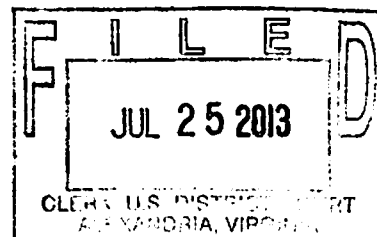


UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION



DAVID HOPPAUGH, Individually and On)
 Behalf of All Others Similarly Situated,)
)
 Plaintiff,)
)
 vs.)
)
 K12 INC., RONALD J. PACKARD, and)
 HARRY T. HAWKS,)
)
 Defendants.)

Civ. A. No. 1:12-cv-00103-CMH-IDD

**FINAL ORDER
AND JUDGMENT**

WHEREAS:

A. As of March 4, 2013, Arkansas Teacher Retirement System (“Lead Plaintiff”) and the Defendants¹ entered into a Stipulation of Partial Voluntary Dismissal, dismissing certain of Lead Plaintiff’s claims (the “Dismissal”).

B. As of March 4, 2013, Lead Plaintiff, on behalf of itself and the Class, and the Defendants entered into a Stipulation and Agreement of Settlement (the “Stipulation”) in the above-titled litigation (the “Litigation”), resolving all remaining claims.

C. Pursuant to the Preliminary Approval Order Providing for Notice and Hearing in Connection With Proposed Class Action Settlement, entered March 22, 2013 (the “Preliminary Approval Order”), the Court scheduled a hearing for July 19, 2013, at 10:00 a.m. (the “Settlement Hearing”) to, among other things: (i) determine whether the proposed Settlement of the Litigation on the terms and conditions provided for in the Stipulation is fair, reasonable and

¹ The Defendants are: K12 Inc. (“K12” or the “Company”); Ronald J. Packard; and Harry T. Hawks.

adequate, and should be approved by the Court; and (ii) determine whether a judgment as provided for in the Stipulation should be entered.

D. The Court ordered that the Notice of Pendency of Class Action and Proposed Settlement and Motion for Attorneys' Fees and Expenses (the "Notice") and a Proof of Claim and Release Form ("Proof of Claim"), substantially in the forms attached to the Preliminary Approval Order as Exhibits 1 and 2, respectively, be mailed by first-class mail, postage prepaid, on or before ten (10) business days after the date of entry of the Preliminary Approval Order ("Notice Date") to all putative Class Members who could be identified through reasonable effort, and that a Summary Notice of Pendency of Class Action and Proposed Settlement and Motion for Attorneys' Fees and Expenses (the "Summary Notice"), substantially in the form attached to the Preliminary Approval Order as Exhibit 3, be published in *Investor's Business Daily* and transmitted over *PR Newswire* within fourteen (14) calendar days of the Notice Date.

E. The Notice and the Summary Notice advised Class Members of the date, time, place and purpose of the Settlement Hearing. The Notice further advised that any objections to the Settlement were required to be filed with the Court and served on counsel for the Parties no later than June 10, 2013.

F. The provisions of the Preliminary Approval Order as to notice were complied with.

G. On May 17, 2013, Lead Plaintiff moved for final approval of the Settlement, as set forth in the Preliminary Approval Order. The Settlement Hearing was duly held before this Court on July 19, 2013, at which time all interested Persons were afforded the opportunity to be heard.

H. This Court has duly considered Lead Plaintiff's motion, the affidavits, declarations and memorandum of law submitted in support thereof, and all of the submissions and arguments presented with respect to the proposed Settlement.

NOW, THEREFORE, after due deliberation, IT IS ORDERED, ADJUDGED AND DECREED that:

1. This Judgment incorporates by reference the definitions in the Stipulation, and all capitalized terms used in this Judgment that are not otherwise defined herein shall have the same meanings as set forth in the Stipulation.
2. This Court has jurisdiction over the subject matter of the Litigation and over all Parties to the Litigation, including all members of the Class.
3. The notification provided for and given to the Class was in compliance with the Preliminary Approval Order, and said notification constituted the best notice practicable under the circumstances and is in full compliance with the notice requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), and due process.
4. The proposed Settlement of the Litigation on the terms and conditions set forth in the Stipulation is in all respects fair, reasonable and adequate, in light of the benefits to the Class, the complexity, expense and possible duration of further litigation against the Defendants and the risks of establishing liability and damages and the costs of continued litigation. This Court further finds the Settlement set forth in the Stipulation is the result of arm's-length negotiations between experienced counsel representing the interests of Lead Plaintiff, the Class and the Defendants.

5. The Stipulation and the proposed Settlement are hereby approved as fair, reasonable, adequate, and in the best interests of the Class Members, and shall be consummated in accordance with the terms and provisions of the Stipulation. To the extent there were objections to the Settlement, those objections are overruled.

6. Lead Plaintiff's Stipulation of Partial Voluntary Dismissal, filed March 4, 2013, is so ordered and the claims identified therein are hereby dismissed in their entirety as to the Defendants, with prejudice, and without costs to any Party, except as otherwise provided therein. All remaining claims are further hereby dismissed in their entirety as to the Defendants, with prejudice, and without costs to any Party, except as otherwise provided in the Stipulation.

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

8. Upon the Effective Date, Lead Plaintiff and each and every other Class Member on behalf of themselves and each of their respective heirs, executors, trustees, administrators, predecessors, successors and assigns, by operation of this Judgment, shall be deemed to have fully, finally and forever waived, released, discharged and dismissed each and every one of the Released Claims against each and every one of the Released Defendant Parties and shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any of the Released Claims against any of the Released Defendant Parties.

9. Upon the Effective Date, the Defendants and each of their respective Released Defendant Parties, on behalf of themselves and each of their respective heirs, executors, trustees, administrators, predecessors, successors and assigns, by operation of this Judgment, shall be deemed to have fully, finally and forever waived, released, discharged and dismissed each and

every one of the Released Defendants' Claims, as against each and every one of the Released Plaintiff Parties and shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any of the Released Defendants' Claims against any of the Released Plaintiff Parties.

10. Each Class Member, whether or not such Class Member executes and delivers a Proof of Claim, is bound by this Judgment, including, without limitation, the release of claims as set forth in the Stipulation.

11. This Judgment and the Stipulation, whether or not consummated, and any negotiations, proceedings or agreements relating to the Stipulation, the Settlement, and any matters arising in connection with settlement negotiations, proceedings, or agreements, shall not be offered or received against the Defendants or Lead Plaintiff for any purpose, and in particular:

(a) do not constitute, and shall not be offered or received against the Defendants as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by the Defendants with respect to the truth of any fact alleged by Lead Plaintiff and the Class or the validity of any claim that has been or could have been asserted in the Litigation or in any litigation, including but not limited to the Released Claims, or of any liability, damages, negligence, fault or wrongdoing of the Defendants;

(b) do not constitute, and shall not be offered or received against the Defendants as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by the Defendants, or against Lead Plaintiff or any other members of the Class as evidence of any infirmity in the claims of Lead Plaintiff or the other members of the Class;

(c) do not constitute, and shall not be offered or received against the Defendants or against Lead Plaintiff or any other members of the Class, as evidence of a presumption, concession or admission with respect to any liability, damages, negligence, fault, infirmity or wrongdoing, or in any way referred to for any other reason against any of the Parties to this Stipulation, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(d) do not constitute, and shall not be construed against the Defendants, Lead Plaintiff or any other members of the Class, as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial;

(e) do not constitute, and shall not be construed as or received in evidence as, an admission, concession or presumption against Lead Plaintiff or any other member of the Class or any of them (except as specified in the Dismissal in the event this Judgment becomes Final and the Settlement becomes effective) or that damages recoverable in the Litigation would not have exceeded the Settlement Amount.

12. The administration of the Settlement, and the decision of all disputed questions of law and fact with respect to the validity of any claim or right of any Person to participate in the distribution of the Net Settlement Fund, shall remain under the authority of this Court.

13. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated, and in such event, all orders entered and releases delivered in connection with the Settlement shall be null and void to the extent provided by and in accordance with the Stipulation.

14. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

15. The Parties are hereby directed to consummate the Stipulation and to perform its terms.

16. A separate order shall be entered regarding Lead Counsel's application for attorneys' fees and reimbursement of expenses as allowed by the Court. A separate order shall be entered regarding the proposed Plan of Allocation for the Net Settlement Fund. Such orders shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

17. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (i) implementation of the Settlement; (ii) the allowance, disallowance or adjustment of any Class Member's claim on equitable grounds and any award or distribution of the Settlement Fund; (iii) disposition of the Settlement Fund; (iv) hearing and determining applications for attorneys' fees, costs, interest and reimbursement of expenses in the Litigation; (v) all Parties for the purpose of construing, enforcing and administering the Settlement and this Judgment; and (vi) other matters related or ancillary to the foregoing. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is expressly directed.

Dated: July 25, 2013

/s/
Claude M. Hilton
United States District Judge