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In re AMERICAN REALTY CAPITAL :  
PROPERTIES, INC. LITIGATION : Civil Action No. 1:15-mc-00040-AKH  
: CLASS ACTION  
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This Document Relates To: :  
ALL ACTIONS. :  
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**NOTICE OF PENDENCY OF CLASS ACTION**

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED AMERICAN REALTY CAPITAL PROPERTIES, INC. (“ARCP”) COMMON STOCK, PREFERRED STOCK, OR DEBT SECURITIES (“ARCP SECURITIES”) DURING THE PERIOD BETWEEN FEBRUARY 28, 2013 AND OCTOBER 29, 2014:

This notice (the “Notice”) is given 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 pendency of this lawsuit, how it might affect your rights and what steps you may take in relation to it. This Notice is not an expression of any opinion by the Court as to the merits of any of the claims or defenses asserted by any party in this litigation.

A plaintiff class (the “Class”) has been certified by the Court consisting of all persons who purchased or otherwise acquired ARCP Securities between February 28, 2013 and October 29, 2014 (the “Class Period”). Excluded from the Class are Defendants,<sup>1</sup> members of the immediate families of each of the Defendants, any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any Defendant and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party.<sup>2</sup>

If you or someone acting on your behalf purchased or otherwise acquired ARCP Securities during the Class Period, you may be entitled to participate in any benefits that may eventually be obtained for the Class as a result of this lawsuit.

This Notice provides a summary of the lawsuit, describes who is eligible to be included in the Class and the effect of participating in this class action, and explains how to request exclusion from the Class.

**I. DESCRIPTION OF THE LAWSUIT**

This is a securities class action against ARCP, ARC Properties Operating Partnership L.P., AR Capital LLC, ARC Properties Advisors LLC, certain of ARCP’s and AR Capital’s officers, directors and current or former employees, Grant Thornton LLP, and the underwriters involved in each of the four securities offerings by ARCP during the Class Period, for Defendants’ alleged violations of the federal securities laws during the Class Period. The case is presently pending before United States District Judge Alvin K. Hellerstein and is styled *In re American Realty Capital Properties, Inc. Litigation*, Civil Action No. 1:15-mc-00040-AKH (the “Litigation”). On February 13, 2015, the Court appointed Teachers Insurance and Annuity Association of America (“TIAA”) as Lead Plaintiff pursuant to the requirements of the Private Securities Litigation Reform Act of 1995.

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<sup>1</sup> The Defendants are American Realty Capital Properties, Inc., ARC Properties Operating Partnership, L.P., AR Capital LLC, ARC Properties Advisors LLC, Realty Capital Securities LLC, RCS Capital Corporation, RCS Capital, LLC, Nicholas S. Schorsch, David S. Kay, Brian S. Block, Lisa P. McAlister, Peter M. Budko, Brian D. Jones, Lisa E. Beeson, William M. Kahane, Edward M. Weil, Jr., Leslie D. Michelson, William G. Stanley, Edward G. Rendell, Scott J. Bowman, Thomas A. Andruskevich, Scott P. Sealy, Sr., Bruce D. Frank, and Grant Thornton LLP, as well as J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Barclays Capital Inc., BMO Capital Markets Corp., KeyBanc Capital Markets Inc., JMP Securities LLC, Ladenburg Thalmann & Co. Inc., Realty Capital Securities, LLC, Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC, Wells Fargo Securities, LLC, Capital One Securities, Inc., Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Deutsche Bank Securities Inc., Robert W. Baird & Co. Incorporated, Janney Montgomery Scott, LLC, Mizuho Securities LLC (f/k/a Mizuho Securities USA Inc.), PNC Capital Market, LLC, Piper Jaffray & Co., and NatWest Markets Securities Inc. (f/k/a RBS Securities Inc.) (the “Underwriter Defendants”).

<sup>2</sup> For the avoidance of doubt, this exclusion does not extend to: (1) any investment company or pooled investment fund in which an Underwriter Defendant may have a direct or indirect interest, or as to which its affiliates may act as an advisor, but of which an Underwriter Defendant or its respective affiliates is not a majority owner or does not hold a majority beneficial interest; or (2) any employee benefit plan as to which an Underwriter Defendant or its affiliates acts as an investment advisor or otherwise may be a fiduciary; provided, however, that membership in the Class by such investment company, pooled investment fund or employee benefit plan is limited to transactions in ARCP Securities made on behalf of, or for the benefit of, persons other than persons that are excluded from the Class by definition. In other words, the Underwriter Defendants cannot make a claim on their own behalf for their ownership share in any of the above entities.

ARCP (now VEREIT, Inc.) was a Real Estate Investment Trust (“REIT”) that owned single-tenant freestanding commercial properties and leased them to tenants.<sup>3</sup> Throughout the Class Period, ARCP common stock traded on the NASDAQ under the symbol ARCP. Lead Plaintiff and the Class Representatives<sup>4</sup> (“Plaintiffs”) allege that the Defendants violated the Securities Act of 1933 and the Securities Exchange Act of 1934 by making false and misleading statements or omitting to state facts necessary to make statements not misleading in public filings and other public statements during the Class Period. Specifically, among other things, Plaintiffs allege that the Company failed to properly report its Adjusted Funds From Operations (“AFFO”), a common measure of REIT performance, by improperly and artificially inflating AFFO, causing it to be overstated. Plaintiffs further allege that when the true facts regarding the alleged accounting fraud were revealed, that artificial inflation was removed from the price of ARCP Securities, causing the prices to drop and damaging members of the Class.

Plaintiffs seek to recover money damages for members of the Class.

Each Defendant denies Plaintiffs’ allegations and asserts that they have valid defenses to each of Plaintiffs’ claims. Defendants filed answers to the complaint denying the allegations and asserting multiple defenses.

Trial has been set to commence on January 21, 2020.

Certain Defendants have indicated a willingness to settle before trial. If any member of the Class wishes to explore settlement, that member should communicate, by counsel, with Michael J. Dowd of Robbins Geller Rudman & Dowd LLP, who will then immediately let counsel for the appropriate Defendant(s) know.

Copies of the pleadings, orders and other documents filed in this Litigation may be examined and copied at any time on the Public Access to Court Electronic Records website, [www.pacer.gov](http://www.pacer.gov), or during regular office hours at the Clerk’s office at the United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY 10007. In addition, relevant case materials can be accessed at the case website:

[www.ARCPSecuritiesLitigation.com](http://www.ARCPSecuritiesLitigation.com)

## **II. CLASS DEFINITION**

On August 31, 2017, the Court entered an order pursuant to Federal Rule of Civil Procedure 23 certifying a Class. The Court also has appointed the law firm of Robbins Geller Rudman & Dowd LLP as Class Counsel.

The Class initially certified by the Court covered the period May 9, 2012 through October 29, 2014. Class Counsel subsequently determined that based on the evidence uncovered during discovery and arguments raised by Defendants at summary judgment (which have been resolved), the first statements for which Class Counsel believes it can still assert a claim were made on February 28, 2013. On May 16, 2019, the Court entered summary judgment for the period May 9, 2012 through February 27, 2013, and modified the Class Period to be between February 28, 2013 and October 29, 2014. Therefore, only Class members who purchased or otherwise acquired ARCP Securities between February 28, 2013 and October 29, 2014 will share in any recovery obtained.

## **III. RIGHTS OF CLASS MEMBERS**

### **A. Remaining a Class Member**

This Notice is provided to you because you may be a Class member in this Litigation. The receipt of this Notice, however, should not be construed as a determination that you are a member of the Class. You are a Class member only if you purchased or otherwise acquired ARCP Securities during the Class Period. To remain a Class member, you are not required to do anything at this time. If you do not exclude yourself from the Class, in the manner described below, you will be bound by any judgment in this Litigation, whether it is favorable or unfavorable, and additional proceedings may be necessary in order to demonstrate your right to any recovery. If you choose to remain a Class member, you may not pursue a lawsuit on your own with regard to any of the claims asserted or issues decided in this Litigation. As a Class member, you will be represented by Class Counsel (see §V). You will not be charged a fee for the services of Class Counsel. If the case results in a recovery, however, Class Counsel will apply to the Court to be paid some portion of whatever is recovered for the Class. The amount of any fee and expense award will ultimately be determined by the Court. You may also enter an appearance in this case through counsel of your own choosing and at your own expense, if you so desire.

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<sup>3</sup> On July 28, 2015, ARCP changed its name to VEREIT, Inc.

<sup>4</sup> The Class Representatives are TIAA, Sheet Metal Workers’ National Pension Fund, Union Asset Management Holding AG, Corsair Select 100 L.P., Corsair Select Master Fund, Ltd., Corsair Capital Partners L.P., Corsair Select L.P., Corsair Capital Partners 100 L.P., Corsair Capital Investors, Ltd., the New York City Employees’ Retirement System, the New York City Police Pension Fund, the New York City Police Officers’ Variable Supplements Fund, the Board of Education Retirement System of the City of New York, the Teachers’ Retirement System of the City of New York, the Teachers’ Retirement System of the City of New York Variable A, the New York City Fire Department Pension Fund, the New York City Fire Officers’ Variable Supplements Fund, the New York City Fire Fighters’ Variable Supplements Fund, the City of Tampa General Employees Retirement Fund, the IRA FBO John Esposito, Noah Bender, Simon Abadi, Paul Matten and Mitchell and Bonnie Ellis.

**B. Exclusion from the Class**

If you want to be excluded from the Class, you may submit a request for exclusion. Your request for exclusion must be in writing (including your full name and address), and must be postmarked no later than October 28, 2019, and mailed to:

ARCP Securities Litigation  
Notice Administrator  
EXCLUSIONS  
c/o Gilardi & Co. LLC  
3301 Kerner Blvd.  
San Rafael, CA 94901

To be effective, your request for exclusion must be signed by you, state that you wish to be excluded, set forth your full name, address and telephone number, identify the number of shares or units of ARCP Securities purchased or acquired and/or sold during the Class Period and be postmarked no later than October 28, 2019. If you are signing on behalf of a Class member (such as an estate, corporation or partnership), please indicate your full name and the basis of your authority. Facsimile and email requests for exclusion are not acceptable. Requests for exclusion that do not comply with the above requirements will be invalid, in which case you will not be excluded from the Class.

**Class members will not have another opportunity to exclude themselves or otherwise opt out of this Litigation.** If you properly exclude yourself from the Class, you will not be bound by any judgment in this Litigation, and you will also not be entitled to share any recovery that may result from it. If you properly request exclusion, you may not be able to assert individual claims asserting securities law violations against the Defendants, as such claims may be time-barred. It will be for you to decide whether to pursue any individual lawsuit, claim or remedy that you may have, at your own expense. You should seek legal advice to determine if your claims would be barred by the applicable statutes of limitation or repose.

Do not request exclusion if you wish to be a Class member in this Litigation.

**IV. SECURITIES BROKERS AND NOMINEES**

Brokers and nominees who purchased or otherwise acquired ARCP Securities during the Class Period for the beneficial ownership of another are requested to send a list of the names and addresses of such beneficial owners to Gilardi & Co. LLC ("Gilardi" or the "Notice Administrator") at the following address no later than 10 days after receipt of notice of this Litigation:

ARCP Securities Litigation  
Notice Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 43434  
Providence, RI 02940-3434  
Toll free: 1-866-579-5209

Gilardi will thereafter mail copies of a Postcard Notice directly to all such beneficial owners. Class Counsel will reimburse the reasonable and actually incurred costs of preparing a list of the names and addresses of such beneficial owners up to a maximum of \$0.25 per name and address. Brokers and nominees that prefer to mail Postcard Notices themselves may request the required number of Postcard Notices from Gilardi, and Class Counsel will reimburse the reasonable and actually incurred costs of mailing such Postcard Notices, up to a maximum of \$0.75 per Postcard Notice.

**V. CLASS COUNSEL**

The Court has appointed Robbins Geller Rudman & Dowd LLP as counsel for the Class. If you have any questions concerning the matter raised in this Notice, you may address them in writing to the address below or by telephone:

Debra J. Wyman  
Robbins Geller Rudman & Dowd LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
1-800-449-4900  
www.rgrdlaw.com

**VI. NOTICE ADMINISTRATOR**

If you have any corrections or changes of name or address, you may address them in writing to:

ARCP Securities Litigation  
Notice Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 43434  
Providence, RI 02940-3434  
Toll free: 1-866-579-5209

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT REGARDING THIS NOTICE.

ARCP Securities Litigation  
Notice Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 43434  
Providence, RI 02940-3434

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**IMPORTANT LEGAL DOCUMENTS ENCLOSED.**

**AUI**