

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re JERNIGAN CAPITAL, INC.  
SECURITIES LITIGATION

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This Document Relates To:  
  
ALL ACTIONS.

x  
: Master File No. 1:20-cv-09575-JLR-KHP  
:  
: CLASS ACTION  
:  
: [~~PROPOSED~~] ORDER GRANTING  
: PRELIMINARY APPROVAL OF  
: SETTLEMENT PURSUANT TO FED. CIV.  
: P. 23(e)(1) AND PERMITTING NOTICE TO  
: THE CLASS  
:  
:  
:  
x

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WHEREAS, the above-captioned action is pending before this Court (the “Litigation”);

WHEREAS, Lead Plaintiff has made a motion pursuant to Federal Rule of Civil Procedure 23(e) for an order preliminarily approving the Settlement of this Litigation, in accordance with a Stipulation of Settlement, dated February 7, 2025 (the “Stipulation”), which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed Settlement of the Litigation between the Settling Parties and for dismissal of the Litigation with prejudice upon, and subject to, the terms and conditions set forth therein;

WHEREAS, the Settling Parties having consented to the entry of this Order;

WHEREAS, unless otherwise defined, all terms used herein have the same meanings as set forth in the Stipulation; and

WHEREAS, the Court having read and considered (1) the motion for preliminary approval of the Settlement, and the papers filed and arguments made in connection therewith, and (2) the Stipulation and the Exhibits annexed thereto; [and having held a hearing on February 19, 2025](#)

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. Pursuant to Rule 23(e)(1)(B)(i) of the Federal Rules of Civil Procedure, the Court has reviewed the Stipulation and does hereby preliminarily approve the Stipulation and Settlement set forth therein as fair, reasonable, and adequate, subject to further consideration at the Settlement Hearing described below.

2. The Court preliminarily finds that the proposed Settlement should be approved as: (i) it is the result of serious, extensive arm’s-length and non-collusive negotiations between experienced counsel overseen by an experienced mediator; (ii) it falls within a range of reasonableness warranting final approval; (iii) it has no obvious deficiencies; (iv) eliminates the risks to the Parties of continued litigation; and (v) it warrants notice of the proposed Settlement to

the Class Members and further consideration of the Settlement at the fairness hearing described below.

3. A hearing shall be held before this Court on May 29, 2025, at 1:00 p. .m. ET (the “Settlement Hearing”), at the United States District Court for the Southern District of New York, in Courtroom 20B at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, to: (a) determine whether the proposed Settlement of the Litigation on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Class and should be approved by the Court; (b) determine whether a Judgment as defined in ¶1.16 of the Stipulation should be entered, dismissing the Complaint with prejudice, and to determine whether the release by the Released Plaintiff’s Persons of the Released Defendants’ Persons as set forth in the Stipulation should be ordered, along with a permanent injunction barring efforts to bring any Released Plaintiff’s Claims extinguished by the Settlement; (c) determine whether the proposed Plan of Allocation should be approved; (d) determine the amount of attorneys’ fees, costs, charges, and expenses that should be awarded to Lead Counsel out of the Settlement Fund; (e) determine any award to Lead Plaintiff pursuant to 15 U.S.C. §78u-4(a)(4); (f) hear any objections by Class Members to the Settlement, Plan of Allocation, an award to Lead Plaintiff, or to the award of attorneys’ fees and expenses; and (g) consider such other matters the Court deems appropriate. The Court may adjourn or change the date and time of the Settlement Hearing without further notice to the Class, and may approve the proposed Settlement with such modifications as the Settling Parties may agree to, if appropriate, without further notice to the Class.

4. The Court approves the form, substance, and requirements of the Notice of Pendency and Proposed Settlement of Class Action (“Notice”) and Proof of Claim and Release form, substantially in the forms annexed to the Stipulation as Exhibits A-1 and A-2, respectively.

5. The Court approves the form of the Summary Notice of Pendency and Proposed Settlement of Class Action (“Summary Notice”), substantially in the form annexed to the Stipulation as Exhibit A-3.

6. The firm of Verita Global (the “Claims Administrator”) is hereby appointed to supervise and administer the notice procedure as well as the processing of Claims as more fully set forth below.

7. Within five (5) business days after entry of this order preliminarily approving the Settlement, Defendants shall, at no cost to the Escrow Account, Lead Counsel, or the Claims Administrator, provide or cause to be provided to Lead Counsel and the Claims Administrator the stockholder register from the Company’s transfer agent in electronic format containing the names, addresses, and email addresses, where available, of all record holders of the Company’s common stock as of September 11, 2020. This information will be kept confidential and not used for any purpose other than to provide the notice contemplated by this Order.

8. Not later than March 12, 2025 (the “Notice Date”) (a date twenty-one (21) calendar days after entry by the Court of this Order), the Claims Administrator shall cause a copy of the Notice and Proof of Claim and Release form, substantially in the forms annexed to the Stipulation as Exhibits A-1 and A-2 respectively, to be mailed by First-Class Mail (or email where email addresses are available) to all Class Members who can be identified with reasonable effort and for the Notice and Proof of Claim and Release form to be posted on the case-designated website, [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com). For all Notices and Proof of Claim and Release forms returned as undeliverable, the Claims Administrator shall use its best efforts to locate updated addresses.

9. Not later than March 19, 2025 (a date seven (7) calendar days after the Notice Date), the Claims Administrator shall cause the Summary Notice to be published once in *The Wall Street Journal*, and once over a national newswire service.

10. At least seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing, emailing, and publishing.

11. The Claims Administrator shall use reasonable efforts to give notice to nominee purchasers such as brokerage firms and other persons or entities who held Jernigan common stock as of September 11, 2020, the record date for eligibility to vote on the acquisition of Jernigan's outstanding common stock by affiliates of NexPoint Advisors, L.P. (the "Transaction"), whose shares were sold for \$17.30 in the Transaction, inclusive, as record owners but not as beneficial owners. Such nominee purchasers are directed, within seven (7) calendar days of their receipt of the Notice and Proof of Claim and Release form, to either forward copies of such documents to their beneficial owners or to provide the Claims Administrator with lists of the names and addresses, or email addresses, of the beneficial owners, and the Claims Administrator is ordered to send the Notice and Proof of Claim and Release promptly to such identified beneficial owners. Nominee purchasers who elect to send the Notice and Proof of Claim and Release to their beneficial owners shall send a statement to the Claims Administrator confirming that the mailing was made as directed. Additional copies of the Notice and Proof of Claim and Release form shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the reasonable expense of sending the Notice and Proof of Claim and Release form to beneficial owners. Reasonable out-of-pocket

expenses actually incurred in connection with the foregoing includes up to \$0.03 for providing names, addresses, and email addresses to the Claims Administrator per record; up to a maximum of \$0.03 per Notice and Proof of Claim and Release form mailed by the nominee, plus postage at the rate used by the Claims Administrator; or \$0.03 per Notice and Proof of Claim and Release form sent by email. Any disputes with respect to the reasonableness or documentation of expenses incurred shall be subject to review by the Court.

12. The Court finds that the form and content of the notice program described herein and the methods set forth herein for notifying the Class of the Settlement and its terms and conditions, the Fee and Expense Application, and the Plan of Allocation meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Private Securities Litigation Reform Act of 1995, due process, and any other applicable laws and rules, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all Persons entitled thereto.

13. All fees, costs, and expenses incurred in identifying and notifying Class Members shall be paid from the Settlement Fund and in no event shall any of the Released Defendants' Persons bear any responsibility, liability, or obligation for such fees, costs, or expenses. Notwithstanding the foregoing, Defendants shall be responsible for the costs and expenses of providing to Lead Counsel and/or the Claims Administrator the stockholder register from the Company's transfer agent in electronic format containing the names, addresses, and email addresses, where available, of all record holders of the Company's common stock as of September 11, 2020 for purposes of mailing notice to the Class pursuant to the Stipulation, as set forth in paragraph 7 herein.

14. All Class Members (except Persons who validly and timely request exclusion in response to the Notice being provided pursuant to this Order) shall be bound by all determinations and judgments in the Litigation concerning the Settlement (including, but not limited to, the releases provided for therein) whether favorable or unfavorable to the Class, regardless of whether such Persons seek or obtain by any means (including, without limitation, by submitting a Proof of Claim and Release or any similar document) any distribution from the Settlement Fund or the Net Settlement Fund.

15. Class Members who wish to participate in the Settlement shall complete and submit a Proof of Claim and Release in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proofs of Claim and Release must be postmarked or submitted electronically no later than June 10, 2025 (a date ninety (90) calendar days from the Notice Date). Any Class Member who does not submit a Proof of Claim and Release within the time provided shall be barred from sharing in the distribution of the proceeds of the Net Settlement Fund, unless otherwise ordered by the Court, but shall in all other respects be bound by the terms of the Stipulation and any final judgment entered by the Court. Notwithstanding the foregoing, Lead Counsel shall have the discretion (but not the obligation) to accept late-submitted Claims for processing by the Claims Administrator so long as distribution of the Net Settlement Fund is not materially delayed thereby. No Person shall have any claim against Lead Plaintiff, Lead Counsel, or the Claims Administrator by reason of the decision to exercise such discretion whether to accept late-submitted Claims.

16. The Proof of Claim and Release submitted by each Class Member must: (i) be properly completed, signed, and submitted in a timely manner in accordance with the preceding paragraph; (ii) be accompanied by adequate supporting documentation for the transactions

reported in it, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation deemed adequate by the Claims Administrator or Lead Counsel; (iii) be complete and contain no deletions or modifications of any of the printed matter contained therein; and (iv) be signed under penalty of perjury. Any Person executing the Proof of Claim and Release that is acting in a representative capacity must include a certification of his or her current authority to act on behalf of the claimant. As part of the Proof of Claim and Release, each claimant shall submit to the jurisdiction of the Court with respect to the Claim submitted.

17. Any Class Member may enter an appearance in the Litigation, at his, her, their, or its own expense, individually or through counsel of his, her, their, or its own choice. If any Class Member does not enter an appearance, they will be represented by Lead Counsel.

18. Any Class Member who wishes to exclude himself, herself, themselves, or itself from the Class must request exclusion in writing within the time and in the manner set forth in the Notice. Any such Person must submit to the Claims Administrator a signed request for exclusion (“Exclusion Request”) such that it is postmarked no later than May 8, 2025 (a date that is twenty-one (21) calendar days prior to the Settlement Hearing). An Exclusion Request must be signed and provide: (i) the name, address, and telephone number of the Person requesting exclusion; (ii) a list identifying the dates and the number of shares of Jernigan common stock that the Person purchased whose shares were sold for \$17.30 in the Transaction; and (iii) a statement that the Person “requests exclusion from the Class in the Jernigan Securities Settlement.” The Exclusion Request shall not be effective unless it provides the required information and is made within the time stated above, or is otherwise accepted by the Court. All Persons who submit valid and timely Exclusion Requests in the manner set forth in this paragraph and the Notice shall have



no rights under the Stipulation or Settlement, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or any final judgment. Unless otherwise ordered by the Court, any Class Member who fails to timely and validly request exclusion from the Class in compliance with this paragraph shall be deemed to have waived his, her, their, or its right to be excluded from the Class, shall be barred from requesting exclusion from the Class, and shall be bound by the Stipulation or any final judgment, including, but not limited to, the releases contained therein.

19. Lead Counsel shall provide or cause to be provided to Defendants' Counsel copies of all Exclusion Requests, whether timely and proper or not, and any written revocation of any Exclusion Requests, as expeditiously as possible, but in no event later than five (5) calendar days of receipt thereof, and not later than fourteen (14) calendar days before the Settlement Hearing.

20. Any Class Member who or which does not request exclusion from the Class may appear at the Settlement Hearing and object if he, she, they, or it has any reason why the proposed Settlement of the Litigation should not be approved as fair, reasonable and adequate, why a judgment should not be entered thereon, why the Plan of Allocation should not be approved, or why attorneys' fees, together with costs, charges and expenses should not be awarded to Lead Counsel or to Lead Plaintiff; provided that any such Class Member files objections and copies of any papers and briefs with the Clerk of the United States District Court for the Southern District of New York and mails copies thereof by first-class mail to Robbins Geller Rudman & Dowd LLP, Ellen Gusikoff Stewart, 655 West Broadway, Suite 1900, San Diego, CA 92101 and Winston & Strawn LLP, Matthew L. DiRisio, 200 Park Avenue, New York, NY 10166, so that they are received no later than May 8, 2025 (a date that is twenty-one (21) calendar days prior to the Settlement Hearing). Any Class Member who does not make his, her, their, or its objection in the

manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the proposed Settlement as incorporated in the Stipulation, to the Plan of Allocation, to the award of fees, costs, charges, and expenses to Lead Counsel or to the award to Lead Plaintiff, unless otherwise ordered by the Court. Attendance at the Settlement Hearing is not necessary. However, Persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation, and/or the application for an award of fees, costs, charges and expenses are required to indicate in their written objection their intention to appear at the Settlement Hearing and to include in their written objections the identity of any witnesses they may call to testify and copies of any exhibits they intend to introduce into evidence at the Settlement Hearing. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

21. Any objections, filings, and other submissions by an objecting Class Member must: (i) state the name, address, and telephone number of the Person objecting and must be signed by the objector, even if the objector is represented by counsel; (ii) contain a statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention and whether the objections apply only to the objector, a specific subset of the Class, or to the entire Class; (iii) include documents sufficient to prove membership in the Class, including evidence of the objecting Class Member's shares of Jernigan common stock held as of September 11, 2020, the record date, and sold in the Transaction, including the number of shares; and (iv) identify all settlements to which the objector and/or its counsel has filed an objection in the past three (3) years. The Court will consider a Class Member's objection only if the Class Member has complied with the above requirements.

22. Any Class Member who or which does not object to the Settlement, the Plan of Allocation, or the application for an award of attorneys' fees, costs, charges and expenses in the manner prescribed herein and in the Notice shall be deemed to have waived such objection, and shall forever be foreclosed from making any objection to the fairness, adequacy, or reasonableness of the proposed Settlement, this Order and the Judgment to be entered approving the Settlement, the Plan of Allocation, and/or the application by Lead Counsel for an award of attorneys' fees together with costs, charges and expenses.

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

24. All papers in support of the Settlement, Plan of Allocation, and any application by Lead Counsel for an award of attorneys' fees, costs, charges and expenses shall be filed and served no later than April 24, 2025 (a date that is thirty-five (35) calendar days prior to the Settlement Hearing), any opposition papers thereto shall be filed and served no later than May 8, 2025 (a date that is twenty one (21) calendar days prior to the Settlement Hearing), and any reply papers shall be filed and served no later than May 22, 2025 (a date that is seven (7) calendar days prior to the Settlement Hearing).

25. The Released Defendants' Persons shall have no responsibility or liability for the Plan of Allocation or any application for attorneys' fees, costs, charges or expenses submitted by Lead Counsel, and such matters will be considered by the Court separately from the fairness, reasonableness, and adequacy of the Settlement. Any order or proceeding relating solely to the Plan of Allocation or any application for attorneys' fees or expenses or award to Lead Plaintiff, or any appeal from any order relating solely thereto or reversal or modification thereof, shall not

operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment and the settlement of the Litigation.

26. At or after the Settlement Hearing, the Court shall determine whether the Plan of Allocation proposed by Lead Counsel, and any application for attorneys' fees, costs, charges and expenses, should be approved. The Court reserves the right to enter the Judgment finally approving the Settlement regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and/or costs, charges and expenses or an award to Lead Plaintiff.

27. All reasonable expenses incurred in identifying and notifying Class Members as well as administering the Settlement Fund shall be paid as set forth in the Stipulation. In the event the Court does not approve the Settlement, or the Settlement otherwise fails to become effective, neither Lead Counsel nor the Claims Administrator shall have any obligation to repay any amounts actually and properly incurred or disbursed pursuant to ¶¶2.7, 2.9, or 2.11 of the Stipulation.

28. This Order and the Stipulation (including any of their respective terms or provisions), any of the negotiations, discussions, proceedings connected with them, and any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement or this Order, may not be construed as an admission, concession, or presumption by the Released Defendants' Persons of the truth of any of the allegations in the Litigation, or of any liability, fault, or wrongdoing of any kind, as a waiver by any of the Settling Parties of any arguments, defenses, or claims he, she, or it may have in the event the Stipulation is terminated; and may not be offered or received in evidence (or otherwise used by any Person in the Litigation, or in any other action or proceeding, whether civil, criminal, or administrative, in any court, administrative agency, arbitration, or other tribunal), except in connection with any proceeding to enforce the terms of the Stipulation or this Order.


29. All proceedings in the Litigation are stayed until further order of this Court, except as may be necessary to implement the Settlement or comply with the terms of the Stipulation. Pending final determination of whether the Settlement should be approved, neither Lead Plaintiff nor any Class Member, either directly, representatively, or in any other capacity, shall commence or prosecute any of the Released Plaintiff's Claims against any of the Released Defendants' Persons in any action or proceeding in any court or tribunal.

30. The Court reserves the right to alter the time or the date of the Settlement Hearing or to hold the hearing via video or telephone without further notice to Class Members, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the Class.

31. If the Stipulation or Settlement fails to become Effective as defined in the Stipulation or is terminated, then, in any such event, the Stipulation, including any amendment(s) thereto (except as expressly provided in the Stipulation, and this Order) shall be null and void, of no further force or effect, and without prejudice to any Settling Party, and may not be introduced as evidence in this Litigation or used in any other actions or proceedings for any purpose, by any person or entity against any of the Settling Parties. In any such event, the Settling Parties shall be deemed to have reverted to their respective litigation positions as of December 9, 2024.

IT IS SO ORDERED.

DATED: February 19, 2025

  
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THE HONORABLE JENNIFER L. ROCHON  
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re JERNIGAN CAPITAL, INC. : Master File No. 1:20-cv-09575-JLR-KHP  
SECURITIES LITIGATION :  
: CLASS ACTION  
: :  
: :  
This Document Relates To: : NOTICE OF PENDENCY AND PROPOSED  
: SETTLEMENT OF CLASS ACTION  
: :  
ALL ACTIONS. : EXHIBIT A-1  
: :  
: X

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

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

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

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

This Notice of Pendency and Proposed Settlement of Class Action (“Notice”) has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York (the “Court”). The purpose of this Notice is to inform you of the \$12,000,000.00 settlement (the “Settlement”) reached in the above-captioned class action lawsuit (the “Action” or “Litigation”); your rights with respect to the Settlement; and the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement and the Plan of Allocation, as well as the application for fees and expenses by Lead Counsel and Lead Plaintiff, as set forth in the Stipulation of Settlement dated February 7, 2025 (the “Stipulation”), by and among lead plaintiff John R. Erickson (“Lead Plaintiff”), on behalf of himself and the Class (as defined above); and defendants Jernigan Capital, Inc., n/k/a NexPoint Storage Partners, Inc. (“Jernigan” or the “Company”), John A. Good, Mark O. Decker, James Dondero, Howard A. Silver, Harry J. Thie, and Rebecca Owen (referred to collectively as the “Defendants”), by their respective counsel.<sup>1</sup> This Notice describes what steps you may take in relation to the Settlement and the Action.

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<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation of Settlement, dated February 7, 2025 (“Stipulation”), which, along with other important documents, is available on the website,

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

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM</b>	Submitting a claim is the only way to be potentially eligible to receive a payment from the Net Settlement Fund. <b>Proofs of Claim must be postmarked or submitted online on or before _____, 2025.</b>
<b>EXCLUDE YOURSELF</b>	If you exclude yourself from the Class, you will not be eligible to receive any payment from the Net Settlement Fund. This is the only option that potentially allows you to ever be part of any other lawsuit against any of the Defendants or any other Released Defendants' Persons concerning the Released Plaintiff's Claims.  <b>Exclusions must be postmarked on or before _____, 2025.</b>
<b>OBJECT</b>	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense requests unless you are a Class Member and do not exclude yourself from the Class.  <b>Objections must be received by the Court and counsel on or before _____, 2025. If you submit a written objection, you may (but do not have to) attend the hearing.</b>
<b>GO TO THE HEARING ON _____, 2025</b>	You may ask to speak in Court about the fairness of the Settlement. <b>Requests to speak must be received by the Court and counsel on or before _____, 2025.</b> If you submit a written objection, you may (but you do not have to) attend the hearing.

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www.JerniganSecuritiesSettlement.com. All singular forms of nouns and pronouns include the plural and vice versa.



<b>DO NOTHING</b>	If you do nothing, you will receive no payment. You will, however, still be a member of the Class, which means that you give up your right to ever be part of any other lawsuit against the Defendants or any other Released Defendants' Persons about Released Plaintiff's Claims being resolved by this Settlement and you will be bound by any judgments or orders entered by the Court in the Action.
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### **SUMMARY OF THIS NOTICE**

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

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

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

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

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

Since the Action was filed, Lead Counsel has expended considerable time and effort in the prosecution of the Action on a wholly contingent basis and has advanced the expenses of the Action in the expectation that if it was successful in obtaining a recovery for the Class, it would be paid from such recovery. Lead Counsel will apply to the Court for an award of attorneys' fees not to exceed 33⅓ of the Settlement Amount, plus expenses not to exceed \$225,000, plus interest

earned on both amounts at the same rate as earned by the Settlement Fund. In addition, Lead Plaintiff may request an award not to exceed \$10,000 pursuant to 15 U.S.C. §78u-4(a)(4) in connection with his representation of the Class. If the amounts requested are approved by the Court, the average cost per allegedly damaged Jernigan share will be approximately \$0.78 per common share. Any fees and expenses awarded by the Court, or any award to Lead Plaintiff, shall be paid solely from the Settlement Fund.

### **Further Information**

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

You may also contact a representative of counsel for the Class:

Shareholder Relations Department, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, [settlementinfo@rgrdlaw.com](mailto:settlementinfo@rgrdlaw.com).

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

### **Reasons for the Settlement**

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

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

## **BASIC INFORMATION**

<b>1. Why did I get this Notice package?</b>
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The Court directed that this Notice be mailed to you because you, someone in your family, or an investment account for which you serve as a custodian, may have held Jernigan common stock as of September 11, 2020, the record date for eligibility to vote on the Transaction, and sold shares for \$17.30 in the Transaction.

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

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

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

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

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

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

On December 15, 2022, Lead Plaintiff moved for class certification under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, and contemporaneously produced documents in response to Defendants' discovery requests. On January 27, 2023, Defendants' Counsel deposed Lead Plaintiff's expert. On February 9, 2023, Defendants' Counsel deposed Lead Plaintiff. On February 22, 2023, Defendants filed their opposition to Lead Plaintiff's motion for class

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

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

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

During the course of the Litigation, the Settling Parties engaged the services of Greg Danilow of Phillips ADR, a highly qualified mediator experienced in securities litigation (the "Mediator"). In connection with this engagement, the Settling Parties participated in a full-day mediation session before the Mediator, and exchanged opening and reply mediation statements and exhibits, which addressed the parties' respective positions on liability and potential damages. On September 25, 2024, the Mediator made a Mediator's proposal. In response to the Mediator's proposal, the Settling Parties reached an agreement in principle on October 7, 2024 to settle the Action for Twelve Million Dollars in cash (\$12,000,000.00). On October 11, 2024, the Settling Parties informed the Court of the settlement in principle of the Action. After further negotiations, the Settling Parties executed a term sheet on December 10, 2024. Following additional negotiation, the Settling Parties executed the Stipulation on February 7, 2025, and moved for preliminary approval of the proposed Settlement. The motion was granted on \_\_\_\_, 2025, and this Notice is being provided pursuant to the Preliminary Approval Order.

Defendants have denied, and continue to deny, the Complaint's allegations and that they violated the federal securities laws in any respect. Defendants contend that they made no false or

misleading statements, and they made full and accurate disclosures of all information required to be disclosed by law.

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

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

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

**WHO IS IN THE SETTLEMENT**

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

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

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

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

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

**THE SETTLEMENT BENEFITS – WHAT YOU GET**

**6. What does the Settlement provide?**

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

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

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

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

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

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

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

To be eligible to receive a payment from the Settlement, you must submit a Proof of Claim. A Proof of Claim is enclosed with this Notice or it may be downloaded at [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com). Read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and **mail it to the Claims Administrator at the address provided in the Proof of Claim or submit it online at [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com) so that it is postmarked or received no later than \_\_\_\_\_, 2025.**

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

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

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

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

- "Immediate Family Member(s)" means children, stepchildren, grandchildren, parents, stepparents, grandparents, spouses, siblings, mothers-in-law, fathers-in-

law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law, and any persons (other than a tenant or employee) sharing the household.

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



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

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

The Settling Parties shall expressly waive, and the Released Plaintiff’s Persons and the Released Defendants’ Persons shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits

conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code §1542. The Released Plaintiff's Persons and the Released Defendants' Persons acknowledge that they may hereafter discover facts, legal theories, or authorities in addition to, or different from those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Plaintiff's Claims or Released Defendants' Claims, but: (a) the Released Plaintiff's Persons shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish and release, and each Released Plaintiff's Person shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and, upon the Effective Date, and by operation of the Judgment, shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Plaintiff's Claims against the Released Defendants' Persons, known or unknown, suspected or unsuspected, contingent or non-contingent, accrued or unaccrued, whether or not concealed or hidden, which now exist, or heretofore have existed, or may hereafter exist, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities; and (b) the Defendants shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish and release, and, upon the Effective Date, and by operation of the Judgment, shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Defendants' Claims against the Released Plaintiff's Persons, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Settling Parties acknowledge, and the Released Plaintiff's Persons and Released Defendants' Persons shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is an essential element of the Settlement of which this release is a part.

#### **EXCLUDING YOURSELF FROM THE CLASS**

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

individual claim that you may wish to pursue would be time-barred by the applicable statutes of limitation or repose.

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

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

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

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

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

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

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

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

## WHO REPRESENTS THE CLASS

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

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

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

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

## OBJECTING TO THE SETTLEMENT

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

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

If you are a Class Member, you may object to the proposed Settlement, the proposed Plan of Allocation, and/or the fee and expense applications of Lead Counsel or Lead Plaintiff. For any objection to be considered, you must file a written statement with the Clerk of the Court and send a copy to Lead Counsel and Defendants' Counsel at the addresses listed below so that it is **received by \_\_\_\_\_, 2025**. Any objection must: (i) state the name, address, and telephone number of the Person objecting and must be signed by the objector, even if the objector is represented by counsel; (ii) contain a statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention and whether the objections apply only to the objector, a specific subset of the Class, or to the entire Class; (iii) include documents sufficient to prove membership in the Class, including evidence of the objecting Class Member's shares of Jernigan common stock held as of September 11, 2020, the record date, and sold in the Transaction, including the number of shares; and (iv) identify all settlements to which the objector and/or its counsel has filed an objection in the past three (3) years. Attendance at the Settlement Hearing is not necessary; however, persons wishing to be heard orally at the Settlement Hearing are required to indicate in their written objection their intention to appear at the hearing and identify any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

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

### THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

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

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

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

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

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

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

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

**IF YOU DO NOTHING**

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

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

**GETTING MORE INFORMATION**

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

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

District of New York, during regular business hours. For a fee, all papers filed in the Litigation are also available at [www.pacer.gov](http://www.pacer.gov).

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

<b>22. How will my claim be calculated?</b>
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The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Court may approve the Plan of Allocation with or without modifications agreed to among the Parties, or may approve another plan of allocation, without further notice to Class Members.

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

### **Section 14(a) Claims**

Claims under Section 14(a) of the Exchange Act of 1934 are asserted with regard to Defendants’ alleged negligent preparation, review, and dissemination of the allegedly false and misleading Proxy Statement. Lead Plaintiff alleges that members of the Class were deprived of

their right to be presented with accurate proxy materials while asked to vote on Jernigan's proposed take-private transaction. In order to have a compensable loss in this Settlement under Section 14(a) of the Exchange Act of 1934, a claimant must have: (i) held Jernigan common stock as September 11, 2020; and (ii) sold shares in the Transaction.

### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

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

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

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

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

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

The objective of the Plan of Allocation is to distribute the Settlement proceeds equitably among those Class Members who have legal standing to bring the claims currently asserted in the Litigation (as described above). The Plan of Allocation is not a formal damages analysis, and the

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



calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Class Members might have been able to recover after a trial.

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

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

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

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

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

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

If you held Jernigan common stock as of September 11, 2020, the record date for eligibility to vote on the Transaction, and sold in the Transaction for the beneficial interest of an individual or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you held such common stock; or (b) request additional copies of this Notice and the Proof of Claim, which will be provided to you free of charge, and within seven (7) days mail the Notice and Proof of Claim directly to the beneficial owners of the common stock referred to herein. If you choose to follow alternative procedure (b), upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed and retain the names and

addresses for any future mailings to Class Members. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Reasonable out-of-pocket expenses actually incurred in connection with the foregoing includes up to \$0.03 for providing names, addresses, and email addresses to the Claims Administrator per record, up to a maximum of \$0.03 per Notice and Claim Form emailed or mailed by you, plus postage at the rate used by the Claims Administrator. Your reasonable expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator at:

*Jernigan Securities Settlement*  
Claims Administrator  
c/o Gilardi, a Verita Global company  
P.O. Box 301135  
Los Angeles, CA 90030-1135  
Online Submissions: [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com)

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

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

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re JERNIGAN CAPITAL, INC. : Master File No. 1:20-cv-09575-JLR-KHP  
SECURITIES LITIGATION :  
: CLASS ACTION  
: :  
This Document Relates To: : PROOF OF CLAIM AND RELEASE  
: :  
ALL ACTIONS. : EXHIBIT A-2  
: X

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**I. GENERAL INSTRUCTIONS**

1. To recover as a Class Member based on your claims in the action titled *In re Jernigan Capital, Inc. Securities Litigation*, Civil Action No. 1:20-cv-09575-JLR-KHP (S.D.N.Y.) (the “Action”), you must complete and, on page \_\_\_ hereof, sign this Proof of Claim and Release form (“Claim Form” or “Proof of Claim”). If you fail to submit a properly addressed (as set forth in paragraph 3 below) Proof of Claim, postmarked or received by the date shown below, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed Settlement of the Litigation.<sup>1</sup>

2. Submission of this Proof of Claim, however, does not assure that you will share in the proceeds of the Settlement.

3. YOU MUST MAIL OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED CLAIM FORM, ACCOMPANIED BY COPIES OF THE DOCUMENTS REQUESTED HEREIN, NO LATER THAN \_\_\_\_\_, 2025, TO THE COURT-APPOINTED CLAIMS ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

*Jernigan Securities Settlement*  
Claims Administrator  
c/o Gilardi, a Verita Global company  
P.O. Box 301135  
Los Angeles, CA 90030-1135  
Online Submissions: [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com)

4. Do not mail or deliver your Proof of Claim to the Court, the parties to the Litigation, or their counsel. Submit your Proof of Claim form only to the Claims Administrator at the address

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<sup>1</sup> This Claim Form incorporates by reference the definitions in the Stipulation of Settlement (“Stipulation”), which can be viewed and/or obtained at [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com).

set forth above. If you are NOT a Class Member, as defined in the Notice of Pendency and Proposed Settlement of Class Action (“Notice”), DO NOT submit a Proof of Claim.

5. If you are a Class Member and you do not validly and timely request exclusion, you will be bound by the terms of any judgment entered in the Action, including the releases provided therein, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.

6. It is important that you completely read and understand the Notice that accompanies this Proof of Claim, including the Plan of Allocation of the Net Settlement Fund set forth in the Notice. The Notice describes the proposed Settlement, how Class Members are affected by the Settlement, and the manner in which the Net Settlement Fund will be distributed if the proposed Settlement and Plan of Allocation are approved by the Court. The Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Proof of Claim. By signing and submitting this Proof of Claim, you will be certifying that you have read and that you understand the Notice, including the terms of the releases described therein and provided for herein.

## **II. CLAIMANT IDENTIFICATION**

You are a member of the Class if you: held shares of Jernigan common stock as of September 11, 2020, the record date for eligibility to vote on the Transaction, and your shares were sold for \$17.30 in the Transaction. Excluded from the Class are: (a) Defendants, their Immediate Family Members, any legal representatives, heirs, successors or assigns of the Defendants and/or their Immediate Family Members, and any entity in which Defendants and/or their Immediate Family Members have or had a controlling interest; and (b) the officers and directors of the Company at all relevant times, their Immediate Family Members, any legal representatives, heirs,

successors or assigns of the officers and directors of the Company at all relevant times and/or their Immediate Family Members, and any entity in which the officers and/or directors of the Company at all relevant times and/or their Immediate Family Members have or had a controlling interest. Also excluded from the Class are those Persons who timely and validly request exclusion from the Class in accordance with the requirements set forth in the Notice.

Use Part I of this form entitled “Claimant Identification” to identify each holder of record (“nominee”), if different from the beneficial holder of the common stock which form the basis of this claim. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL HOLDER(S) OR THE LEGAL REPRESENTATIVE OF HOLDER(S) OF THE JERNIGAN COMMON STOCK UPON WHICH THIS CLAIM IS BASED.**

All joint purchasers, or acquirers, must sign this Claim Form. Executors, administrators, guardians, conservators, and trustees must complete and sign this Claim Form on behalf of persons represented by them and their authority must accompany this Claim Form and their titles or capacities must be stated. The last four digits of the Social Security Number (or full Taxpayer Identification Number) and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

If you are acting in a representative capacity on behalf of a member of the Class (for example, as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that member of the Class. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.

One Claim Form should be submitted for each separate legal entity. Separate Claim Forms should be submitted for each separate legal entity (*e.g.*, a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made solely in the individual's name). Conversely, a single Claim Form should be submitted on behalf of one legal entity, including all transactions made by that entity on one Claim Form, no matter how many separate accounts that entity has (*e.g.*, a corporation with multiple brokerage accounts should include all transactions made in all accounts on one Claim Form).

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request to, or may be requested to, submit information regarding their transactions in electronic files. All such claimants **MUST** also submit a manually signed paper Claim Form listing all their transactions whether or not they also submit electronic copies. If you wish to submit your Claim Form electronically, you must contact the Claims Administrator at [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com) to obtain the required file layout. Any file not in accordance with the required electronic filing format will be subject to rejection. Only one Claim Form should be submitted for each separate legal entity (*see* above) and the ***complete*** name of the beneficial owner(s) of the securities must be entered where called for. Distribution payments must be made by check or electronic payment payable to the Authorized Claimant (beneficial account owner). The third-party filer shall not be the payee of any distribution payment check or electronic distribution payment. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the claimant a written

acknowledgement of receipt and acceptance of electronically submitted data. Do not assume that your file has been received until you receive this notification.

### **III. CLAIM FORM**

Use Part II of this form entitled “Holdings in Jernigan Common Stock” to state the number of shares of Jernigan common stock you held as of September 11, 2020 and to state the number of shares that were sold for \$17.30 in the Transaction.

You must provide copies of broker information or other documentation of your holdings in Jernigan common stock as attachments to your claim. If any such documents are not in your possession, please obtain a copy or equivalent documents from your broker because these documents are necessary to prove and process your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

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

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK,

*In re Jernigan Capital, Inc. Securities Litigation,*



Civil Action No. 1:20-cv-009575-JLR-KHP (S.D.N.Y.)

**PROOF OF CLAIM AND RELEASE**

**Must Be Postmarked (if Mailed) or Received**

**(if Submitted Online) No Later Than:**

\_\_\_\_\_, 2025

Please Type or Print

REMEMBER TO ATTACH COPIES OF BROKER CONFIRMATIONS OR OTHER DOCUMENTATION OF YOUR HOLDINGS IN JERNIGAN COMMON STOCK. FAILURE TO PROVIDE THIS DOCUMENTATION COULD DELAY VERIFICATION OF YOUR CLAIM OR RESULT IN REJECTION OF YOUR CLAIM.

PART I: CLAIMANT IDENTIFICATION	
Last Name	M.I. First Name
Last Name (Co-Beneficial Owner)	M.I. First Name (Co-Beneficial Owner)
<input type="radio"/> IRA <input type="radio"/> Joint Tenancy <input type="radio"/> Employee <input type="radio"/> Individual <input type="radio"/> Other (specify)	
Company Name (Beneficial Owner - If Claimant is not an Individual) or Custodian Name if an IRA	
Trustee/Asset Manager/Nominee/Record Owner's Name (If Different from Beneficial Owner Listed Above)	
Account#/Fund# (Not Necessary for Individual Filers)	
LAST 4 DIGITS OF SOCIAL SECURITY NUMBER	Taxpayer Identification Number
Telephone Number (Primary Daytime)	Telephone Number (Alternate)
Email Address	
MAILING INFORMATION	
Address	
Address	
City	State Zip Code
Foreign Province	Foreign Postal Code Foreign Country Name/Abbreviation

**PART II. HOLDINGS IN JERNIGAN COMMON STOCK**

A. Number of shares of Jernigan common stock you held as of September 11, 2020:

								Proof Enclosed?
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="radio"/> Y
								<input type="radio"/> N

B. Number of shares of Jernigan common stock you sold for \$17.30 in the Transaction:

								Proof Enclosed?
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="radio"/> Y
								<input type="radio"/> N

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

**YOU MUST READ AND SIGN THE RELEASE ON PAGE \_\_\_\_ . FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.**

**IV. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS**

I (We) submit this Claim Form under the terms of the Stipulation described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my (our) claim as a member of the Class and for purposes of enforcing the releases set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of the Stipulation and any judgment that may be entered in the Action, including the releases and the covenants set forth herein. I (We) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so. I (We) have not submitted any other claim in connection with the holding of Jernigan common stock during the relevant period and know of no other Person having done so on my (our) behalf.

## V. RELEASES

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release from the “Released Plaintiff’s Claims” (as defined below) each and all of the “Released Defendants’ Persons” (as defined below).

2. “Released Defendants’ Claims” means all claims (including, but not limited to, Unknown Claims as defined below), and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, common, or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants, by the Released Defendants’ Persons against the Released Plaintiff’s Persons. This release does not include claims relating to the enforcement of the Settlement.

3. “Released Defendants’ Persons” means Defendants, NexPoint Advisors, L.P. and their respective past or present control persons, controlling stockholders, entities in which they have or had a controlling interest, parents, subsidiaries, divisions, associated entities, partnerships, joint ventures, member firms, limited liability companies, corporations and affiliates and the respective present and former employees, stockholders, principals, partners, officers, managers, directors, fiduciaries, managing directors, members, managing members, managing agents, advisors, consultants, and underwriters of each of them in their capacities as such; and the predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, assignees, insurers, co-insurers, reinsurers, Immediate Family Members, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, attorneys, and legal or personal representatives of each of them in their capacities as such.

4. “Released Plaintiff’s Claims” means all claims, demands, losses, rights, and causes of action of every nature and description, whether known or unknown, and whether arising under federal, state, common, foreign or other applicable law, rule, or regulation, that the Released Plaintiff’s Persons: (i) asserted in any complaint filed in the Action; or (ii) could have asserted or could in the future assert in any court or other forum, directly, derivatively, or in any other capacity, that: (a) arise out of or relate to any of the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in any complaint filed in the Action; and (b) arise from or relate to the sale of Jernigan common stock in the Transaction. This release does not cover, include, or release: (i) any previously filed shareholder derivative or ERISA claims; (ii) any claims relating to the enforcement of the Settlement; or (iii) any claims of any Person that submitted an effective request for exclusion from the Class. “Released Plaintiff’s Claims” include “Unknown Claims” as defined below. For the avoidance of doubt, nothing in the Stipulation is intended to, nor shall it be deemed to, release any claim that the Defendants have against any of Defendants’ insurers.

5. “Unknown Claims” means any of the Released Plaintiff’s Claims which Released Plaintiff’s Persons do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendants’ Persons, and any of the Released Defendants’ Claims that the Released Defendants’ Persons do not know or suspect to exist in his, her or its favor at the time of the release of Released Plaintiff’s Persons, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement with and release of the Released Defendants’ Persons or Released Plaintiff’s Persons, or might have affected his, her, or its decision not to object to this Settlement or seek exclusion. Unknown Claims include those Released

Plaintiff's Claims in which some or all of the facts comprising the claim may be suspected, or even undisclosed or hidden. With respect to any and all Released Plaintiff's Claims and the Released Defendants' Claims, upon the Effective Date, the Released Plaintiff's Persons and the Released Defendants' Persons shall be deemed to have, and by operation of the Order and Final Judgment, shall have, expressly waived to the fullest extent permitted by law, any and all provisions, rights, and benefits conferred by any law or any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Settling Parties shall expressly waive, and the Released Plaintiff's Persons and the Released Defendants' Persons shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code §1542. The Released Plaintiff's Persons and the Released Defendants' Persons acknowledge that they may hereafter discover facts, legal theories, or authorities in addition to, or different from, those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Plaintiff's Claims or Released Defendants' Claims, but: (a) the Released Plaintiff's Persons shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish and release, and each Released Plaintiff's

Person shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and, upon the Effective Date, and by operation of the Judgment, shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Plaintiff's Claims against the Released Defendants' Persons, known or unknown, suspected or unsuspected, contingent or non-contingent, accrued or unaccrued, whether or not concealed or hidden, which now exist, or heretofore have existed, or may hereafter exist, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities; and (b) the Defendants shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish and release, and, upon the Effective Date, and by operation of the Judgment, shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Defendants' Claims against the Released Plaintiff's Persons, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Settling Parties acknowledge, and the Released Plaintiff's Persons and Released Defendants' Persons shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is an essential element of the Settlement of which this release is a part.

6. This Release shall be of no force or effect unless and until the Court approves the Stipulation and the Settlement becomes effective on the Effective Date.

7. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any claim or matter released pursuant to this release or any other part or portion thereof.

8. I (We) hereby warrant and represent that I (we) have included information (including supporting documentation) about the number of shares of Jernigan common stock held by me (us) on the Record Date and the number of shares of Jernigan common stock sold in the Transaction.

9. I (We) hereby warrant and represent that I am (we are) not a Defendant or other person excluded from the Class.

10. I (We) declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_ in \_\_\_\_\_  
(Month/Year) (City/State/Country)

\_\_\_\_\_  
(Sign your name here)

\_\_\_\_\_  
(Sign your name here)

\_\_\_\_\_  
(Type or print your name here)

\_\_\_\_\_  
(Type or print your name here)

\_\_\_\_\_  
(Capacity of person(s) signing, e.g.,  
Beneficial Purchaser, Executor or Administrator)

\_\_\_\_\_  
(Capacity of person(s) signing, e.g.,  
Beneficial Purchaser, Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.  
THANK YOU FOR YOUR PATIENCE.**

**Reminder Checklist:**

- 1. Please sign the above release and declaration.
- 2. If this Claim is being made on behalf of Joint Claimants, then both must sign.
- 3. Remember to attach copies of supporting documentation, if available.
- 4. Do not send originals of certificates.
- 5. Keep a copy of your claim form and all supporting documentation for your records.
- 6. If you desire an acknowledgment of receipt of your claim form please send it Certified Mail, Return Receipt Requested.
- 7. If you move, please send your new address to the address below.
- 8. Do not use red pen or highlighter on the Proof of Claim and Release form or supporting documentation.

**THIS CLAIM FORM MUST BE SUBMITTED ONLINE OR MAILED NO LATER THAN \_\_\_\_\_, 2025, ADDRESSED AS FOLLOWS:**

*Jernigan Securities Settlement*  
 Claims Administrator  
 c/o Gilardi, a Verita Global company  
 P.O. Box 301135  
 Los Angeles, CA 90030-1135  
 Online Submissions: [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com)



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re JERNIGAN CAPITAL, INC. : x  
SECURITIES LITIGATION : Master File No. 1:20-cv-09575-JLR-KHP  
: :  
: CLASS ACTION  
: :  
This Document Relates To: :  
: SUMMARY NOTICE OF PENDENCY AND  
: PROPOSED SETTLEMENT OF CLASS  
ALL ACTIONS. : ACTION  
: :  
: x EXHIBIT A-3

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

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

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

YOU ARE HEREBY NOTIFIED that a hearing will be held on \_\_\_\_\_, 2025, at \_\_\_\_: \_\_\_\_m. ET, before the Honorable Jennifer L. Rochon, in the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007-1312, to determine whether: (1) the proposed settlement (the “Settlement”) of the above-captioned action, as set forth in the Stipulation of Settlement (“Stipulation”)<sup>1</sup> for \$12,000,000 in cash should be approved by the Court as fair, reasonable, and adequate; (2) the Judgment as provided under the Stipulation should be entered with prejudice; (3) to award Lead Counsel attorneys’ fees and expenses out of the Settlement Fund (as defined in the Notice of Pendency and Proposed Settlement of Class Action (“Notice”), which is discussed below), and, if so, in what amount; (4) to award Lead Plaintiff for representing the Class out of the

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<sup>1</sup> The Stipulation can be viewed and/or obtained at [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com). All capitalized terms used herein and not otherwise defined shall have the same meaning as ascribed to them in the Stipulation.

Settlement Fund and, if so, in what amount; and (5) the Plan of Allocation should be approved by the Court as fair, reasonable, and adequate.

IF YOU HELD JERNIGAN COMMON STOCK ON SEPTEMBER 11, 2020, THE RECORD DATE FOR ELIGIBILITY TO VOTE ON THE TRANSACTION, AND SOLD SHARES IN THE TRANSACTION, YOUR RIGHTS MAY BE AFFECTED BY THE SETTLEMENT OF THIS LITIGATION, INCLUDING THE RELEASE AND EXTINGUISHMENT OF CLAIMS YOU MAY POSSESS RELATING TO YOUR HOLDINGS OF JERNIGAN COMMON STOCK.

To share in the distribution of the Net Settlement Fund, you must establish your rights by submitting a Proof of Claim and Release form (“Proof of Claim”) by mail (**postmarked no later than \_\_\_\_\_, 2025**) or electronically (**no later than \_\_\_\_\_, 2025**). Your failure to submit your Proof of Claim by \_\_\_\_\_, 2025, will subject your claim to rejection and preclude you from receiving any of the recovery in connection with the Settlement. If you are a member of the Class and do not request exclusion therefrom as instructed, you will be bound by the Settlement and any judgment and release entered in the Action, including, but not limited to, the Judgment, whether or not you submit a Proof of Claim.

If you have not received a copy of the Notice, which more completely describes the Settlement and your rights thereunder (including your right to object to the Settlement), and a Proof of Claim, you may obtain these documents, as well as a copy of the Stipulation (which, among other things, contains definitions for the defined terms used in this Summary Notice) and other settlement documents, online at [www.JerniganSecuritiesSettlement.com](http://www.JerniganSecuritiesSettlement.com), or by writing to:

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

Inquiries should NOT be directed to Defendants, the Court, or the Clerk of the Court.

Inquiries, other than requests for the Notice or for a Proof of Claim, may be made to:

Lead Counsel:

ROBBINS GELLER RUDMAN & DOWD LLP  
Ellen Gusikoff Stewart  
655 West Broadway  
Suite 1900  
San Diego, CA 92101

IF YOU DESIRE TO BE EXCLUDED FROM THE CLASS, YOU MUST SUBMIT A REQUEST FOR EXCLUSION SUCH THAT IT IS **POSTMARKED BY \_\_\_\_\_, 2025**, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE. ALL MEMBERS OF THE CLASS WHO HAVE NOT REQUESTED EXCLUSION FROM THE CLASS WILL BE BOUND BY THE SETTLEMENT EVEN IF THEY DO NOT SUBMIT A TIMELY PROOF OF CLAIM.

IF YOU ARE A CLASS MEMBER, YOU HAVE THE RIGHT TO OBJECT TO THE SETTLEMENT, THE PLAN OF ALLOCATION, AND THE REQUEST BY LEAD COUNSEL FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES, AND/OR THE AWARD TO LEAD PLAINTIFF FOR REPRESENTING THE CLASS. ANY OBJECTIONS MUST BE FILED WITH THE COURT AND SENT TO LEAD COUNSEL AND DEFENDANTS' COUNSEL **BY \_\_\_\_\_, 2025**, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE.

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

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