

## WHO IS IN THE SETTLEMENT

### 4. How do I know if I am a member of the Class?

The Court directed that everyone who fits this description is a Class Member: all holders of Jernigan common stock as of September 11, 2020, the record date for eligibility to vote on the Transaction, whose shares were sold for \$17.30 in the Transaction, except those Persons and entities that are excluded. Excluded from the Class are: (a) Defendants, their Immediate Family Members, any legal representatives, heirs, successors or assigns of the Defendants and/or their Immediate Family Members, and any entity in which Defendants and/or their Immediate Family Members have or had a controlling interest; and (b) the officers and directors of the Company at all relevant times, their Immediate Family Members, any legal representatives, heirs, successors or assigns of the officers and directors of the Company at all relevant times and/or their Immediate Family Members, and any entity in which the officers and/or directors of the Company at all relevant times and/or their Immediate Family Members have or had a controlling interest. Also excluded from the Class are those Persons who timely and validly exclude themselves therefrom by submitting a request for exclusion in accordance with the requirements set forth in question 11 below.

**Please Note:** Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Class Member and you wish to be eligible to participate in the distribution of the proceeds from the Settlement, you are required to submit the Proof of Claim that is being distributed with this Notice (and available on the website) and the required supporting documentation as set forth therein postmarked or submitted online on or before **June 10, 2025**.

### 5. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator toll-free at 1-833-419-4863, via email at [info@JerniganSecuritiesSettlement.com](mailto:info@JerniganSecuritiesSettlement.com), or you can fill out and return, via mail or online, the Proof of Claim enclosed with this Notice package (and available on the website) to see if you qualify.

## THE SETTLEMENT BENEFITS – WHAT YOU GET

### 6. What does the Settlement provide?

The Settlement provides that, in exchange for the release of the Released Plaintiff's Claims (defined below) and dismissal of the Action, Defendants have agreed to pay (or cause to be paid) \$12 million in cash to be distributed after Taxes, Tax Expenses, Notice and Administration Expenses, and approved attorneys' fees and expenses, *pro rata*, to Class Members who send in a valid Proof of Claim pursuant to the Court-approved Plan of Allocation. The Plan of Allocation is described in more detail at the end of this Notice.

### 7. How much will my payment be?

At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement. Your actual recovery will be a proportion of the Net Settlement Fund determined by your claim as compared to the total claims of all eligible Class Members who submit acceptable Proofs of Claim. You may receive more than the estimated average amount provided below depending on the number of claims submitted. If 100% of shares outstanding on the record date and exchanged in the Transaction submit a claim, each share's average distribution under the Settlement will be approximately \$0.78 per share, before deduction of any Taxes on any income earned on the Settlement Amount, Tax Expenses, Notice and Administration Expenses, the attorneys' fees and expenses, and the expenses of Lead Plaintiff (if requested), as determined by the Court. See Plan of Allocation set forth at pages 10 through 11 below for more information on your claim. The Settlement Fund less Taxes, Notice and Administration Expenses, any award of attorneys' fees and expenses, and Lead Plaintiff's expenses ("Net Settlement Fund") will be distributed to Class Members who submit valid, timely Proofs of Claim ("Authorized Claimants") on a *pro rata* basis. However, no distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Defendants do not agree with the characterization that any damages were suffered by Lead Plaintiff or the Class.

Payments shall be conclusive against all Authorized Claimants. No Person shall have any claim against Lead Counsel, Lead Plaintiff, the Claims Administrator, Defendants or the Released Defendants' Persons, or any Person designated by Lead Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, or further order(s) of the Court. No Class Member shall have any claim against Defendants for any Released Plaintiff's Claims. All Class Members who fail to complete and submit a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

## HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

### 8. How can I get a payment?

To be eligible to receive a payment from the Settlement, you must submit a Proof of Claim. A Proof of Claim is enclosed with this Notice or it may be downloaded at [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com). Read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and **mail (to *Jernigan Securities Settlement, c/o Verita Global, Claims Administrator, P.O. Box 301135, Los Angeles, CA 90030-1135*) or submit it online at [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com) so that it is postmarked or received no later than June 10, 2025.**

### 9. When would I get my payment?

**The Court will hold a Settlement Hearing on May 29, 2025, at 1:00 p.m. ET**, to decide whether to approve the Settlement. If the Court approves the Settlement, there might be appeals. It is always uncertain whether appeals can be resolved, and if so, how long it would take to resolve them. It also takes time for all the Proofs of Claim to be processed. Please be patient.

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

Unless you timely and validly exclude yourself, you are staying in the Class, and that means you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or the Released Defendants' Persons about the "Released Plaintiff's Claims" (as defined below) in the Action. It also means that all of the Court's orders will apply to you and legally bind you. If you remain a Class Member, and if the Settlement is approved, you will give up all "Released Plaintiff's Claims" (as defined below), including "Unknown Claims" (as defined below), against the "Released Defendants' Persons" (as defined below):

- "Immediate Family Member(s)" means children, stepchildren, grandchildren, parents, stepparents, grandparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law, and any persons (other than a tenant or employee) sharing the household.
- "Released Defendants' Claims" means all claims (including, but not limited to, Unknown Claims (as defined below)), and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, common, or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants, by the Released Defendants' Persons against the Released Plaintiff's Persons. This release does not include claims relating to the enforcement of the Settlement.
- "Released Defendants' Persons" means Defendants, NexPoint Advisors, L.P. and their respective past or present control persons, controlling stockholders, entities in which they have or had a controlling interest, parents, subsidiaries, divisions, associated entities, partnerships, joint ventures, member firms, limited liability companies, corporations and affiliates and the respective present and former employees, stockholders, principals, partners, officers, managers, directors, fiduciaries, managing directors, members, managing members, managing agents, advisors, consultants, and underwriters of each of them in their capacities as such; and the predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, assignees, insurers, co-insurers, reinsurers, Immediate Family Members, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, attorneys, and legal or personal representatives of each of them in their capacities as such.
- "Released Plaintiff's Claims" means all claims, demands, losses, rights, and causes of action of every nature and description, whether known or unknown, and whether arising under federal, state, common, foreign or other applicable law, rule, or regulation, that the Released Plaintiff's Persons: (i) asserted in any complaint filed in the Action; or (ii) could have asserted or could in the future assert in any court or other forum, directly, derivatively, or in any other capacity, that: (a) arise out of or relate to any of the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in any complaint filed in the Action; and (b) arise from or relate to the sale of Jernigan common stock in the Transaction. This release does not cover, include, or release: (i) any previously filed shareholder derivative or ERISA claims; (ii) any claims relating to the enforcement of the Settlement; or (iii) any claims of any Person that submitted an effective request for exclusion from the Class. "Released Plaintiff's Claims" include "Unknown Claims" as defined below. For the avoidance of doubt, nothing in the Stipulation is intended to, nor shall it be deemed to, release any claim that the Defendants have against any of Defendants' insurers.

- “Released Plaintiff’s Persons” means Lead Plaintiff and the other members of the Class, on behalf of themselves and their respective past or present control persons, controlling stockholders, entities in which they have or had a controlling interest, parents, subsidiaries, divisions, associated entities, partnerships, joint ventures, member firms, limited liability companies, corporations and affiliates and the respective present and former employees, stockholders, principals, partners, officers, managers, directors, fiduciaries, managing directors, members, managing members, managing agents, advisors, consultants, and underwriters of each of them in their capacities as such; and the predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, assignees, insurers, co-insurers, reinsurers, Immediate Family Members, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, attorneys, and legal or personal representatives of each of them in their capacities as such.
- “Unknown Claims” means any of the Released Plaintiff’s Claims which Released Plaintiff’s Persons do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendants’ Persons, and any of the Released Defendants’ Claims that the Released Defendants’ Persons do not know or suspect to exist in his, her or its favor at the time of the release of Released Plaintiff’s Persons, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement with and release of the Released Defendants’ Persons or Released Plaintiff’s Persons, or might have affected his, her, or its decision not to object to this Settlement or seek exclusion. Unknown Claims include those Released Plaintiff’s Claims in which some or all of the facts comprising the claim may be suspected, or even undisclosed or hidden. With respect to any and all Released Plaintiff’s Claims and the Released Defendants’ Claims, upon the Effective Date, the Released Plaintiff’s Persons and the Released Defendants’ Persons shall be deemed to have, and by operation of the Order and Final Judgment, shall have, expressly waived to the fullest extent permitted by law, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

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

The Settling Parties shall expressly waive, and the Released Plaintiff’s Persons and the Released Defendants’ Persons shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any 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. The Released Plaintiff’s Persons and the Released Defendants’ Persons acknowledge that they may hereafter discover facts, legal theories, or authorities in addition to, or different from those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Plaintiff’s Claims or Released Defendants’ Claims, but: (a) the Released Plaintiff’s Persons shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish and release, and each Released Plaintiff’s Person shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and, upon the Effective Date, and by operation of the Judgment, shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Plaintiff’s Claims against the Released Defendants’ Persons, known or unknown, suspected or unsuspected, contingent or non-contingent, accrued or unaccrued, whether or not concealed or hidden, which now exist, or heretofore have existed, or may hereafter exist, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, 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, legal theories, or authorities; and (b) the Defendants shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish and release, and, upon the Effective Date, and by operation of the Judgment, shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Defendants’ Claims against the Released Plaintiff’s Persons, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which 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 which is negligent, 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, legal theories, or authorities. The Settling Parties acknowledge, and the Released Plaintiff’s Persons and Released Defendants’ Persons shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is an essential element of the Settlement of which this release is a part.

## EXCLUDING YOURSELF FROM THE CLASS

If you want to keep the right to potentially sue the Released Defendants' Persons on your own about the claims being released by the Settlement, then you must take steps to remove yourself from the Settlement. This is called excluding yourself – or is sometimes referred to as “opting out.” If you are requesting exclusion because you want to bring your own lawsuit based on the matters alleged in the Action, you may want to consult an attorney and discuss whether any individual claim that you may wish to pursue would be time-barred by the applicable statutes of limitation or repose.

### 11. How do I get out of the Class and the proposed Settlement?

To exclude yourself from the Class and the Settlement, you must send a signed and dated letter by mail stating that you “request exclusion from the Class in the *Jernigan Securities Settlement*.” Your letter must include information about your shares of Jernigan common stock that were held as of September 11, 2020, the record date, and the shares you sold in the Transaction, including the number of shares. In addition, you must include your name, address, telephone number, and in the case of entities, the name and telephone number of the appropriate contact person, and your signature. You must submit your exclusion request so that it is **postmarked no later than May 8, 2025** to:

*Jernigan Securities Settlement*  
EXCLUSIONS  
c/o Verita Global  
P.O. Box 5100  
Larkspur, CA 94977-5100

You cannot exclude yourself by phone or by email. If you make a proper request for exclusion, you will not receive a payment from the Settlement, and you cannot object to the Settlement. If you make a proper request for exclusion, you will not be legally bound by anything that happens in the Action.

### 12. If I do not exclude myself, can I sue the Defendants and the other Released Defendants' Persons for the same thing later?

No. Unless you exclude yourself, you give up any rights you may potentially have to sue Defendants and the other Released Defendants' Persons for any and all Released Plaintiff's Claims. If you have a pending lawsuit against the Released Defendants' Persons, speak to your lawyer in that case immediately. You must exclude yourself from the Class in this Action to continue your own lawsuit. Remember, the exclusion deadline is May 8, 2025.

### 13. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, you will not get money from the proposed Settlement. If you exclude yourself, you should not send in a Proof of Claim to ask for any money.

## WHO REPRESENTS THE CLASS

### 14. Who are the lawyers in this case?

The Court ordered that the law firm of Robbins Geller Rudman & Dowd LLP represent the Class Members, including you. These lawyers are called Lead Counsel.

### 15. How will the lawyers be paid?

Lead Counsel will apply to the Court for an award of attorneys' fees not to exceed 33⅓% of the Settlement Amount and for expenses, costs, and charges in an amount not to exceed \$225,000, in connection with the Action, plus interest on such fees and expenses at the same rate as earned by the Settlement Fund. In addition, Lead Plaintiff may seek up to \$10,000 for his time and expenses incurred in representing the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

## OBJECTING TO THE SETTLEMENT

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

### 16. How do I tell the Court that I object to the proposed Settlement?

If you are a Class Member, you may object to the proposed Settlement, the proposed Plan of Allocation, and/or the fee and expense applications of Lead Counsel or Lead Plaintiff. For any objection to be considered, you must file a written statement with the Clerk of the Court and send a copy to Lead Counsel and Defendants' Counsel at the addresses listed below so that it is **received by May 8, 2025**. Any objection must: (i) state the name, address, and telephone number of the Person objecting and must be signed by the objector, even if the objector is represented by counsel; (ii) contain a statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention and whether the



objections apply only to the objector, a specific subset of the Class, or to the entire Class; (iii) include documents sufficient to prove membership in the Class, including evidence of the objecting Class Member's shares of Jernigan common stock held as of September 11, 2020, the record date, and sold in the Transaction, including the number of shares; and (iv) identify all settlements to which the objector and/or its counsel has filed an objection in the past three (3) years. Attendance at the Settlement Hearing is not necessary; however, persons wishing to be heard orally at the Settlement Hearing are required to indicate in their written objection their intention to appear at the hearing and identify any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

CLERK OF THE COURT	LEAD COUNSEL	DEFENDANTS' COUNSEL
UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK Clerk of the Court Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007-1312	ROBBINS GELLER RUDMAN & DOWD LLP Ellen Gusikoff Stewart 655 West Broadway Suite 1900 San Diego, CA 92101	WINSTON & STRAWN LLP Matthew L. DiRisio 200 Park Avenue New York, NY 10166

### 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.

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

The Court will hold a Settlement Hearing at **1:00 p.m. ET, on May 29, 2025**, in the Courtroom of the Honorable Jennifer L. Rochon at the United States District for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007-1312. At the hearing, the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable, and adequate. If there are objections, the Court will consider them, even if you do not ask to speak at the hearing. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Lead Counsel and Lead Plaintiff. After the Settlement Hearing, the Court will decide whether to approve the Settlement and the Plan of Allocation. We do not know how long these decisions will take. You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Class Members. **In order to determine whether the date and time of the Settlement Hearing has changed, or whether Class Members must or may participate by phone or video, it is important that you monitor the Court's docket and the Settlement website, [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com), before making any plans to attend the Settlement Hearing. Any updates regarding the Settlement Hearing, including any changes to the date and time of the hearing or updates regarding in-person, telephonic, or video conference appearances at the hearing, will be posted to the Settlement website, [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com). Also, if the Court requires or allows Class Members to participate in the Settlement Hearing by telephone or video conference, the phone number for accessing the telephonic conference or the website for accessing the video conference will be posted to the Settlement website, [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com).** If you want to attend the hearing, either in person or telephonically, if permitted, you should check the Settlement website, [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com), or contact Lead Counsel beforehand to be sure that the date and/or time has not changed.

#### 18. Do I have to come to the hearing?

No. Lead Counsel will answer any questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

#### 19. May I speak at the hearing?

If you object to the Settlement, the Plan of Allocation, and/or the fee and expense applications, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see question 16 above) a statement saying that it is your "Notice of Intention to Appear in the ***Jernigan Securities Settlement***." Persons who intend to object to the Settlement, the Plan of Allocation, and/or any attorneys' fees and expenses to be awarded to Lead Counsel or Lead Plaintiff and desire to present evidence at the Settlement Hearing, must include in their written objections the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing. Your notice of intention to appear must be **received no later than May 8, 2025**, and addressed to the Clerk of Court, Lead Counsel, and Defendants' Counsel, at the addresses listed above in question 16.

You cannot speak at the hearing if you exclude yourself from the Class.

## IF YOU DO NOTHING

### 20. What happens if I do nothing?

If you do nothing, you will not receive any money from this Settlement. In addition, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants and/or the Released Defendants' Persons about the Released Plaintiff's Claims in the Action.

## GETTING MORE INFORMATION

### 21. How do I get more information?

For even more detailed information concerning the matters involved in the Action, you can obtain answers to common questions regarding the proposed Settlement by contacting the Claims Administrator toll-free at 1-833-419-4863 or via email at [info@JerniganSecuritiesSettlement.com](mailto:info@JerniganSecuritiesSettlement.com). Reference is also made to the Stipulation, to the pleadings in support of the Settlement, to the Orders entered by the Court, and to the other Settlement related papers filed in the Litigation, which are posted on the Settlement website at [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com), and which may be inspected at the Office of the Clerk of the United States District Court for the Southern District of New York, during regular business hours. For a fee, all papers filed in the Litigation are also available at [www.pacer.gov](http://www.pacer.gov).

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

### 22. How will my claim be calculated?

The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Court may approve the Plan of Allocation with or without modifications agreed to among the Parties, or may approve another plan of allocation, without further notice to Class Members.

As discussed above, the Settlement provides \$12 million in cash for the benefit of the Class. The Settlement Amount and any interest it earns constitute the "Settlement Fund." The Settlement Fund, after deduction of Court-approved attorneys' fees and expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court, is the "Net Settlement Fund." If the Settlement is approved by the Court, the Net Settlement Fund will be distributed to Authorized Claimants – *i.e.*, Class Members who timely submit a valid Proof of Claim to the Claim Administrator – in accordance with this proposed Plan of Allocation ("Plan of Allocation" or "Plan") or such other plan of allocation as the Court may approve. Given that the currently pending claims in the Litigation challenge statements made in the Proxy related to that vote, this proposed Plan of Allocation aligns the recovery with those who have legal standing to bring the claims currently asserted in the Litigation. Class Members who do not timely submit valid Proofs of Claim will not share in the Net Settlement Fund, but will otherwise be bound by the Settlement. The Court may approve this proposed Plan of Allocation, or modify it, without additional notice to the Class. Any order modifying the Plan of Allocation will be posted on the Settlement website, [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com). The objective of the Plan of Allocation is to distribute the Net Settlement Fund proceeds equitably among Class Members based on their respective alleged economic losses resulting from the Action. The Plan of Allocation is not a formal damages analysis, and the calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations in accordance with the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants under the Settlement. The computations under the Plan of Allocation are only a method to weigh, in a fair and equitable manner, the claims of Authorized Claimants against one another for the purpose of making *pro rata* allocations of the Net Settlement Fund.

### Section 14(a) Claims

Claims under Section 14(a) of the Securities Exchange Act of 1934 are asserted with regard to Defendants' alleged negligent preparation, review, and dissemination of the allegedly false and misleading Proxy Statement. Lead Plaintiff alleges that members of the Class were deprived of their right to be presented with accurate proxy materials while asked to vote on Jernigan's proposed take-private transaction. In order to have a compensable loss in this Settlement under Section 14(a) of the Securities Exchange Act of 1934, a claimant must have: (i) held Jernigan common stock as September 11, 2020; and (ii) sold shares in the Transaction.

## CALCULATION OF RECOGNIZED LOSS AMOUNTS

As discussed above, the Settlement provides \$12 million in cash for the benefit of the Class. The Settlement Amount and any interest it earns constitute the "Settlement Fund." The Settlement Fund, after deduction of Court-approved attorneys' fees and expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court, is the "Net Settlement Fund."

If the Settlement is approved by the Court, the Net Settlement Fund will be distributed to Authorized Claimants – *i.e.*, Class Members who submit a valid Proof of Claim to the Claim Administrator – in accordance with this proposed Plan of Allocation (“Plan of Allocation” or “Plan”) or such other plan of allocation as the Court may approve.

Only those stockholders holding Jernigan common stock as of September 11, 2020 were considered record holders entitled to vote on the Transaction. Given that the currently pending claims in the Litigation challenge statements made in the Proxy related to that vote, this proposed Plan of Allocation aligns the recovery with those who have legal standing to bring the claims currently asserted in the Litigation.

For holders of Jernigan common stock as of the September 11, 2020 record date for the special meeting of shareholders held on October 26, 2020, who and still held their respective shares as of the close of trading on November 5, 2020,<sup>2</sup> the “Recognized Loss Amount” shall be equal to the Net Settlement Fund divided by the total number of shares represented by valid Claims submitted by Authorized Claimants.

Class Members who do not timely submit valid Proofs of Claim will not share in the Net Settlement Fund, but will otherwise be bound by the Settlement. The Court may approve this proposed Plan of Allocation, or modify it, without additional notice to the Class. Any order modifying the Plan of Allocation will be posted on the Settlement website, [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com).

The objective of the Plan of Allocation is to distribute the Settlement proceeds equitably among those Class Members who have legal standing to bring the claims currently asserted in the Litigation (as described above). The Plan of Allocation is not a formal damages analysis, and the calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Class Members might have been able to recover after a trial.

Pursuant to the Settlement described herein, the Settlement Amount is \$12 million. Lead Plaintiff estimates that approximately 15,387,070 shares of Jernigan common stock are in the Class. A Class Member’s actual recovery will be a proportion of the Net Settlement Fund determined by its claim as compared to the total claims of all eligible Class Members who submit acceptable Proofs of Claim.

A Class Member may receive more than the estimated average amount provided below depending on the number of Claims submitted. If 100% of shares outstanding on the record date and exchanged in the Transaction submit a Claim, each share’s average distribution under the Settlement will be approximately \$0.78 per share, before deduction of any Taxes on any income earned on the Settlement Amount, Tax Expenses, Notice and Administration Expenses, the attorneys’ fees and expenses, the expenses of Lead Plaintiff (if any), as determined by the Court.

The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis. However, no distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Payments shall be conclusive against all Authorized Claimants. No Person shall have any claim against Lead Counsel, Lead Plaintiff, the Claims Administrator, Released Defendants’ Persons, or any Person designated by Lead Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, or further order(s) of the Court.

No Class Member shall have any claim against Defendants for any Released Plaintiff’s Claims. All Class Members who fail to complete and submit a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

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<sup>2</sup> November 5, 2020 was the last day the Company’s shares traded prior to the closing of the Transaction.

## SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you held Jernigan common stock as of September 11, 2020, the record date for eligibility to vote on the Transaction, and sold in the Transaction for the beneficial interest of an individual or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) 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 held such common stock; or (b) request additional copies of this Notice and the Proof of Claim, which will be provided to you free of charge, and within seven (7) days mail the Notice and Proof of Claim directly to the beneficial owners of the common stock referred to herein. If you choose to follow alternative procedure (b), upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed and retain the names and addresses for any future mailings to Class Members. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Reasonable out-of-pocket expenses actually incurred in connection with the foregoing includes up to \$0.03 for providing names, addresses, and email addresses to the Claims Administrator per record, up to a maximum of \$0.03 per Notice and Claim Form emailed or mailed by you, plus postage at the rate used by the Claims Administrator. Your reasonable expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator at [notifications@veritaglobal.com](mailto:notifications@veritaglobal.com) or:

*Jernigan Securities Settlement*  
Claims Administrator  
c/o Verita Global  
P.O. Box 301135  
Los Angeles, CA 90030-1135

DATED: February 19, 2025

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BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK