

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

WAYNE C. CONLEE, Individually and on Behalf of ) No. 1:11-cv-03503-JBZ  
All Other Similarly Situated, )  
Plaintiff, ) CLASS ACTION  
vs. ) Judge James B. ZageI  
WMS INDUSTRIES INC., et al., )  
Defendants. ) Magistrate Judge Young Kim  
\_\_\_\_\_ )

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

**TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK OF WMS INDUSTRIES INC. ("WMS" OR THE "COMPANY") BETWEEN SEPTEMBER 21, 2010 AND AUGUST 4, 2011, INCLUSIVE**

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION. 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 THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM POSTMARKED ON OR BEFORE MAY 5, 2014.

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

This 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 Northern District of Illinois (the "Court"). The purpose of this Notice of Pendency and Proposed Settlement of Class Action ("Notice") is to inform you of the proposed settlement of this securities class action litigation (the "Settlement") and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement. The Settlement resolves the Class's claims asserted against the Defendants. This Notice describes the rights you may have in connection with the Settlement and what steps you may take in relation to the Settlement and this class action litigation.

The proposed Settlement creates a fund in the amount of Three Million Seven Hundred Thousand Dollars (\$3,700,000.00) in cash plus interest that accrues on the fund prior to distribution. Based on the information currently available to Lead Plaintiff and the analysis performed by his damages consultant, it is estimated that if Class Members submit claims for 100% of the shares eligible for distribution, the estimated average distribution per share will be approximately \$0.05 before deduction of Court-approved fees and expenses. Historically, actual claims rates are less than 100%, which result in higher distributions per share. Your actual recovery from this fund will depend on a number of variables, including the number of claimants, the amount of WMS common stock you and they purchased or acquired, the amount of WMS common stock you and they sold, the expense of administering the claims process, and the timing of your purchases or acquisitions and sales, if any (see the Plan of Distribution below for a more detailed description of how the settlement proceeds will be allocated among Class Members).

The Defendants have denied and continue to deny specifically each and all of the claims and contentions alleged in the Action. The issues on which the parties disagree include, but are not limited to: (1) whether the statements made or facts allegedly omitted were false, material, or otherwise actionable under the federal securities laws; (2) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the trading price of WMS common stock; (3) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were omitted influenced (if at all) the trading price of WMS common stock; (4) the extent to which external factors, such as general market conditions, influenced the trading price of WMS common stock; (5) the effect of various market forces influencing the trading price of WMS common stock; (6) the amount by which the price of WMS common stock was allegedly artificially inflated (if at all); and (7) the appropriate economic model for determining the amount by which the price of WMS common stock was allegedly artificially inflated (if at all). Lead Plaintiff and Defendants do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff was to have prevailed on each claim asserted. The Defendants deny that they have violated the federal securities laws or any laws.

Lead Plaintiff believes that the proposed Settlement is a very good recovery and is in the best interests of the Class. There were significant risks associated with continuing to litigate the Action. On October 26, 2012, Defendants filed a Motion to Dismiss the Action. On April 24, 2013, the Court issued a Memorandum Opinion and Order granting Defendants' Motion to Dismiss the Action with prejudice. Lead Plaintiff has appealed the Court's Memorandum Opinion and Order to the Seventh Circuit Court of Appeals ("Seventh Circuit"). If the Seventh Circuit affirmed the Court's ruling, the Class would receive nothing. Further, in the event that the Seventh Circuit reversed the Court's ruling and remanded the Action to the Court for trial, if the Defendants prevailed at trial, the Class would receive nothing. In addition, the amount of damages recoverable by the Class was and is challenged by the Defendants. Recoverable damages in this case are limited to losses caused by conduct actionable under applicable law, and had the Action gone to trial, the Defendants intended to assert that all of the losses of Class Members were caused by non-actionable market, industry, general economic or company-specific factors, other than the revelation of the facts alleged to be misleadingly stated or omitted.

Lead Counsel have not received any payment for their services in conducting this Action on behalf of Lead Plaintiff and the members of the Class, nor have they been paid their litigation expenses. If the Settlement is approved by the Court, Lead Counsel will apply to the Court for attorneys' fees of up to 33% of the settlement proceeds plus expenses not to exceed \$100,000, plus interest on such amounts, all of which shall be paid from the Settlement Fund. If the amounts requested by counsel are approved by the Court, the average cost per share would be approximately \$0.02.

This Notice is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in this Action or the fairness or adequacy of the proposed Settlement.

For further information regarding this Settlement you may contact: Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, Telephone: 1-800-449-4900. Please do not call any representative of the Defendants or the Court.

## **I. NOTICE OF HEARING ON PROPOSED SETTLEMENT**

A hearing (the "Final Approval Hearing") will be held on May 8, 2014, at 10:30 a.m., before the Honorable James B. Zagel, United States District Judge, at the United States District Court for the Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, Courtroom 2503, 219 South Dearborn Street, Chicago, Illinois 60604. The purpose of the Final Approval Hearing will be to determine: (1) whether the Settlement consisting of Three Million Seven Hundred Thousand Dollars (\$3,700,000.00) in cash plus accrued interest on the Settlement Fund should be approved as fair, reasonable, and adequate to the Class, which would result in this Action being dismissed with prejudice against the Released Persons as set forth in the Stipulation of Settlement dated December 17, 2013 ("Stipulation"); (2) whether the proposed plan to distribute the settlement proceeds (the "Plan of Distribution") is fair, reasonable, and adequate; and (3) whether the application by Lead Counsel for an award of attorneys' fees and expenses should be approved. The Court may adjourn or continue the Final Approval Hearing without further notice to the Class.

## **II. DEFINITIONS USED IN THIS NOTICE**

1. "Authorized Claimant" means any member of the Class who submits a timely and valid Proof of Claim and Release form and whose claim for recovery has been allowed pursuant to the terms of the Stipulation.
2. "Claims Administrator" means the firm of Gilardi & Co. LLC.
3. "Class" means all persons, without geographic limitation, who purchased or otherwise acquired WMS common stock during the period from September 21, 2010 through and including August 4, 2011, or their successor in interest, and who were or claim to have been damaged by Defendants' alleged violations of Sections 10(b) and/or 20(a) of the Securities Exchange Act of 1934. Excluded from the Class are Defendants, the current officers and directors of the Company, members of their immediate families, any entity in which a Defendant has a controlling interest, and the legal representatives, heirs, successors or assigns of any such excluded party. Also excluded from the Class are those Persons who timely and validly exclude themselves therefrom.
4. "Class Member" means a Person who falls within the definition of the Class as set forth above.
5. "Class Period" means the period from September 21, 2010 through and including August 4, 2011.
6. "Defendants" means WMS, Brian R. Gamache, Scott D. Schweinfurth, and Orrin J. Eddin.
7. "Effective Date" means the first date by which all of the events and conditions specified in paragraph 7.1 of the Stipulation have been met and have occurred.
8. "Escrow Account" means the account controlled by the Escrow Agent.
9. "Escrow Agent" means Robbins Geller Rudman & Dowd LLP or its successor(s).
10. "Final" means when the last of the following with respect to the Judgment approving the Settlement, in the form of Exhibit B attached to the Stipulation, 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 without any appeal having been taken; and (iii) if a motion to alter or amend is filed or if an appeal is taken, the determination of that motion or appeal in such a manner as to permit the consummation of the Settlement, in accordance with the terms and conditions of the Stipulation. 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 the Stipulation, but shall not include any appeal that concerns only the issue of attorneys' fees and expenses or any Plan of Distribution of the Settlement Fund.
11. "Judgment" means the judgment and order of dismissal with prejudice to be rendered by the Court upon approval of the Settlement, in the form attached to the Stipulation as Exhibit B.
12. "Lead Counsel" means Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101.
13. "Lead Plaintiff" means Kenneth Zeitlin.

14. "Net Settlement Fund" means the portion of the Settlement Fund that shall be distributed to Authorized Claimants as allowed by the Stipulation, the Plan of Distribution, or the Court.

15. "Person" means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and his, her or its spouses, heirs, predecessors, successors, representatives, or assignees.

16. "Plan of Distribution," as further defined in §VII of this Notice, means a plan or formula of allocation of the Net Settlement Fund whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of expenses of notice and administration of the Settlement, Taxes and Tax Expenses, and such attorneys' fees, costs, expenses, and interest, and other expenses as may be awarded by the Court. Any Plan of Distribution is not part of the Stipulation and the Released Persons shall have no responsibility or liability with respect to the Plan of Distribution.

17. "Related Persons" means, with respect to the Defendants, each and all of their respective present or former parents, subsidiaries, affiliates, successors and assigns, and each and all of their respective present or former officers, directors, employees, employers, attorneys, accountants, financial advisors, commercial bank lenders, insurers, reinsurers, investment bankers, representatives, general and limited partners and partnerships, heirs, executors, administrators, successors, affiliates, agents, spouses, associates, and assigns of each of them or any trust of which any Defendant and/or their Related Persons is the settlor or which is for the benefit of any Defendant and/or their Related Persons and/or member(s) of his or her family and any entity in which any such Defendant and/or their Related Persons has a controlling interest.

18. "Released Claims" means any and all claims, causes of action, rights, actions, suits, obligations, debts, demands, judgments, agreements, promises, liabilities, damages, losses, controversies, costs, expenses or attorney fees, of every nature and description whatsoever that were, may have been, or could have been asserted in the Action and whether direct or indirect, now known or unknown, suspected or unsuspected, accrued or unaccrued, in law or in equity whether having arisen or yet to arise, including, without limitation, any claims of violations of federal or state securities laws and any federal or state claims of fraud, intentional misrepresentation, negligent misrepresentation, negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, breach of fiduciary duty, or violations of any state or federal statutes, rules or regulations (including "Unknown Claims" as defined below), that have been or could have been alleged or asserted now or in the future by the Lead Plaintiff or any Class Member against the Defendants or any of them or any of the Released Persons in this Action or in any other court action or before any administrative body, tribunal, arbitration panel, or other adjudicatory body, arising out of, relating to, or in connection with: (a) both a Class Member's purchase(s) or acquisition(s) of WMS common stock during the Class Period and the acts, facts, transactions, events, occurrences, disclosures, statements, omissions, or failures to act that were alleged, may have been alleged, or could have been alleged in the Action; or (b) any claims relating to the institution, prosecution, assertion, settlement, or resolution of the Action.

19. "Released Persons" means each and all of Defendants and each and all of their Related Persons.

20. "Settlement Fund" means Three Million Seven Hundred Thousand Dollars (\$3,700,000.00) in cash paid by or on behalf of Defendants pursuant to paragraph 2.1 of the Stipulation, together with all interest and income earned thereon after being transferred to an account controlled by the Escrow Agent. Such amount is paid as consideration for full and complete settlement of all the Released Claims.

21. "Settling Parties" means Defendants and Lead Plaintiff on behalf of itself and the Class Members.

22. "Unknown Claims" means any Released Claims which Lead Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff shall expressly and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived to the fullest extent permitted by law the provisions, rights, and benefits of 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.**

Lead Plaintiff shall expressly and each of the Class Members 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. Lead Plaintiff and Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiff shall expressly, and each Class Member, upon the Effective Date, 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, 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 that 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, whether or not previously or currently asserted in any action. Lead Plaintiff acknowledges, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and an essential term of the Settlement of which this release is a part.

### **III. THE LITIGATION**

This case is currently pending before the Honorable James B. Zagel in the United States District Court for the Northern District of Illinois (the "Court") and was brought on behalf of the Class (to be certified for settlement purposes) of all persons, without geographic limitation, who purchased or otherwise acquired WMS common stock during the period from September 21, 2010 through and including August 4, 2011 (the "Class Period"), or their successor in interest, and who were or claim to have been damaged by Defendants' alleged violations of Sections 10(b) and/or 20(a) of the Securities Exchange Act of 1934. The initial complaint was filed on May 25, 2011, and on August 4, 2011, the Court appointed Kenneth Zeitlin as Lead Plaintiff and the firm Robbins Geller Rudman & Dowd LLP as Lead Counsel. On September 12, 2012, Lead Plaintiff filed the Amended Class Action Complaint for Violations of the Federal Securities Laws ("Complaint"), which alleges that during the Class Period, Defendants made false and misleading assurances to investors that the Company was on track to achieve record revenue and margins growth in fiscal year 2011, through the launch of new, high margin gaming products and the implementation of certain operational improvements. The Complaint further alleges that Defendants' misstatements caused WMS's stock to trade at artificially inflated prices and when the truth of those misstatements was eventually disclosed, resulted in substantial damages to the Class.

From the outset of the litigation, Defendants have denied all of these allegations and consistently maintained that they never made any statement to the market that was or that they believed was false or misleading, nor did they ever direct anyone to make public statements that were or that they believed were false and misleading. Defendants believed at the time and still believe that, during the Class Period and at all other times, WMS's public statements were truthful, accurate and not misleading, including those statements relating to WMS's new product launches and implementation of operational improvements. As a result, and as argued in their motion to dismiss the Action, Defendants contend that Lead Plaintiff did not plead an actionable claim and cannot prove any element of securities fraud, including, but not limited to, falsity, materiality, scienter and damages.

On October 26, 2012, Defendants filed their Motion to Dismiss Lead Plaintiff's Second Amended Class Action Complaint Pursuant to Rules 9(b) and 12(b)(6), alleging that Lead Plaintiff's Complaint failed to state a claim for relief. Lead Plaintiff filed his opposition on November 30, 2012, and Defendants filed their reply on December 21, 2012. On April 24, 2013, the Court issued a Memorandum Opinion and Order granting Defendants' motion to dismiss with prejudice (the "Dismissal Order"). Lead Plaintiff filed a notice of appeal of the Dismissal Order with the Seventh Circuit on May 22, 2013. On October 21, 2013, the parties jointly moved for the limited remand of the Action back to the Court to conduct class action settlement approval proceedings, which was granted by the Seventh Circuit on November 1, 2013. Lead Plaintiff's appeal before the Seventh Circuit will be rendered moot if and when the Court grants final approval of the proposed Settlement.

During the litigation, the Settling Parties participated in a full-day mediation session with a well-respected mediator, The Honorable William J. Cahill (Ret.) of JAMS, who has extensive experience mediating complex securities class action litigation, such as this Action. While the mediation before Judge Cahill did not result in settlement at that time, the parties agreed to continue settlement discussion. After Lead Plaintiff filed the notice of appeal, additional settlement efforts were attempted by the parties through a series of ongoing discussions and negotiations under Rocco Spagna, an experienced mediator with the Settlement Conference Office of the Seventh Circuit. On October 9, 2013, the parties reached an agreement-in-principle to settle the Action based upon a Mediator's Proposal issued by Mr. Spagna.

### **IV. CLAIMS OF THE LEAD PLAINTIFF AND BENEFITS OF SETTLEMENT**

Lead Plaintiff and Lead Counsel believe that the claims asserted in the Action have merit. But Lead Plaintiff and Lead Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against the Defendants through the appeal, class certification, summary judgment, trial, and any subsequent appeals. Lead Plaintiff and Lead Counsel also have taken into account the uncertain outcome and risks in connection with the Court's pending appeal after the Court granted Defendants' Motion to Dismiss. Lead Plaintiff and Lead Counsel also are aware of the risks presented by the defenses to the securities law violations asserted in the Action. Lead Plaintiff and Lead Counsel believe that the Settlement set forth in the Stipulation confers substantial benefits upon the Class in light of the circumstances present here. Based on their evaluation, Lead Plaintiff and Lead Counsel have determined that the Settlement set forth in the Stipulation is in the best interests of Lead Plaintiff and the Class.

### **V. THE DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

The Defendants have denied and continue to deny that they have violated the federal securities laws or any laws and maintain that their conduct was at all times proper and in compliance with all applicable provisions of law. Defendants have denied and continue to deny specifically each and all of the claims and contentions alleged in the Action, along with 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*, the allegations that any of the Defendants made, knowingly or otherwise, any material misstatements or omissions; that any member of the Class has suffered any damages; that the price of WMS common stock was artificially inflated by reason of the alleged



misrepresentations, omissions, or otherwise; or that the members of the Class were harmed by the conduct alleged in the Action or that could have been alleged as part of the Action. In addition, the Defendants maintain that they have meritorious defenses to all claims alleged in the Action.

Nonetheless, taking into account the uncertainty, risks, and costs inherent in any litigation, especially in complex cases such as this Action that has been dismissed, Defendants have concluded that further conduct of the Action could be protracted and distracting. Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in the Stipulation. As set forth in paragraphs 8.2-8.3 of the Stipulation, the Stipulation shall in no event be construed as or deemed to be evidence of an admission or concession by Defendants or any of the Released Persons with respect to any claim of any fault or liability or wrongdoing or damage whatsoever.

## **VI. TERMS OF THE PROPOSED SETTLEMENT**

The sum of Three Million Seven Hundred Thousand Dollars (\$3,700,000.00) will be transferred to the Escrow Agent within ten (10) business days after the later of (a) the order granting the motion for preliminary approval or (b) the receipt by Defendants' counsel of wire/check payee instructions and a Form W-9 providing the tax identification number for the Escrow Account. The principal amount of \$3,700,000.00, plus any accrued interest once transferred, constitutes the Settlement Fund. A portion of the settlement proceeds will be used for certain administrative expenses, including costs of printing and mailing this Notice, the cost of publishing a newspaper notice, payment of any taxes assessed against the Settlement Fund, and costs associated with the processing of claims submitted. In addition, as explained below, a portion of the Settlement Fund may be awarded by the Court to Lead Counsel as attorneys' fees and for expenses in litigating the case. The balance of the Settlement Fund (the "Net Settlement Fund") will be distributed according to the Plan of Distribution described below to Class Members who submit valid and timely Proof of Claim and Release forms.

## **VII. PLAN OF DISTRIBUTION**

The Net Settlement Fund will be distributed to Class Members who submit valid, timely Proof of Claim and Release forms ("Authorized Claimants") under the Plan of Distribution described below. The Plan of Distribution provides that you will be eligible to participate in the distribution of the Net Settlement Fund if you have a net loss arising out of all transactions involving WMS common stock purchased or acquired during the Class Period. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Distribution, Lead Counsel have consulted with their damages consultant. The Plan of Distribution does not reflect an assessment of the damages that could have been recovered at trial or Lead Counsel's assessment of the likelihood of establishing liability.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, and as is more likely, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

The total of all profits shall be subtracted from the total of all losses from transactions involving WMS common stock purchased or acquired during the Class Period to determine if a Class Member has a claim. Only if a Class Member had a net loss from the WMS common stock purchased or acquired during the Class Period, will such Class Member be eligible to receive a distribution from the Net Settlement Fund.

In the event a Class Member has more than one purchase or sale of WMS common stock during the Class Period, all purchases and sales within the Class Period shall be matched on a First-In, First-Out ("FIFO") basis. Under the FIFO method, sales of WMS common stock during the Class Period will be matched, in chronological order, first against WMS common stock held at the beginning of the Class Period. The remaining sales of WMS common stock during the Class Period will then be matched, in chronological order, against WMS common stock purchased during the Class Period.

### **PLAN OF DISTRIBUTION**

The calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants.

For shares of WMS common stock ***purchased, or acquired, on or between September 21, 2010 through August 4, 2011***, the claim per share shall be as follows:

(a) If sold on or between September 21, 2010 through August 4, 2011, the claim per share shall be the lesser of (i) the inflation in Table A at the time of purchase less the inflation in Table A at the time of sale; and (ii) the difference between the purchase price and the selling price.

(b) If retained at the end of August 4, 2011 and sold prior to November 3, 2011, the claim per share shall be the lesser of (i) the inflation in Table A at the time of purchase; (ii) the difference between the purchase price and the selling price; and (iii) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in Table B below.

(c) If retained at the close of trading on November 2, 2011, or sold thereafter, the claim per share shall be the lesser of (i) the inflation in Table A at the time of purchase; and (ii) the difference between the purchase price per share and \$20.12 per share.

**TABLE A**

Time Period	Inflation
September 21, 2010 – January 25, 2011	\$16.63
January 26, 2011 – April 11, 2011	\$13.27
April 12, 2011 – August 4, 2011	\$7.06

**TABLE B**

Date	Closing Price	Average Closing Price	Date	Closing Price	Average Closing Price
8/5/2011	\$18.22	\$18.22	9/21/2011	\$18.48	\$20.56
8/8/2011	\$19.00	\$18.61	9/22/2011	\$17.59	\$20.48
8/9/2011	\$20.04	\$19.09	9/23/2011	\$17.86	\$20.40
8/10/2011	\$20.87	\$19.53	9/26/2011	\$18.23	\$20.34
8/11/2011	\$22.38	\$20.10	9/27/2011	\$18.95	\$20.30
8/12/2011	\$22.01	\$20.42	9/28/2011	\$17.88	\$20.24
8/15/2011	\$22.22	\$20.68	9/29/2011	\$18.40	\$20.19
8/16/2011	\$21.91	\$20.83	9/30/2011	\$17.59	\$20.13
8/17/2011	\$21.49	\$20.90	10/3/2011	\$16.53	\$20.04
8/18/2011	\$20.55	\$20.87	10/4/2011	\$18.32	\$20.00
8/19/2011	\$20.56	\$20.84	10/5/2011	\$18.67	\$19.97
8/22/2011	\$20.40	\$20.80	10/6/2011	\$19.18	\$19.95
8/23/2011	\$21.84	\$20.88	10/7/2011	\$18.60	\$19.92
8/24/2011	\$21.64	\$20.94	10/10/2011	\$19.39	\$19.91
8/25/2011	\$21.11	\$20.95	10/11/2011	\$19.06	\$19.89
8/26/2011	\$21.85	\$21.01	10/12/2011	\$19.85	\$19.89
8/29/2011	\$22.39	\$21.09	10/13/2011	\$19.99	\$19.89
8/30/2011	\$22.33	\$21.16	10/14/2011	\$20.65	\$19.91
8/31/2011	\$21.82	\$21.19	10/17/2011	\$19.96	\$19.91
9/1/2011	\$21.24	\$21.19	10/18/2011	\$20.81	\$19.92
9/2/2011	\$20.33	\$21.15	10/19/2011	\$19.80	\$19.92
9/6/2011	\$20.04	\$21.10	10/20/2011	\$19.64	\$19.92
9/7/2011	\$20.54	\$21.08	10/21/2011	\$20.16	\$19.92
9/8/2011	\$20.18	\$21.04	10/24/2011	\$21.55	\$19.95
9/9/2011	\$19.34	\$20.97	10/25/2011	\$20.62	\$19.96
9/12/2011	\$19.32	\$20.91	10/26/2011	\$20.30	\$19.97
9/13/2011	\$19.66	\$20.86	10/27/2011	\$21.30	\$19.99
9/14/2011	\$19.59	\$20.82	10/28/2011	\$22.17	\$20.03
9/15/2011	\$20.05	\$20.79	10/31/2011	\$21.91	\$20.06
9/16/2011	\$19.78	\$20.76	11/1/2011	\$21.64	\$20.08
9/19/2011	\$19.03	\$20.70	11/2/2011	\$22.32	\$20.12
9/20/2011	\$18.35	\$20.63			

### VIII. PARTICIPATION IN THE CLASS

If you fall within the definition of the Class, you are a Class Member unless you elect to be excluded from the Class pursuant to this Notice. If you do not request to be excluded from the Class, you will be bound by any judgment entered with respect to the Settlement in the litigation against the Defendants whether or not you file a Proof of Claim and Release form.

***If you are a Class Member, you need do nothing (other than timely file a Proof of Claim and Release if you wish to participate in the distribution of the Net Settlement Fund). Your interests will be represented by Lead Counsel.*** If you choose, you may enter an appearance individually or through your own counsel at your own expense.

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE THAT ACCOMPANIES THIS NOTICE. The Proof of Claim and Release must be postmarked on or before May 5, 2014, and be delivered to the Claims Administrator at the address below. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim and Release, you will be barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and the Final Judgment.

### IX. EXCLUSION FROM THE CLASS

You may request to be excluded from the Class. To do so, you must mail a written request stating that you wish to be excluded from the Class to:

*WMS Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 990  
Corte Madera, CA 94976-0990

The request for exclusion must state: (1) your name, address, and telephone number; and (2) all purchases, acquisitions and sales of WMS common stock made from September 21, 2010 through and including August 4, 2011, including the dates and prices of each purchase, acquisition or sale, and the amount of securities purchased, acquired or sold. YOUR EXCLUSION REQUEST MUST BE POSTMARKED ON OR BEFORE APRIL 14, 2014. If you submit a valid and timely request for exclusion, you shall have no rights under the Settlement, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or the Judgment.

### X. DISMISSAL AND RELEASES

If the proposed Settlement is approved, the Court will enter a Final Judgment. The Judgment will dismiss the Released Claims with prejudice as to all Released Persons as provided in the Stipulation.

The Judgment will provide that all Class Members who have not validly and timely requested to be excluded from the Class shall be deemed to have released and forever discharged all Released Claims, including Unknown Claims, against all Released Persons as provided in the Stipulation.

### XI. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

At the Final Approval Hearing, Lead Counsel will request the Court to award attorneys' fees of up to 33% of the Settlement Fund, plus litigation expenses not to exceed \$100,000, plus interest thereon. Class Members are not personally liable for any such fees, expenses, or compensation.

To date, Lead Counsel have not received any payment for their services in conducting this Action on behalf of Lead Plaintiff and the members of the Class, nor have counsel been paid for their expenses. The fee requested by Lead Counsel would compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the Class, and for their risk in undertaking this representation on a contingency basis. The fee requested is within the range of fees awarded to plaintiff's counsel under similar circumstances in litigation of this type.

### XII. CONDITIONS FOR SETTLEMENT

The Settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; and (2) expiration of the time to appeal from or alter or amend the Judgment. Pending the Court's consideration of this Settlement, the Court has stayed all proceedings, and Class Members are precluded from bringing or pursuing any litigation that seeks to prosecute the Released Claims.

If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the Settling Parties to the Stipulation will be restored to their respective positions as of October 9, 2013.

### **XIII. THE RIGHT TO BE HEARD AT THE FINAL APPROVAL HEARING**

Any Class Member who has not validly and timely requested to be excluded from the Class, and who objects to any aspect of the Settlement, the Plan of Distribution, or the application for attorneys' fees and expenses may appear and be heard at the Final Approval Hearing.<sup>1</sup> Any such Person must submit and serve a written notice of objection, to be received on or before April 14, 2014, by each of the following:

CLERK OF THE COURT  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
Everett McKinley Dirksen United States Courthouse  
219 South Dearborn Street  
Chicago, IL 60604

ROBBINS GELLER RUDMAN  
& DOWD LLP  
CODY R. LEJEUNE  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
*Counsel for Lead Plaintiff*

LATHAM & WATKINS LLP  
MICHAEL J. FARIS  
233 South Wacker Drive, Suite 5800  
Chicago, IL 60606  
*Counsel for Defendants*

The notice of objection must demonstrate the objecting Person's membership in the Class, including the amount of WMS common stock purchased or acquired and sold from September 21, 2010 through and including August 4, 2011, and contain a statement of the reasons for objection. Only Class Members who have submitted written notices of objection in this manner will be entitled to be heard at the Final Approval Hearing, unless the Court orders otherwise.

### **XIV. SPECIAL NOTICE TO BANKS, BROKERS AND OTHER NOMINEES**

If you hold or held any WMS common stock purchased or acquired from September 21, 2010 through and including August 4, 2011, as nominee for a beneficial owner, then, within ten (10) calendar days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim and Release by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

*WMS Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 990  
Corte Madera, CA 94976-0990

If you choose to mail the Notice and Proof of Claim and Release 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 Proof of Claim and Release and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim and Release, upon submission of appropriate documentation to the Claims Administrator.

### **XV. EXAMINATION OF PAPERS**

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, United States District Court, Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604. The motion papers, with exhibits, including the Stipulation, are also available on the Court's ECF website (for a fee). Certain papers relating to the Settlement, including the Stipulation, are also available at the Claims Administrator's website [www.gilardi.com](http://www.gilardi.com).

If you have any questions about the Settlement of the Action, you may contact a representative of Lead Counsel: Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900.

### **DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE**

DATED: January 21, 2014

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

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<sup>1</sup> Lead Counsel's pleadings in support of these matters will be filed with the Court on or before March 31, 2014.