

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

JUAN FERNANDEZ,

Plaintiff,

v.

KNIGHT CAPITAL GROUP, INC., et al.,

Defendants.

Civil Action No. 12-cv-06760 (MCA) (SCM)

Document Electronically Filed

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

If you purchased or otherwise acquired securities of Knight Capital Group (“Knight” or the “Company”) from May 10, 2011 to August 1, 2012, inclusive (the “Settlement Class Period”), you may be entitled to receive a payment under the proposed settlement (the “Settlement”) of a securities class action lawsuit (the “Litigation”). Your legal rights are affected whether you act or do not act. Please read this notice carefully.

This is not a solicitation from a lawyer; a United States District Court authorized this notice (the “Notice”). The complete terms and conditions of the Settlement are set forth in a Stipulation of Settlement, dated February 9, 2015 (the “Stipulation”) entered into by the parties to the Litigation, which can be downloaded at www.knightsecuritieslitigation.com or requested at the telephone number and address provided below.

Relevant securities and time period: Knight securities purchased or otherwise acquired during the period May 10, 2011 to August 1, 2012, inclusive, that may be eligible for a recovery include:

- i. Knight Class A Common Stock (“Common Stock”); and
- ii. Knight 3.50% Cash Convertible Senior Subordinated Notes due March 15, 2015 (“Notes”).¹

Settlement proceeds: If the Settlement is approved by the United States District Court for the District of New Jersey (the “Court”), it will provide for a gross payment of \$13,000,000 into a settlement fund (the “Settlement Fund”), which, after deducting certain fees and expenses described below, would be available for distribution to persons who purchased or otherwise acquired Knight securities during the Settlement Class Period (“Settlement Class”). Whether you are entitled to a *pro rata* payment from the Settlement Fund depends on the timing of your purchases and any sales of Knight securities during the Settlement Class Period. Based on the information currently available to counsel for the Court-appointed Lead Plaintiff in the Litigation (“Lead Plaintiff’s Counsel”) and the analysis performed by its damage consultants, if claims are submitted representing 100 percent of the eligible Knight securities, the estimated average recovery would be approximately \$0.21 for each share of Knight Common Stock, and \$4.13 per \$1,000 par value for each eligible Note, before deducting settlement administration costs and Court-approved fees and expenses. Historically, the claim submission rate is less than 100 percent, which results in a higher per-security recovery for those who submit qualifying claims. Please see Question 10 below for a detailed explanation of the proposed plan of allocation (the “Plan of Allocation”) for distributing the Settlement proceeds to members of the Settlement Class (“Settlement Class Members”).

Reasons for the Settlement: The Settlement provides a benefit to Settlement Class Members now and avoids the uncertainty, time and expense of further litigation, including the potential for a contested trial and likely appeals, with the possibility of receiving no recovery at all for the Settlement Class.

If the Litigation had not settled: If the parties had not agreed to the Settlement, it is possible that the lead plaintiff (“Lead Plaintiff”), on behalf of Settlement Class Members, would have obtained no recovery at all, as it is possible that the Court could have granted the motion to dismiss filed by the defendants in the Litigation (the “Defendants”). Moreover, in the event that Defendants’ motion to dismiss was not granted and the parties continued to litigate, Defendants could have prevailed at summary judgment or trial, both of which would have resulted in the Class receiving nothing. The parties vigorously disagree on both liability and damages. The defendants in the Litigation (the “Defendants”) deny that they are liable in any respect, and deny that Lead Plaintiff and Settlement Class Members suffered any injury. Among the many issues on which the parties do not agree are (1) whether any Defendants violated the law; (2) whether Knight’s public disclosures contained any false or misleading statements or omissions of material fact; (3) whether any such alleged misstatements or omissions affected the price of Knight

¹ The Notes were issued by the Company in March 2010. Herein, one Note refers to a bond with \$1,000 par value, and all prices for the Notes are expressed per \$1,000 par value.

securities, and the amount and method for determining such alleged effect; and (4) the amount of damages (if any) that could be recovered at trial.

Fees and expenses: Lead Plaintiff’s Counsel has not received any payments for its work investigating the facts, prosecuting the Litigation and negotiating the Settlement on behalf of Lead Plaintiff and the Settlement Class. Lead Plaintiff’s Counsel will ask the Court for an award of attorneys’ fees equal to 33^{1/3}% of the Settlement Fund, and for reimbursement of litigation expenses not to exceed \$250,000. These amounts would be paid exclusively from the Settlement Fund. In addition, Lead Plaintiff will ask the Court for a representative award not to exceed \$5,000 for reimbursement of its reasonable time, costs and expenses directly relating to its representation of the Settlement Class. If the above amounts are approved by the Court, the average cost of such fees and expenses would be approximately \$0.07 for each share of Knight Common Stock and \$1.46 per \$1,000 par value for each eligible Note.

Important deadlines:

Deadline to submit a claim for Settlement proceeds: June 29, 2015
 Deadline to request exclusion from the Settlement Class: June 2, 2015
 Deadline to object to the Settlement: June 11, 2015

Fairness Hearing: July 1, 2015 at 10:00 a.m.

More information: www.knightsecuritieslitigation.com or contact:

Claims Administrator
Knight Capital Group
Securities Litigation
 Claims Administrator
 P.O. Box 3076
 Portland, OR 97208-3076

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YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Submit A Claim	You may submit a claim to request a payment from the Settlement Fund by following the instructions in this Notice and on the Proof of Claim enclosed with this Notice.
Object	You may write to the Court if you do not like this Settlement, the request for fees and expenses, or the Plan of Allocation. The Court will consider your objection in deciding whether to approve the Settlement.
Request Exclusion	You may request to be excluded from the Settlement Class by following the instructions in this Notice. If you request exclusion, you will not be able to submit a claim for a payment from the Settlement Fund.
Attend the Hearing	You may attend the hearing at which the Court will consider whether to approve the Settlement (the “Fairness Hearing”). Attendance, however, is not required.
Do Nothing	You may do nothing, in which case you will not receive any payment from the Settlement Fund, and you will be bound by the terms of the Settlement, including the release of claims.

The above rights and options — and the deadlines to exercise them — are explained in this Notice. The Court must decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE PROOF OF CLAIM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN JUNE 29, 2015.

BASIC INFORMATION

1. Why did I get this Notice?

You or someone in your family may have purchased or otherwise acquired Knight securities from May 10, 2011 to August 1, 2012, inclusive.

The Court authorized this Notice to inform people who purchased Knight securities during the Settlement Class Period about a proposed settlement of a class action lawsuit filed against the Company, and the options that such people have before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and any appeals are resolved in favor of the Settlement, the claims administrator appointed by the Court (the “Claims Administrator”) will make the payments provided for under the Settlement.

This Notice explains the Litigation, the Settlement, your legal rights, what benefits are available, who is eligible for such benefits, and how to obtain them. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Litigation, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and the Plan of Allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

The title of the Litigation is *Fernandez v. Knight Capital Group, Inc., et al.*, 2:12-cv-06760-MCA-SCM (D.N.J.). Lead Plaintiff is the Louisiana Municipal Police Employees Retirement System (“LAMPERS”). Defendants are Knight, Thomas M. Joyce, and Steven Bisgay.

2. What is this lawsuit about?

The original purported securities class action complaint in the Litigation was filed in this District on October 26, 2012, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder. On December 12, 2012, the Court appointed the Lead Plaintiff pursuant to the requirements of the Private Securities Litigation Reform Act of 1995 and approved Lead Plaintiff’s selection of Lead Counsel and Co-Lead Counsel. On March 14, 2013, Lead Plaintiff filed an amended class action complaint for violations of the federal securities laws alleging violations of Sections 10(b) and 20(a) and Rule 10b-5 under the Exchange Act. On May 13, 2013, Defendants filed a motion to dismiss the amended class action complaint in its entirety. On December 20, 2013, Lead Plaintiff filed a second amended class action complaint for violations of the federal securities laws (the “Complaint”). On February 18, 2014, Defendants filed a motion to dismiss the Complaint in its entirety.

Defendants have denied and continue to deny each and all of the claims and contentions alleged in the Litigation, including all charges of wrongdoing or liability or any violation of law arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation; have denied, and continue to deny, the allegations that Lead Plaintiff or any Settlement Class Member has suffered damage or was harmed by any of the conduct alleged in the Litigation; and continue to believe the claims asserted against them in the Litigation are without merit.

3. Why is this a class action?

The Litigation was filed as a class action lawsuit. In a class action, one or more plaintiffs file a lawsuit on behalf of himself or herself and as a representative of other people who have similar claims. Class actions allow a court to consider the claims of a class of similarly situated people collectively where it might not be economically worthwhile for those people to file individual claims. The Court’s decisions in a class action case are binding on all members of the class, except for those who inform the court that they wish to be excluded from the class.

4. Why is there a settlement?

The Settlement avoids the risks and costs of lengthy and uncertain continued litigation, including potential trial and likely appeals, and instead allows eligible Settlement Class Members to be compensated now. After extensive good-faith settlement discussions during the course of the Litigation, counsel for Lead Plaintiff and for Defendants participated in a settlement conference on November 24, 2014 before then-Magistrate Judge Madeline C. Arleo, to try to reach a resolution. Prior to the settlement conference, each side submitted a comprehensive statement setting forth its respective position. As a result of negotiations that occurred during and after the settlement conference, the parties reached an agreement to settle the Litigation. Lead Plaintiff and Lead Plaintiff's Counsel believe that the Settlement is in the best interests of all Settlement Class Members.

Defendants have denied and continue to deny any and all wrongdoing whatsoever, but have nonetheless agreed to the Settlement in order to eliminate the uncertainty, distraction, disruption, burden, risk, and expense of further litigation.

If the Court approves the Settlement, Lead Plaintiff will request that the Court dismiss the Litigation with prejudice and enter an order releasing all claims against Defendants. The effectiveness of the Settlement is contingent upon the Court's approval.

THE SCOPE OF THE SETTLEMENT

5. How do I know if I am covered by the Settlement?

All persons or entities who purchased or otherwise acquired Knight securities during the period May 10, 2011 to August 1, 2012, inclusive, are covered by the Settlement.

6. Are there exceptions to being included in the Settlement Class?

Yes. Excluded from the Settlement Class are Defendants and all officers and directors of Knight, and all such excluded persons' immediate family members, legal representatives, heirs, predecessors, successors and assigns, and any entity in which any excluded person has or had a controlling interest. Also excluded from the Settlement Class are persons who file valid and timely requests for exclusion by following the instructions below.

7. I'm still not sure if I am covered by the Settlement.

If you still are not sure whether you are included, you can ask for free help. You can call the Claims Administrator at 888-593-4978 or visit www.knightsecuritieslitigation.com for more information; you can e-mail a representative of Lead Plaintiff's Counsel, Lester R. Hooker, at lhooker@saxenawhite.com for more information; or you can fill out and return the Proof of Claim described in Question 11 to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the Settlement provide?

Defendants have agreed to a payment of \$13,000,000, to be made by the Company's insurers, in exchange for the release of claims provided for in the Stipulation. The Settlement Fund will be divided among all eligible Settlement Class Members who submit timely and valid Proofs of Claim and Release approved by the Claims Administrator in whole or in part ("Authorized Claimants"), after payment of Court-approved attorneys' fees and litigation expenses, taxes, Court-approved reimbursement of Lead Plaintiff's expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing a notice in the news media. The amount remaining after such deductions is referred to as the "Net Settlement Fund."

9. How much will my payment be?

Your share of the Net Settlement Fund will depend on the overall number of valid claims that Settlement Class Members send in, the amount due under those claims, how many Knight securities you purchased and sold during the Settlement Class Period, and when you bought and sold such securities. All calculations and determinations will be made by the Claims Administrator under the supervision of Lead Plaintiff's Counsel. Defendants have no role or responsibility in making any claim determinations.

10. The Plan of Allocation

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to Settlement Class Members who submit valid claims based on their respective alleged economic losses as a result of the alleged

fraud. The calculations made pursuant to the Plan of Allocation are generally based upon the measure of damages set forth in section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission. A “Recognized Loss” shall be calculated as set forth below for each share of Knight Common Stock and for each Knight Note purchased or otherwise acquired during the Settlement Class Period, and for which adequate documentation is provided. The calculation of Recognized Loss will depend upon several factors, including when the Knight securities were purchased or otherwise acquired during the Settlement Class Period, and in what amounts, and whether those securities were sold, and if sold, when they were sold, and for what amounts. An Authorized Claimant’s “Recognized Claim” shall be calculated by totaling all of the Authorized Claimant’s Recognized Losses.

The Recognized Loss per security, assuming that Lead Plaintiff could adequately allege and prove liability for that entire period, is reflected in Table 1 below. The computation of Recognized Loss per security is based on certain misrepresentations alleged by Lead Plaintiff in the Complaint, as well as the change in the prices of the Knight securities during the period August 1, 2012 through August 6, 2012, inclusive, in reaction to the publicly disclosed events that allegedly corrected the misrepresentations alleged by Lead Plaintiff in the Complaint. While the Settlement Class Period starts on May 10, 2011, the earliest misstatements alleged by Plaintiffs in the Complaint occurred in the Company’s SEC Form 10-Q filed after market close on May 10, 2011. Thus, the Recognized Loss for Knight securities purchased on May 10, 2011 is \$0. In addition, information that allegedly corrected the misstatements alleged by Plaintiffs first entered the market on August 1, 2012 (the last day of the Settlement Class Period). Thus, the Recognized Loss for Knight securities purchased on August 1, 2012 and thereafter is \$0. For Settlement Class Members that purchased or otherwise acquire Knight securities during the Settlement Class Period prior to August 1, 2012, and sold such securities during the three-day period August 1, 2012 through August 3, 2012, inclusive, the Recognized Loss is based upon the total price decline of the respective security in response to the corrective disclosures from August 1, 2012 through the date of sale or disposition.

Purchase / Sale Date	Common Stock	Notes Per \$1,000 Par Value
Purchased 5/10/2011	\$0.00	\$0.00
Purchased 5/11/2011–7/31/2012 and sold prior to 8/1/2012	\$0.00	\$0.00
Purchased 5/11/2011–7/31/2012 and sold on 8/1/2012	\$3.35	\$101.25
Purchased 5/11/2011–7/31/2012 and sold on 8/2/2012	\$7.67	\$252.50
Purchased 5/11/2011–7/31/2012 and sold on 8/3/2012	\$6.30	\$142.50
Purchased 5/11/2011–7/31/2012 and sold on or after 8/6/2012 ²	\$7.29	\$50.00
Purchased 8/1/2012 and thereafter	\$0.00	\$0.00

The “90-day look back” provision of the Private Securities Litigation Reform Act of 1995 (“PSLRA”) is incorporated into the calculation of the Recognized Loss Amount. The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that losses on securities purchased otherwise acquired during the Settlement Class Period and held as of the close of the 90-day period subsequent to the Settlement Class Period (the “90-day look back period”³) cannot exceed the difference between the purchase price paid for the Knight security and the average price of Knight security during the 90-day look back period. Losses on Knight securities purchased or otherwise acquired during the Settlement Class Period and sold during the 90-day look back period cannot exceed the difference between the purchase price paid for the Knight security and the rolling average price of Knight security during the portion of the 90-day look back period elapsed as of the date of sale.

² August 6, 2012 was a Monday. Any transactions in Knight securities executed outside of regular NYSE trading hours shall be deemed to have occurred during the previous regular NYSE trading session.

³ The U.S. financial markets were closed on Monday, October 29, 2012 and Tuesday, October 30, 2012 as a result of Hurricane Sandy. Thus, Friday, October 26, 2012, is the last trading day during the 90-day look back period.

Calculation of Recognized Loss for Knight Common Stock

An Authorized Claimant's Recognized Loss per share of Knight Common Stock purchased or otherwise acquired during the Settlement Class Period shall be calculated as follows:

- i. For each share of Common Stock purchased or otherwise acquired on May 10, 2011, the Recognized Loss shall be \$0.
- ii. For each share of Common Stock purchased or otherwise acquired during the period May 11, 2011 through July 31, 2012, inclusive:
 - a. that was subsequently sold prior to the opening of trading on August 1, 2012, the Recognized Loss shall be \$0.
 - b. that was subsequently sold on August 1, 2012 after the opening of trading, the Recognized Loss shall be calculated as the lesser of: (a) \$3.35; and (b) the purchase/acquisition price (excluding all fees, taxes and commissions) *minus* \$6.94 (*i.e.*, the closing price of Knight stock on August 1, 2012, the first day of the 90-day look back period). If this calculation results in a negative number, then the Recognized Loss shall be \$0.
 - c. that was subsequently sold on August 2, 2012, the Recognized Loss shall be calculated as the lesser of: (a) \$7.67; and (b) the purchase/acquisition price (excluding all fees, taxes and commissions) *minus* \$4.76 (*i.e.*, the rolling average 90-day look back price on August 2, 2012). If this calculation results in a negative number, then the Recognized Loss shall be \$0.
 - d. that was subsequently sold on August 3, 2012, the Recognized Loss shall be calculated as the lesser of: (a) \$6.30; and (b) the purchase/acquisition price (excluding all fees, taxes and commissions) *minus* \$4.52 (*i.e.*, the rolling average 90-day look back price on August 3, 2012). If this calculation results in a negative number, then the Recognized Loss shall be \$0.
 - e. that was subsequently sold during the period August 6, 2012, through October 26, 2012 (*i.e.*, the last trading day of the 90-day period following the Settlement Class Period), inclusive, the Recognized Loss shall be calculated as the lesser of: (a) \$7.29; and (b) the purchase/acquisition price (excluding all fees, taxes and commissions) *minus* the "90-day look back price" on the date of sale or disposition provided in Table 2 below. If this calculation results in a negative number, then the Recognized Loss shall be \$0.
 - f. and still held as October 27, 2012, the Recognized Loss shall be calculated as the lesser of: (a) \$7.29; and (b) the purchase/acquisition price (excluding all fees, taxes and commissions) *minus* the average closing price for Knight Common Stock during the 90-day period following the Settlement Class Period, which is \$2.79. If this calculation results in a negative number, then the Recognized Loss Amount shall be \$0.
- iii. For each share of Common Stock purchased or otherwise acquired on August 1, 2012, the Recognized Loss shall be \$0.

Table 2 PSLRA Loss Limitation for 90-day Look Back Period Knight Common Stock	
Sale / Disposition Date	90-Day Look Back Price as of the Date of Sale or Disposition
8/6/2012	\$4.16
8/7/2012	\$3.94
8/8/2012	\$3.81
8/9/2012	\$3.70
8/10/2012	\$3.60
8/13/2012	\$3.52
8/14/2012	\$3.47
8/15/2012	\$3.42

Table 2
PSLRA Loss Limitation for 90-day Look Back Period
Knight Common Stock

Sale / Disposition Date	90-Day Look Back Price as of the Date of Sale or Disposition
8/16/2012	\$3.38
8/17/2012	\$3.34
8/20/2012	\$3.30
8/21/2012	\$3.27
8/22/2012	\$3.24
8/23/2012	\$3.22
8/24/2012	\$3.19
8/27/2012	\$3.17
8/28/2012	\$3.15
8/29/2012	\$3.13
8/30/2012	\$3.12
8/31/2012	\$3.10
9/4/2012	\$3.09
9/5/2012	\$3.08
9/6/2012	\$3.06
9/7/2012	\$3.05
9/10/2012	\$3.04
9/11/2012	\$3.03
9/12/2012	\$3.01
9/13/2012	\$3.00
9/14/2012	\$2.99
9/17/2012	\$2.98
9/18/2012	\$2.97
9/19/2012	\$2.96
9/20/2012	\$2.95
9/21/2012	\$2.93
9/24/2012	\$2.92
9/25/2012	\$2.91
9/26/2012	\$2.90
9/27/2012	\$2.90
9/28/2012	\$2.89
10/1/2012	\$2.89
10/2/2012	\$2.88
10/3/2012	\$2.88
10/4/2012	\$2.87
10/5/2012	\$2.87
10/8/2012	\$2.86
10/9/2012	\$2.85
10/10/2012	\$2.85

Table 2
PSLRA Loss Limitation for 90-day Look Back Period
Knight Common Stock

Sale / Disposition Date	90-Day Look Back Price as of the Date of Sale or Disposition
10/11/2012	\$2.84
10/12/2012	\$2.83
10/15/2012	\$2.83
10/16/2012	\$2.82
10/17/2012	\$2.82
10/18/2012	\$2.82
10/19/2012	\$2.81
10/22/2012	\$2.80
10/23/2012	\$2.80
10/24/2012	\$2.80
10/25/2012	\$2.79
10/26/2012	\$2.79

Calculation of Recognized Loss for Knight Notes

An Authorized Claimant's Recognized Loss per Knight Note purchased or otherwise acquired during the Settlement Class Period shall be calculated as follows:

- i. For each Note purchased or otherwise acquired on May 10, 2011, the Recognized Loss shall be \$0.
- ii. For each Note purchased or otherwise acquired during the period May 11, 2011 through July 31, 2012, inclusive:
 - a. that was subsequently sold prior to the opening of trading on August 1, 2012, the Recognized Loss shall be \$0.
 - b. that was subsequently sold on August 1, 2012 after the opening of trading, the Recognized Loss shall be calculated as the lesser of: (a) \$101.25; and (b) the purchase/acquisition price per \$1,000 par value (excluding all fees, taxes and commissions) *minus* \$831.25 (*i.e.*, the price of the Notes on August 1, 2012, the first day of the 90-day look back period). If this calculation results in a negative number, then the Recognized Loss shall be \$0.
 - c. that was subsequently sold on August 2, 2012, the Recognized Loss shall be calculated as the lesser of: (a) \$252.50; and (b) the purchase/acquisition price per \$1,000 par value (excluding all fees, taxes and commissions) *minus* \$755.63 (*i.e.*, the rolling average 90-day look back price on August 2, 2012). If this calculation results in a negative number, then the Recognized Loss shall be \$0.
 - d. that was subsequently sold on August 3, 2012, the Recognized Loss shall be calculated as the lesser of: (a) \$142.50; and (b) the purchase/acquisition price per \$1,000 par value (excluding all fees, taxes and commissions) *minus* \$767.08 (*i.e.*, the rolling average 90-day look back price on August 3, 2012). If this calculation results in a negative number, then the Recognized Loss shall be \$0.
 - e. that was subsequently sold during the period August 6, 2012, through October 26, 2012 (the end of the 90-day period following the Settlement Class Period), inclusive, the Recognized Loss shall be calculated as the lesser of: (a) \$50.00; and (b) the purchase/acquisition price per \$1,000 par value (excluding all fees, taxes and commissions) *minus* the "90-day look back price" on the date of sale or disposition provided in Table 3 below. If this calculation results in a negative number, then the Recognized Loss shall be \$0.

- f. and still held as of October 27, 2012, the Recognized Loss shall be calculated as the lesser of: (a) \$50.00; and (b) the purchase/acquisition price per \$1,000 par value (excluding all fees, taxes and commissions) *minus* the average closing price for the Knight Notes during the 90-day period following the Settlement Class Period, which is \$904.58. If this calculation results in a negative number, then the Recognized Loss Amount shall be \$0.
- iii. For each Knight Note purchased or otherwise acquired on August 1, 2012, the Recognized Loss shall be \$0.

Table 3 PSLRA Loss Limitation for 90-day Look Back Period Knight Notes	
Sale / Disposition Date	90-Day Look Back Price per \$1,000 Par Value as of the Date of Sale or Disposition
8/6/2012	\$795.94
8/7/2012	\$816.15
8/8/2012	\$827.62
8/9/2012	\$835.64
8/10/2012	\$842.91
8/13/2012	\$847.58
8/14/2012	\$850.57
8/15/2012	\$854.39
8/16/2012	\$857.77
8/17/2012	\$861.02
8/20/2012	\$863.09
8/21/2012	\$866.88
8/22/2012	\$869.36
8/23/2012	\$871.55
8/24/2012	\$872.30
8/27/2012	\$873.23
8/28/2012	\$874.27
8/29/2012	\$875.94
8/30/2012	\$876.69
8/31/2012	\$878.23
9/4/2012	\$879.24
9/5/2012	\$880.67
9/6/2012	\$882.18
9/7/2012	\$883.55
9/10/2012	\$884.20
9/11/2012	\$884.84
9/12/2012	\$886.01
9/13/2012	\$886.66
9/14/2012	\$887.27
9/17/2012	\$888.34
9/18/2012	\$889.27
9/19/2012	\$889.86

Table 3
PSLRA Loss Limitation for 90-day Look Back Period
Knight Notes

Sale / Disposition Date	90-Day Look Back Price per \$1,000 Par Value as of the Date of Sale or Disposition
9/20/2012	\$890.84
9/21/2012	\$891.66
9/24/2012	\$892.45
9/25/2012	\$892.62
9/26/2012	\$893.09
9/27/2012	\$893.44
9/28/2012	\$894.36
10/1/2012	\$894.98
10/2/2012	\$895.82
10/3/2012	\$896.16
10/4/2012	\$896.97
10/5/2012	\$897.63
10/8/2012	\$897.91
10/9/2012	\$898.52
10/10/2012	\$899.01
10/11/2012	\$899.56
10/12/2012	\$899.91
10/15/2012	\$900.22
10/16/2012	\$900.51
10/17/2012	\$900.87
10/18/2012	\$901.48
10/19/2012	\$902.02
10/22/2012	\$902.33
10/23/2012	\$902.80
10/24/2012	\$903.11
10/25/2012	\$903.88
10/26/2012	\$904.58

Additional Provisions

Each Authorized Claimant's Recognized Claim shall be the total of his, her, or its Recognized Loss amounts for Knight Common Stock and Knight Notes. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. In the unlikely event that the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

Purchases or acquisitions and sales of Knight securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance, or operation of law of Knight securities during the Settlement Class Period shall not be deemed a purchase, acquisition, or sale of these shares of Knight securities for the calculation of an Authorized Claimant's Recognized Claim, nor shall

the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of Knight securities unless: (i) the donor or decedent purchased or otherwise acquired such Knight securities during the Settlement Class Period; (ii) no Proof of Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Knight securities; and (iii) it is specifically so provided in the instrument of gift or assignment.

For Authorized Claimants who made multiple purchases, acquisitions, or sales of Knight securities during the Settlement Class Period, the earliest subsequent sale of that Knight security shall be matched first against the Authorized Claimant's opening position in the Knight security as of the first day of the Settlement Class Period, and then matched chronologically thereafter against each purchase or acquisition of the Knight security made through the end of the Settlement Class Period.

The Recognized Loss per security for "short sales" of Knight Common Stock is \$0. In the event that there is a short position in Knight Common Stock, the date of covering a "short sale" is deemed to be the date of purchase of the stock. The date of a "short sale" is deemed to be the date of sale of the stock. The earliest Settlement Class Period purchases shall be matched against such short position, and not be entitled to a recovery, until that short position is fully covered.

Knight Common Stock and Notes are the only securities eligible for recovery under the Plan of Allocation. Option contracts are not securities eligible to participate in the Settlement. With respect to Knight Common Stock purchased or sold through the exercise of an option, the purchase/sale date of the Common Stock shall be the exercise date of the option and the purchase/sale price of the Common Stock shall be the exercise price of the option.

A Settlement Class Member will be eligible to receive a distribution from the Net Settlement Fund only if that Settlement Class Member had a net loss after all profits from transactions in Knight Common Stock and Notes during the Settlement Class Period are subtracted from all losses. A Settlement Class Member's net market loss or gain represents his, her or its out-of-pocket losses (or profit) on Knight Common Stock and/or Notes purchased during the Settlement Class Period, and is based on the difference between the total amount paid for all Knight Common Stock and/or Notes acquired during the Settlement Class Period less the total proceeds received from sales, if sold, or the holding value of such Knight securities, if held as of the end of the Settlement Class Period. For Knight Common Stock held as of the end of the Settlement Class Period, the holding value shall be \$2.79, which is the average closing price for Knight Common Stock during the 90 days following the Settlement Class Period. For Knight Notes held as of the end of the Settlement Class Period, the holding value shall be \$904.58 per \$1,000 par value, which is the average closing price for the Knight Notes during the 90 days following the Settlement Class Period. Where sales of Knight securities during the Settlement Class Period have been applied against Knight securities held at the beginning of the Settlement Class Period, the proceeds of such sales will not be used in the calculation of such net market loss. If, during the Settlement Class Period, a Settlement Class Member had a net market loss in his, her or its trading in Knight securities, the Settlement Class Member's net Recognized Loss shall be limited to the Settlement Class Member's net market loss.

No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

HOW YOU GET A PAYMENT – SUBMITTING A PROOF OF CLAIM

11. How will I get a payment?

To qualify for a payment, you must send a Proof of Claim to the Claims Administrator. A Proof of Claim is enclosed with this Notice. Read the instructions carefully, fill out the Proof of Claim, include all the documents requested, sign it, and mail it postmarked no later than June 29, 2015.

12. When would I get my payment?

It is difficult to predict when payments from the Settlement Fund will begin. The Court will hold the Fairness Hearing on July 1, 2015, at 10:00 a.m. to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals from the Court's approval, which could take a year or longer to resolve. The timing also depends on the number of Proofs of Claim submitted, which take time to process. If the Court approves the Settlement at the Fairness Hearing and no appeals are taken, it will likely take nine months or longer from the date of the Fairness Hearing for the Claims Administrator to begin making payments. Please be patient.

13. Can I sue Defendants for the same thing?

If you are a Settlement Class Member and you do not request exclusion from the Settlement Class in the manner described below, you may not sue any of the Released Persons (as defined in the Stipulation), including Defendants, based on the same or similar facts and issues as in the Litigation. The precise scope of the releases is described below in paragraph 20. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court appointed the law firm of Saxena White P.A. as Lead Counsel and Carella, Byrne, Cecchi, Olstein, Brody & Agnello P.C. as Co-Lead Counsel to represent Lead Plaintiff and all Settlement Class Members. You will not be charged for the services of these lawyers. Also, any Settlement Class Member may enter an appearance in the Litigation, at his, her or its own expense, individually or through counsel of his, her or its own choice by filing with the Clerk of Court and delivering a notice of appearance to Lead Plaintiff's Counsel and Defendants' Counsel, at the addresses set forth in paragraph 17 below, such that it is received no later than June 11, 2015. An appearance must be filed within the specified time if a Settlement Class Member, or his or her counsel, wishes to be heard orally at the Fairness Hearing.

15. How will the lawyers be paid?

Before the date of the Fairness Hearing, Lead Plaintiff's Counsel will submit an application asking the Court for an award of attorneys' fees equal to 33^{1/3}% of the Settlement Fund, and for reimbursement of litigation expenses not to exceed \$250,000, both of which would be paid from the Settlement Fund. Settlement Class Members are not personally liable for such fees or expenses. To date, Lead Plaintiff's Counsel has not received any payment for its services in conducting this Litigation on behalf of Lead Plaintiff and the Settlement Class, nor has it received any reimbursement of litigation expenses. The fee requested will compensate Lead Plaintiff's Counsel for its work in achieving the Settlement and is within the range of fees awarded to class counsel under similar circumstances in other cases of this type. This motion will be considered at the Fairness Hearing.

REQUESTING TO BE EXCLUDED FROM THE SETTLEMENT

16. Do I have to participate in the Settlement?

No. Any member of the Settlement Class who wishes to exclude himself, herself or itself from the Settlement Class may request exclusion in writing. A request for exclusion must be mailed or delivered such that it is received no later than June 2, 2015, to *Knight Capital Group Securities Litigation*, EXCLUSIONS, P.O. Box 3076, Portland, OR 97208-3076, and must (i) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (ii) state that such person or entity "requests exclusion from the Settlement Class in *Fernandez v. Knight Capital Group, Inc., et al.*, Civil Action No. 2:12-cv-06760"; (iii) state the number of shares of publicly traded Knight Common Stock or eligible Notes that the person or entity requesting exclusion purchased/acquired and/or sold during the Settlement Class Period, as well as the dates and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative.

Any person or entity who or which timely and validly requests exclusion in compliance with the terms stated in this Order and is excluded from the Settlement Class shall not be a Settlement Class Member, shall not be bound by the terms of the Settlement or any orders or judgments in the action and shall not receive any payment out of the Net Settlement Fund.

OBJECTING TO THE SETTLEMENT

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

17. How do I tell the Court that I do not like the Settlement?

Any Settlement Class Member may object to the Settlement, the Plan of Allocation, the application for attorneys' fees and expenses, and/or the application for reimbursement of Lead Plaintiff's expenses, and may also (but need not) appear at the Fairness Hearing to raise such an objection. To object, you must submit (a) a written statement identifying your name, address, and telephone number, and, if represented by counsel, your counsel's name and contact information; (b) proof of ownership of Knight securities during the Settlement Class Period, including the number of Knight securities and the date or dates of purchase; (c) a statement explaining your objection and your reasons for such objection; and (d) any supporting documentation. If you wish to appear at the Fairness Hearing, you must also include a statement of intention to appear at the Fairness Hearing. You must send these materials by first-class mail to the following addresses so that they are received *by June 11, 2015*:

The Court
Clerk of the Court
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
M. L. King Jr. Federal Building and Courthouse
50 Walnut Street
Newark, NJ 07102

Lead Plaintiff's Counsel
Lester R. Hooker
SAXENA WHITE P.A.
5200 Town Center Circle, Suite 601
Boca Raton, FL 33486

Counsel for Defendants
Matthew Solum
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, NY 10022

If you do not raise an objection in the manner provided above, you will be deemed to have waived any objection to the Settlement, the Plan of Allocation, the attorneys' fees and expenses, and the reimbursement of Lead Plaintiff's expenses, unless otherwise ordered by the Court.

THE FAIRNESS HEARING

The Court will hold a Fairness Hearing at 10:00 a.m., on July 1, 2015, at the Martin Luther King Building & U.S. Courthouse, 50 Walnut Street, Courtroom MLK 2A, Newark, NJ 07101. You may attend the Fairness Hearing, but you do not have to. At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will consider any objections that have been properly submitted. The Court will also decide whether to approve the Plan of Allocation, the payment of fees and expenses to Lead Plaintiff's Counsel, and the application for Lead Plaintiff's representative award. It is difficult to predict how long the hearing may take or whether the Court will make a decision on the day of the hearing or sometime later.

The Fairness Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you, or your counsel, intend to attend the Fairness Hearing, you should confirm the date and time with Lead Plaintiff's Counsel.

18. Do I have to come to the hearing?

No. Lead Plaintiff's Counsel will be attending the Fairness Hearing on behalf of the Settlement Class. If you submit an objection in accordance with the instructions above, the Court will consider your objection even if you do not attend the Fairness Hearing. You may attend the Fairness Hearing if you want, at your own expense, or you may send your own lawyer to attend, but it is not necessary.

IF YOU DO NOTHING

19. What happens if I do nothing at all?

If you do nothing, you will not receive any payment from the Settlement Fund, and you will be bound by the terms of the Settlement, including the release of claims against Defendants.

SCOPE OF THE RELEASE

20. What happens if I do not request exclusion from the settlement?

If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and other members of the Settlement Class, on behalf of themselves and each of their respective legal representatives, heirs, executors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, remised, released, resolved, relinquished, waived and discharged Defendants and the other Released Persons (as defined below), and each of their respective legal representatives, heirs, executors, successors, and assigns in their capacities as such, of and from each and every Released Claim (as defined below) and shall forever be enjoined from prosecuting any or all of the Released Plaintiff’s Claims against any of the Defendants and the other Released Persons.

“Released Claims” means any and all claims, debts, demands, liabilities, rights, and causes of action of every nature and description whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, or liabilities whatsoever), whether based on federal, state, local, statutory, common, or foreign law, or any other law, rule, or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, whether asserted directly, indirectly, or derivatively, including both known claims and Unknown Claims (defined below): (i) that have been or could have been asserted in the Litigation by the Lead Plaintiff and/or Settlement Class Members or any of them against any of the Released Persons, including, without limitation, those concerning any statements made by any Defendant that Lead Plaintiff allege in the Litigation were false or misleading, or any of the alleged acts, omissions, representations, facts, events, matters, transactions, or occurrences asserted in or relating to the Litigation, or otherwise alleged, asserted, or contended in the Litigation; or (ii) that relate to the purchase, acquisition, or sale of Knight securities during the Settlement Class Period by Lead Plaintiff or any Settlement Class Member that were or might have been asserted on behalf of themselves, their heirs, executors, administrators, successors, and assigns against the Released Persons or any of them. Released Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

“Released Persons” means Defendants, collectively and each of them, and each of Defendant’s respective Immediate Family members and current, former, or future parents, subsidiaries, associates, affiliates, partners, joint venturers, officers, directors, principals, shareholders, members, agents, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, trustees, engineers, insurers, co-insurers, reinsurers, heirs, assigns, executors, general or limited partners or partnerships, personal or legal representatives, estates, administrators, predecessors, successors, advisors, and/or any other individual or entity in which any Defendant has or had a controlling interest or which is or was related to or affiliated with any Defendant.

“Unknown Claims” means any Released Claim that Lead Plaintiff or any Settlement 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 decision(s) with respect to the Settlement, including, but not limited to, the decision not to object to the Settlement, provided that such claim arises out of or relates to the purchase or sale of Knight securities, or the decision not to request exclusion from the Settlement Class.

With respect to any and all Released Claims, the parties have further stipulated and agreed that, upon the Effective Date (as defined in the Stipulation), each has expressly waived, and each of the Settlement Class Members shall be deemed to have waived, and by operation of the Judgment shall have waived and relinquished, 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.

Upon the Effective Date, Lead Plaintiff shall expressly waive and each of the Settlement Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or international or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542. Lead Plaintiff and the Settlement 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 fully, finally, and forever settle and release, and each Settlement 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 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. Lead Plaintiff acknowledges, and the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

GETTING MORE INFORMATION

21. Are there more details about the Settlement?

This Notice summarizes the Settlement. More details are in the Stipulation, which has been filed with the Court. You can obtain a copy of the Stipulation from the Clerk's office at the United States District Court, District of New Jersey, 50 Walnut Street, Newark, NJ 07101, during regular business hours, or it can be viewed or downloaded at www.knightsecuritieslitigation.com. Or you may contact the Claims Administrator at 888-593-4978.

22. How do I get more information?

You can call 888-593-4978 or write to a representative of Lead Plaintiff's Counsel, Lester R. Hooker, or go to www.knightsecuritieslitigation.com for additional information regarding the Settlement or the Litigation. ***Please do not call the Court or the Clerk of the Court for additional information about the Settlement.***

23. Special notice to nominees.

If you hold any Knight securities purchased between May 10, 2011 to August 1, 2012, inclusive, as a nominee for a beneficial owner, within ten (10) days after you receive this Notice, you must either (1) send a copy of this Notice by first-class mail to all such beneficial owners; or (2) provide a list of the names and addresses of such beneficial owners to the Claims Administrator at the following address:

Knight Capital Group Securities Litigation
Claims Administrator
P.O. Box 3076
Portland, OR 97208-3076

If you choose to mail the Notice and Proof of Claim 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. You may be able to obtain reimbursement for, or advancement of, any reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice that would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator. Please contact the Claims Administrator for more information.

DATED: March 30, 2015

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY