UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re WASTE MANAGEMENT SECURITIES LITIGATION	Civil Action No. 1:22-cv-04838-LGS CLASS ACTION MEMORANDUM OF LAW IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES AND AWARDS TO LEAD PLAINTIFFS PURSUANT TO 15 U.S.C. §78u-4(a)(4)

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Lead Counsel respectfully submits this memorandum of law in support of its motion for attorneys' fees and expenses and an award to each Lead Plaintiff pursuant to 15 U.S.C. §78u-4(a)(4) for their work on behalf of the Class.[1]

I. INTRODUCTION

Through diligence and unwavering advocacy, Lead Counsel secured a $30 million cash recovery (the "Settlement") for the benefit of the Class. As detailed in the Mandel Declaration and in the Settlement Memorandum, Lead Counsel devoted considerable resources and brought a high level of skill and experience to the prosecution of this Litigation, and secured an outstanding recovery representing between 38% and 53.4% of estimated recoverable damages. Prior to obtaining this excellent result, Lead Counsel, among other things: (1) conducted an extensive investigation into the facts and potential claims and defenses leading to the filing of the Amended Complaint; (2) overwhelmingly defeated Defendants' motion to dismiss; (3) obtained class certification over Defendants' strenuous objections; (4) conducted extensive document discovery, including serving document requests, interrogatories, and request for admission on Defendants; (5) reviewed and analyzed over 107,000 pages of documents; (6) engaged in numerous meet and confers with Defendants regarding the scope of discovery and their privilege assertions; (7) conducted fact depositions; (8) engaged in settlement negotiations, including two full-day, in-person and two video conference mediation sessions with an experienced mediator, which included the exchange of

[1] Unless otherwise noted, capitalized terms have the meanings ascribed to them in the Stipulation of Settlement, dated July 10, 2025 (ECF 146-1) (the "Stipulation"), the accompanying Declaration of Noam Mandel in Support of: (1) Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Approval of Plan of Allocation; and (2) Lead Counsel's Motion for an Award of Attorneys' Fees and Expenses and Awards to Lead Plaintiffs Pursuant to 15 U.S.C. §78u-4(a)(4) (the "Mandel Declaration" or "Mandel Decl."), and in the Memorandum of Law in Support of Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Approval of Plan of Allocation ("Settlement Memorandum"), submitted concurrently herewith. Unless otherwise noted, all internal citations and quotation marks have been omitted and emphasis has been added.

mediation statements that set forth the parties' respective positions on liability and damages; (9) negotiated and obtained the instant Settlement; (10) drafted and negotiated the parties' term sheet; (11) drafted and negotiated the Stipulation and supporting documents; and (12) moved for and obtained preliminary approval of the Settlement. *See generally* Mandel Decl.

Having obtained a substantial recovery on behalf of the Class, Lead Counsel now respectfully moves this Court for an award of attorneys' fees equal to 33-1/3% of the Settlement Amount and payment of $946,662.31 in litigation expenses, together with interest on both amounts. The requested fee is fair and reasonable and consistent with awards in complex class action litigation according to empirical studies, and does not result in a windfall for Lead Plaintiffs' Counsel. *See* §III.C., D., *infra*. The reasonableness of Lead Counsel's fee request is also confirmed by the lodestar cross-check. The requested fee represents a multiplier of approximately 1.26 on Lead Plaintiffs' Counsel's lodestar, which is well within the range of multipliers typically awarded in class actions with contingency risks such as this one (and below the mean multiplier in securities class actions). *See Ernst v. Dish Network, LLC*, No. 1:12-cv-08794-LGS, ECF 237, ¶16 (S.D.N.Y. Nov. 13, 2015) (finding "2.57 multiplier" to be "within the range awarded by courts throughout the country") (attached hereto as Ex. A); *In re Telik, Inc. Sec. Litig.*, 576 F. Supp. 2d 570, 590 (S.D.N.Y. 2008) ("In contingent litigation, lodestar multiples of over 4 are routinely awarded by courts, including this Court."). *See also, infra*, at §III.D. Moreover, the litigation expenses sought by Lead Counsel were reasonably incurred in connection with the prosecution of the Litigation.

The requested fee is also supported by the significant risks undertaken by Lead Plaintiffs' Counsel. Lead Plaintiffs' Counsel pursued this Litigation on behalf of the Class on a contingent fee basis, dedicating over 10,730 hours of time in the case and over $946,000 in expenses without any promise of recovery, payment, or reimbursement. *See* accompanying Declaration of Noam Mandel

Filed on Behalf of Robbins Geller Rudman & Dowd LLP in Support of Application for Award of Attorneys' Fees and Expenses ("Robbins Geller Fee Decl."); accompanying Declaration of David C. Harrison in Support of Lead Counsel's Motion for an Award of Attorneys' Fees and Expenses and Awards to Lead Plaintiffs; Mandel Decl., ¶¶75, 83. Lead Counsel has not received a single payment for the services it has performed and the expenses it has incurred over the course of nearly three years of litigation. The risk of no recovery was particularly pronounced here, where highly skilled and experienced defense counsel fiercely contested Lead Plaintiffs' ability to establish falsity, scienter, loss causation, and damages.

Lead Plaintiffs support the Settlement and Lead Counsel's request for attorneys' fees and expenses. *See* Declaration of Leslie Tarantola (the "Tarantola Decl."), ¶¶9-10, submitted herewith. Moreover, to date, there have been no objections to the requested attorneys' fees and expenses or to the awards to Lead Plaintiffs.[2] The absence of objections from the Class supports a finding that Lead Counsel's request for attorneys' fees and expenses is fair and reasonable.[3]

Finally, Lead Plaintiffs seek an aggregate award of $30,000 pursuant to 15 U.S.C. §78u-4(a)(4). *See* Tarantola Decl., ¶¶12-13. Lead Plaintiffs monitored and actively participated in the prosecution and resolution of this Litigation, and produced discovery and provided deposition testimony; and their request for an award for the time they expended in representing the Class should be granted. *See id.*, ¶¶2-8.

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[2] Defendants' Counsel received correspondence from Jovelle E. Brockway, a putative Class Member, requesting to comment. A copy of this correspondence is attached as Ex. B to the Settlement Memorandum.

[3] The deadline to object to the Settlement, Plan of Allocation, and Lead Counsel's request for attorneys' fees and expenses and awards to Lead Plaintiffs is November 25, 2025. If any objections are timely filed, Lead Counsel will respond in its reply brief to be filed on December 9, 2025.

Accordingly, Lead Counsel respectfully submits that the Court should grant its Motion for an Award of Attorneys' Fees and Expenses and Awards to Lead Plaintiffs Pursuant to 15 U.S.C. §78u-4(a)(4).

II. FACTUAL AND PROCEDURAL HISTORY

The Mandel Declaration is an integral part of this submission and, for the sake of brevity, the Court is respectfully referred to it for a discussion of, *inter alia*, the history of the Litigation; nature of the claims asserted; a summary of the work performed for the benefit of the Class; the negotiations leading up to the Settlement; the risks of proceeding with litigation; and other facts supporting this fee and expense application.

III. ARGUMENT

A. Lead Counsel Is Entitled to an Award of Attorneys' Fees and Expenses from the Common Fund

Attorneys who create a common fund for the benefit of a class are entitled to reasonable fees from the fund. *See, e.g.*, *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980) ("[A] litigant or a lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund."); *see also Goldberger v. Integrated Res., Inc.*, 209 F.3d 43, 47 (2d Cir. 2000) ("[A]ttorneys whose efforts created the fund are entitled to a reasonable fee – set by the court – to be taken from the fund."); *Fresno Cnty. Emps.' Ret. Ass'n. v. Isaacson/Weaver Fam. Tr.*, 925 F.3d 63, 68 (2d Cir. 2019). The common fund doctrine is designed to "fairly and adequately compensate class counsel for services rendered and to ensure that all class members contribute equally towards the costs associated with litigation pursued on their behalf." *See City of Providence v. Aeropostale, Inc.*, 2014 WL 1883494, at *10 (S.D.N.Y. May 9, 2014) (citing *Goldberger*, 209 F.3d at 47), *aff'd sub nom. Arbuthnot v. Pierson*, 607 F. App'x 73 (2d Cir. 2015).

Here, Lead Counsel created a $30 million common fund for the Class and is entitled to reasonable attorneys' fees from the fund. *See Boeing*, 444 U.S. 478; *see also Goldberger*, 209 F.3d at 47. Moreover, fairly compensating Lead Counsel for the risks associated with pursuing this Litigation is vital to the pursuit of "such actions" which "could not be sustained if plaintiffs' counsel were not to receive remuneration from the settlement fund for their efforts on behalf of the class." *Hicks v. Stanley*, 2005 WL 2757792, at *9 (S.D.N.Y. Oct. 24, 2005).

B. The Court Should Apply the Percentage Method in Awarding Attorneys' Fees to Lead Counsel

In the Second Circuit, the trend has been to award attorneys' fees based on a percentage of the common fund. *See Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.*, 396 F.3d 96, 121 (2d Cir. 2005) ("The trend in this Circuit is toward the percentage method . . . ."), *superseded by rule as stated in Moses v. N.Y. Times Co.*, 79 F.4th 235 (2d Cir. 2023); *Nichols v. Noom, Inc.*, 2022 WL 2705354, at *10 (S.D.N.Y. July 12, 2022) (quoting *In re Parking Heaters, Antitrust Litig.*, 2019 WL 8137325, at *7 (E.D.N.Y. Aug. 15, 2019)) ("'The trend in this circuit is toward the percentage method, which directly aligns the interests of the class and its counsel and provides a powerful incentive for the efficient prosecution and early resolution of litigation.'"); *Aeropostale*, 2014 WL 1883494, at *11-*12.

Courts in the Second Circuit have recognized that the percentage method "'directly aligns the interests of the class and its counsel and provides a powerful incentive for the efficient prosecution and early resolution of litigation.'" *Wal-Mart*, 396 F.3d at 121; *see also Hayes v. Harmony Gold Mining Co.*, 509 F. App'x 21, 24 (2d Cir. 2013) ("[T]he prospect of a percentage fee award from a common settlement fund . . . aligns the interests of class counsel with those of the class."); *In re Payment Card Interchange Fee & Merch. Disc. Antitrust Litig.*, 991 F. Supp. 2d 437, 440 (E.D.N.Y. 2014) ("The percentage method better aligns the incentives of plaintiffs' counsel with those of the

class members because it bases the attorneys' fees on the results they achieve for their clients . . . ."). Courts have also recognized that the percentage method avoids some of the pitfalls of the lodestar method (*see Goldberger*, 209 F.3d at 48-49; *Savoie v. Merchs. Bank*, 166 F.3d 456, 460 (2d Cir. 1999)), and "is consistent with and, indeed, is intended to mirror, practice in the private marketplace." *Strougo v. Bassini*, 258 F. Supp. 2d 254, 262 (S.D.N.Y. 2003); *see also Payment Card Interchange*, 991 F. Supp. 2d at 440 ("The percentage method also accords with the overwhelming prevalence of contingency fees in the market for plaintiffs' counsel . . . ."); *Davis v. J.P. Morgan Chase & Co.*, 827 F. Supp. 2d 172, 184 (W.D.N.Y. 2011) ("[T]he percentage method . . . is consistent with the system typically used by individual clients to compensate their attorneys.").

The percentage of the fund method also finds support in the language of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). The PSLRA states: "[t]otal attorneys' fees and expenses awarded by the court to counsel for the plaintiff class shall not exceed a reasonable percentage of the amount" recovered for the class. 15 U.S.C. §78u-4(a)(6). Courts have interpreted this provision of the PSLRA as indicating Congress' preference for the percentage method in common fund cases. *See In re Veeco Instruments Inc. Sec. Litig.*, 2007 WL 4115808, at *3 (S.D.N.Y. Nov. 7, 2007); *Maley v. Del Glob. Techs. Corp.*, 186 F. Supp. 2d 358, 370 (S.D.N.Y. 2002); *In re Am. Bank Note Holographics, Inc.*, 127 F. Supp. 2d 418, 430 (S.D.N.Y. 2001).

Accordingly, the Court should award attorneys' fees to Lead Counsel based on the percentage method.

C. The *Goldberger* Factors Confirm that the Requested Fee Is Reasonable

In *Goldberger*, the Second Circuit identified several factors that district courts should consider in assessing the reasonableness of a fee award in common fund cases. These factors

include: (1) the time and labor expended by counsel; (2) the magnitude and complexity of the litigation; (3) the risks of the litigation; (4) the quality of representation; (5) the requested fee in relation to the settlement; and (6) public policy considerations. *See Goldberger*, 209 F.3d at 50. Each of these factors supports the reasonableness of the fee request here.

This Court analyzes the *Goldberger* factors as part of a three-step approach, *see In re Foreign Exch. Benchmark Rates Antitrust Litig.*, 2018 WL 5839691 (S.D.N.Y. Nov. 8, 2018) ("*Forex*") (citing *In re Colgate-Palmolive Co. ERISA Litig.*, 36 F. Supp. 3d 344, 348 (S.D.N.Y. July 8, 2014)), *aff'd sub nom. Kornell v. Haverhill Ret. Sys.*, 790 F. App'x 296 (2d Cir. 2019), that begins with the identification of a baseline fee from certain empirical analyses that "divide[] cases into [] ranges of recovery (deciles) based on the amount of the settlement, and then calculate[] the mean and median fee percent, as well as the standard deviation." *Colgate-Palmolive*, 36 F. Supp. 3d at 349-50 (citing Theodore Eisenberg & Geoffrey Miller, *Attorney Fees and Expenses in Class Action Settlements: 1993-2008*, 7 J. Empirical Legal Stud. 248 (2010); Brian T. Fitzpatrick, *An Empirical Study of Class Action Settlements and Their Fee Award*, 7 J. Empirical Legal Stud. 811 (2010)). The Court "determine[s] a baseline reasonable fee by reference to other common fund settlements of a similar size, complexity and subject matter." *Forex*, 2018 WL 5839691, at *2.

> This analysis considers three of the *Goldberger* factors: (1) the requested fee in relation to the settlement, (2) whether to award a lower percentage of a higher settlement amount under a 'sliding scale' approach in order to avoid a windfall to Lead Counsel and (3) the magnitude and complexity of the case."

City of Birmingham Ret. & Relief Sys. v. Credit Suisse Grp. AG, 2020 WL 7413926, at *2 (S.D.N.Y. Dec. 17, 2020). "The final step is to apply the lodestar method as a cross-check, which addresses the final *Goldberger* factor – the time and labor expended by counsel." *Id.*

Applying the Court's framework, the baseline fee based on empirical data from National Economic Research Associates, Inc. is 25%. *See* Edward Flores and Svetlana Starykh, *Recent*

Trends in Securities Class Action Litigation: 2024 Full-Year Review, at 30 (NERA Jan. 22, 2025) ("NERA Study"), attached hereto as Ex. D (showing the median percentage of plaintiffs' attorneys' fees is 25% for cases settling between $25 million and $100 million). Here, the baseline fee of 25% warrants an upward adjustment to 33-1/3% to reflect the outstanding result that Lead Counsel achieved on behalf of the Class, the quality of Lead Counsel's representations, the advance stage of the litigation, and Lead Plaintiffs' Counsel's modest lodestar multiplier.[4]

Lead Plaintiffs believe that this "notoriously complex" securities fraud class actions, *see Guevoura Fund Ltd. v. Sillerman*, 2019 WL 6889901, at *7 (S.D.N.Y. Dec. 18, 2019), warrants an upward adjustment to the 25% baseline fee. This case settled after nearly three years of litigation, a largely unsuccessful motion to dismiss, and class certification. The securities law claims pursued by Lead Counsel in this case presented unique liability and damages challenges, requiring a higher level of skill in Lead Counsel's written and oral advocacy and a dogged pursuit of discovery over persistent opposition and assertions of privilege over critical communications between the Company and the U.S. Department of Justice ("DOJ") over the Antitrust Revenue Threshold and the timing of its review. Indeed, the allegedly false and misleading statements and omissions involved forward looking statements regarding the Company's expectations regarding the closing of a corporate transaction and were subject to a more exacting showing of scienter. Moreover, the case involved debt securities that traded on the over-the-counter market, which made establishing market efficiency for purposes of the *Basic Inc. v. Levinson*, 485 U.S. 224 (1988) presumption of reliance, price impact, and loss causation particularly difficult and dependent on expert analyses and opinion. Mandel Decl., ¶¶38-43. Notwithstanding these challenges, Lead Counsel was able to secure an

[4] Regardless of whether the Court accepts Lead Plaintiffs' reasonable baseline, Lead Plaintiffs nevertheless submit that an upward adjustment to 33-1/3% is warranted in this case. *See, generally*, Mandel Decl.

exceptional $30 million cash recovery, representing between 38% and 53.4% of the estimated recoverable damages, on behalf of the Class.

The $30 million recovery is an outsized result justifying an upward adjustment to 33-1/3%. According to NERA, the Settlement far exceeds the $14.0 million median settlement value for securities fraud cases settled in 2024 and the 3.8% median settlement value as a percentage of "NERA-Defined Investor Losses" of between $50 million and $99 million for cases settled from January 2015 through December 2024. *See* NERA Study at 23, 26. Similarly, according to Cornerstone Research, the $30 million recovery, which represents between 38% and 53.4% of estimated recoverable damages, far exceeds the 8.3% median recovery in securities class actions that, like this one, were resolved after a motion for class certification was decided but before summary judgment motions were filed those cases. *See* Laarni Bulan and Eric Tam, *Securities Class Action Settlements: 2024 Review & Analysis*, at 14, fig. 14 (Cornerstone Research 2025) (the "Cornerstone Study").[5] It also far exceeds the median securities fraud settlement in the Second Circuit between 2015 and 2024 of $9.3 million and 7% of "plaintiff-style damages" (Cornerstone Study at 20, App'x 3); and the overall median (7.3%) and average recovery as a percentage of plaintiff-style damages during the same period (11.1%) (Cornerstone Study at 21, App'x 5). Accordingly, the Settlement here recovers multiples of the median recoveries across both NERA and Cornerstone datasets, and represents an outstanding result for the Class.

The "magnitude and complexity" of this case further support "a departure from the lower range typically seen in similar cases." *City of Birmingham*, 2020 WL 7413926, at *3. This case raised issues of market efficiency for debt securities, price impact, loss causation, and damages. A

[5] Attached hereto as Ex. E and available at https://www.cornerstone.com/wp-content/uploads/2025/03/Securities-Class-Action-Settlements-2024-Review-and-Analysis.pdf.

Rule 23(f) petition was pending in the Second Circuit at the time the case was resolved, and this Settlement eliminates a significant risk that the class could be decertified, effectively ending the case. Each of these complexities, and the exceptional result, justify a 33-1/3% fee.

Moreover, Lead Counsel's request for attorneys' fees equal to 33-1/3% of the Settlement Fund is well within the range of fees awarded by this Court and other courts in this Circuit.[6] *See In re Chi. Bridge & Iron Co. N.V. Sec. Litig.*, 2022 WL 3220783, at *1 (S.D.N.Y. Aug. 5, 2022) (Schofield, J.) (awarding fee of 33-1/3% of $44 million settlement); *In re Jernigan Cap., Inc.*, No. 1:20-cv-09575-JLR-KHP, ECF 154 at 1 (S.D.N.Y. May 29, 2025) (awarding 33-1/3% of $12 million settlement, plus interest; representing recovery of between 33.3% and 62% of class's possible recoverable damages) (attached hereto as Ex. B); *In re XL Fleet Corp. Sec. Litig.*, 2024 WL 1884483, at *1 (S.D.N.Y. Apr. 30, 2024) (awarding attorneys' fees of 33-1/3% of $19.5 million settlement); *In re Perrigo Co. PLC Sec. Litig.*, 2022 WL 500913, at *1 (S.D.N.Y. Feb. 18, 2022) (awarding attorneys' fees of 33-1/3% of $31.9 million settlement); *In re NYSE Specialists Sec. Litig.*, No. 03-cv-8264, ECF 38, ¶19 (S.D.N.Y. June 10, 2013) (awarding attorneys' fees of 41% of $18.5 million settlement) (attached hereto as Ex. C).[7]

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[6] This Court has awarded interest income on attorneys' fees for the period of time the settlement funds have been deposited into escrow until they are paid to plaintiff's counsel. *See Contant v. Bank of America Corp.*, 2023 WL 6842285, at *1 (S.D.N.Y. Oct. 17, 2023).

[7] *See also Kohari v. MetLife Grp.*, 2025 WL 100898, at *11 (S.D.N.Y. Jan. 15, 2025) (awarding attorneys' fees of 33-1/3%); *McIntosh v. Katapult Holdings, Inc.*, 2024 WL 5118192, at *1 (S.D.N.Y. Dec. 13, 2024)) (awarding attorneys' fees of 33-1/3%); *Pearlstein v. BlackBerry Ltd.*, 2022 WL 4554858, at *10 (S.D.N.Y. Sept. 29, 2022) ("Class counsel's request for one-third of the gross settlement fund is reasonable within this circuit."); *Noom*, 2022 WL 2705354, at *10 ("A fee equal to one-third of a settlement fund is routinely approved in this Circuit."); *Haw. Structural Ironworkers Pension Tr. Fund v. AMC Ent. Holdings, Inc.*, 2022 WL 4136175, at *1 (S.D.N.Y. Feb. 14, 2022) (one-third of settlement amount, plus interest); *Guevoura*, 2019 WL 6889901, at *1, *14-*22 (awarding attorneys' fees of 33-1/3%); *Kelwin Inkwel, LLC v. PNC Merch. Servs. Co., L.P.*, 2022 WL 3127633, at *4 (E.D.N.Y. Apr. 12, 2022) (awarding attorneys' fees of one-third of $10 million as "reasonable and consistent with awards in similar cases in this Circuit"); *In re Facebook,*

D. The Lodestar Cross-Check Confirms the Reasonableness of the Requested Attorneys' Fees

Courts may use the value of services on an hourly basis or lodestar as a "'cross check,'" *Goldberger*, 209 F.3d at 50, "to ensure that an otherwise reasonable percentage fee would not lead to a windfall." *Colgate-Palmolive*, 36 F. Supp. 3d at 353. The lodestar method involves a two-part analysis,

> first, to determine the lodestar, the court multiplies the number of hours each attorney spent on the case by each attorney's reasonable hourly rate; and second, the court adjusts that lodestar figure (by applying a multiplier) to reflect such factors as the risk and contingent nature of the litigation, the result obtained, and the quality of the attorney's work.

Aeropostale, 2014 WL 1883494, at *13. "The multiplier represents the risk of the litigation, the complexity of the issues, the contingent nature of the engagement, the skill of the attorneys, and other factors." *In re Comverse Tech., Inc. Sec. Litig.*, 2010 WL 2653354, at *5 (E.D.N.Y. June 24, 2010) ("Where . . . counsel has litigated a complex case under a contingency fee arrangement, they are entitled to a fee in excess of the[ir] lodestar."). Here, the lodestar method confirms the reasonableness of Lead Counsel's fee request.

In the aggregate, Lead Plaintiffs' Counsel have spent over 10,730 hours of attorney and paraprofessional time, amounting to $7,925,752 in lodestar based on Lead Plaintiffs' Counsel's

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Inc. IPO Sec. & Deriv. Litig., 2015 WL 6971424, at *9, *11-*12 (S.D.N.Y. Nov. 9, 2015) (awarding attorneys' fees of 33%), *aff'd*, 674 F. App'x 37 (2d Cir. 2016); *In re Hi-Crush Partners L.P. Sec. Litig.*, 2014 WL 7323417, at *12-*13 (S.D.N.Y. Dec. 19, 2014) (awarding attorneys' fees of 33-1/3%); *Anwar v. Fairfield Greenwich Ltd.*, 2012 WL 1981505, at *3 (S.D.N.Y. June 1, 2012) (awarding attorneys' fees of 33% of the approximately $7.8 million settlement and finding award "well within the percentage range that courts within the Second Circuit have awarded in other complex litigations"); *Aeropostale*, 2014 WL 1883494, at *20 (awarding attorneys' fees of 33%); *Toure v. Amerigroup Corp.*, 2012 WL 3240461, at *5 (E.D.N.Y. Aug. 6, 2012) (finding fee award of one-third of settlement to be "reasonable and 'consistent with the norms of class litigation in this circuit'"); *Maley*, 186 F. Supp. 2d at 370 (awarding attorneys' fees of 33-1/3% and finding requested fees fell "comfortably within the range of fees typically awarded in securities class actions").

current or 2023 hourly rates in contingent cases, which are consistent with rates charged by firms performing comparable work on behalf of plaintiffs and defendants.[8] *See* Mandel Decl., ¶75. Lead Counsel's request on behalf of Lead Plaintiffs' Counsel for attorneys' fees equal to 33-1/3% of the Settlement Amount represents a modest lodestar multiplier of approximately 1.26. This multiplier is well within the range of multipliers commonly awarded in securities class actions and other complex litigation. *See Wal-Mart*, 396 F.3d at 123 (upholding multiplier of 3.5 as reasonable on appeal); *Maley*, 186 F. Supp. 2d at 369 (awarding fee equal to a 4.65 multiplier, which was "well within the range awarded by courts in this Circuit and courts throughout the country"); *Burns v. Falconstor Software, Inc.*, 2014 WL 12917621, at *10 (E.D.N.Y. Apr. 10, 2014) (finding fee award of 33.3% "reasonable" based on cross-check multiplier of 4.75); *In re Bisys Sec. Litig.*, 2007 WL 2049726, at *3 (S.D.N.Y July 16, 2007) (finding at 2.99 multiplier "falls well within the parameters set in this district and elsewhere"); *Davis*, 827 F. Supp. 2d at 185 (awarding fee representing a multiplier of 5.3, which was "not atypical" in similar cases).[9] Moreover, "[t]he fact that Class Counsel's fee award will not only compensate them for time and effort already expended, but for [the] time that they will be required to spend administering the settlement going forward, also supports their fee request." *Leach v. NBC Universal Media, LLC*, 2017 WL 10435878, ¶49 (S.D.N.Y. Aug. 24, 2017); *see also Facebook*, 2015 WL 6971424, at *10.

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[8] "[T]he use of current rates to calculate the lodestar figure has been endorsed repeatedly by the Supreme Court, the Second Circuit and district courts within the Second Circuit as a means of accounting for the delay in payment inherent in class actions and for inflation." *Hi-Crush*, 2014 WL 7323417, at *15; *Mo. v. Jenkins*, 491 U.S. 274, 283-84 (1989); *Le-Blanc-Sternberg v. Fletcher* 143 F.3d 748, 764 (2d Cir. 1998) ("[C]urrent rates, rather than historical rates, should be applied in order to compensate for the delay in payment.").

[9] *See also Colgate-Palmolive*, 36 F. Supp. 3d at 353 (awarding fee representing a multiplier of 5.2, which was "large, but not unreasonable"); *Guevoura*, 2019 WL 6889901, at *18 ("[M]ultipliers of between three and four times . . . have been routinely awarded in this Circuit.").

Additionally, the approximately 1.26 multiplier in this case is below the 1.93 mean multiplier for class action settlements in the Second Circuit and is lower than the 1.79 mean multiplier for securities class actions identified by Eisenberg & Miller. *See* Theodore Eisenberg, Geoffrey Miller & Roy Germano, 92 N.Y.U. L.R. 937, 965, Table 12 (2017). Therefore, a lodestar cross-check, and the resulting modest multiplier, further supports a fee award of 33-1/3%.

E. The Remaining *Goldberger* Factors Support Lead Counsel's Fee Request

1. The Time and Labor Expended by Counsel

Lead Counsel devoted significant time and resources to the prosecution of this Litigation. Over the course of nearly three years of litigation, Lead Counsel and its paraprofessionals alone devoted over 10,000 hours to the prosecution of this Litigation, on a wholly contingent basis, with no guarantee of compensation. As detailed in the Mandel Declaration, which is being submitted herewith, Lead Counsel performed significant work throughout the Litigation. Lead Counsel, among other things:

- conducted an extensive legal and factual investigation and drafted the Amended Complaint;
- opposed and substantially defeated Defendants' motion to dismiss;
- moved for and obtained class certification (over Defendants' objections);
- engaged in discovery, including serving document requests, interrogatories, and requests for admission on Defendants, serving a subpoena on FINRA, and participating in numerous discovery conferences concerning the scope of discovery and the production of documents;
- reviewed and analyzed over 107,000 pages of documents;
- conducted four fact depositions;
- consulted with a financial expert regarding loss causation and damages;
- participated in two full-day, in-person and two video conference mediation sessions overseen by an experienced mediator, Jed Melnick of JAMS;

- worked with a damages expert to develop a Plan of Allocation that treats the Lead Plaintiffs and the other Class Members fairly and equally;
- drafted and negotiated the terms of the Stipulation (including the exhibits thereto) and the Supplemental Agreement;
- drafted the preliminary approval motion and supporting materials submitted therewith;
- worked with the Court-appointed Claims Administrator to provide notice to the Class; and
- drafted the final approval motion and supporting materials submitted therewith.

See generally Mandel Decl. Moreover, Lead Counsel will continue to provide services to the Class in connection with the implementation and administration of the Settlement, including responding to Class Members' inquiries, helping with the completion and submission of Proof of Claim and Release forms, overseeing the claims administration process, and working with the Claims Administrator to resolve any issues that may arise. Lead Counsel's provision of these additional services further supports the reasonableness of the requested fee. *See Facebook*, 2015 WL 6971424, at *10 ("Considering that the work in this matter is not yet concluded for Plaintiffs' counsel who will necessarily need to oversee the claims process, respond to inquiries, and assist Class Members in submitting their Proof of Claims, the time and labor expended by counsel in this matter support a conclusion that a 33% fee award in this matter is reasonable."); *see also McIntosh*, 2024 WL 5118192, at *12 (noting that counsel "will incur additional time in connection with implementation of the Settlement").

In sum, Lead Counsel's commitment of over 10,000 hours to the prosecution of this Litigation and procurement of a $30 million cash recovery strongly supports a finding that the 33-1/3% fee request is reasonable.

2. The Magnitude and Complexity of the Litigation

Courts in this District recognize that securities class actions are "notorious[ly] complex[]." *In re AOL Time Warner, Inc.*, 2006 WL 903236, at *8 (S.D.N.Y. Apr. 6, 2006); *see also Guevoura*, 2019 WL 6889901, at *5 (Securities class actions are by their very nature complicated, and courts in this Circuit have long recognized that securities class actions are "'notably difficult and notoriously uncertain'" to litigate.) (citation modified); *Christine Asia Co., Ltd. v. Yun Ma*, 2019 WL 5257534, at *18 (S.D.N.Y. Oct. 16, 2019) ("Securities class actions in particular are 'notably difficult and notoriously uncertain.'"). This Litigation was no different.

As detailed in the Mandel Declaration and Settlement Memorandum, Lead Plaintiffs' claims under §§10(b) and 20(a) of the Securities Exchange Act of 1934 involved complex, contested issues concerning, among other things, the elements of falsity, scienter, and loss causation with respect to unique debt instruments that contained a special mandatory redemption feature and traded in the over-the-counter market. Mandel Decl., ¶¶38-43; Settlement Memorandum, §III.B.3. Moreover, Defendants heavily disputed Lead Plaintiffs' ability to prove damages, which would have been the subject of factual disputes and expert testimony. Navigating these contested and complex factual and legal issues required significant skill, diligence, and expertise from Lead Counsel to achieve the current Settlement. Thus, this factor weighs in favor of the requested fee. *See Aeropostale*, 2014 WL 1883494, at *16 (finding second *Goldberger* factor favored settlement where case involved "difficult, complex, hotly disputed, and expert-intensive issues").

3. The Risk of the Litigation

"Courts have held that this factor [*i.e.*, the risk of litigation] is often 'the most important *Goldberger* factor.'" *In re GSE Bonds*, 2020 WL 3250593, at *4 (S.D.N.Y. June 16, 2020). Here, the risk of litigation was substantial, including because Lead Plaintiffs pursued this case as a class

action, on a contingency basis. *See Lea v. Tal Educ. Grp.*, 2021 WL 5578665, at *12 (S.D.N.Y. Nov. 30, 2021) ("'Little about litigation is risk-free, and class actions confront even more substantial risks than other forms of litigation.'").

a. Contingent Nature of Lead Counsel's Representation

"The Second Circuit . . . recognize[s] that courts should consider the risks associated with . . . undertaking a case on a contingent fee basis." *Shapiro v. JPMorgan Chase & Co.*, 2014 WL 1224666, at *21 (S.D.N.Y. Mar. 24, 2014); *In re FLAG Telecom Holdings, Ltd. Sec. Litig.*, 2010 WL 4537550, at *27 (S.D.N.Y. Nov. 8, 2010) ("Courts in the Second Circuit have recognized that the risk associated with a case undertaken on a contingent fee basis is an important factor in determining an appropriate fee award."); *Bank Note Holographics*, 127 F. Supp. 2d at 433 (finding it "appropriate to take [contingent-fee] risk into account in determining the appropriate fee"); *In re Prudential Sec. Inc. Ltd. P'ships Litig.*, 985 F. Supp. 410, 417 (S.D.N.Y. 1997) ("Numerous courts have recognized that the attorney's contingent fee risk is an important factor in determining the fee award.").

Lead Counsel pursued this Litigation on a contingent basis, assuming significant risks without any guarantee of recovery. *See Guevoura*, 2019 WL 6889901, at *19 ("Lead Counsel understood from the outset that they were embarking on a complex, and potentially expensive and lengthy litigation, which would require the investment of thousands of hours of attorney time, with no guarantee of ever being compensated for their investment of such time and money."). The risk of no recovery in securities class actions, including this Litigation, is real. "There are numerous class actions in which counsel expended thousands of hours and yet received no remuneration whatsoever despite their diligence and expertise." *See Veeco*, 2007 WL 4115808, at *6; *Fosbre v. L.V. Sands Corp.*, 2017 WL 55878 (D. Nev. Jan. 3, 2017) (Robbins Geller case in which summary judgment was granted to defendants after more than six years of litigation where plaintiff's counsel incurred

over $2.3 million in expenses and worked over 38,600 hours, representing lodestar of approximately $21.4 million), *aff'd sub nom. Pompano Beach Police & Firefighters' Ret. Sys. v. Las Vegas Sands Corp.*, 732 F. App'x 543 (9th Cir. 2018).

Lead Counsel's assumption of the contingency-fee risk strongly supports the reasonableness of the requested fee. *See In re Marsh ERISA Litig.*, 265 F.R.D. 128, 148 (S.D.N.Y. 2010) ("There was significant risk of non-payment in this case, and Plaintiffs' Counsel should be rewarded for having borne and successfully overcome that risk.").

b. Risk of Establishing Liability

Lead Plaintiffs believe that there was evidentiary support for their claim that Defendants' statements regarding the timing of the completion of the ADS transaction were materially false and misleading, or omitted material information. At summary judgment and trial, Defendants would have argued, as they did at the motion to dismiss stage, that their statements regarding the DOJ review and the timing of the completion of Waste Management's acquisition of ADS were not false and/or misleading, that the documentary record demonstrated a lack of an intent to defraud, conscious misbehavior, or recklessness by Defendants, and that the risks on the timing of completion of the transaction were adequately and timely disclosed to the market. *See* Mandel Decl., ¶¶38-43; Settlement Memorandum, §III.B.3.

c. Risk of Establishing Loss Causation and Damages

"Proof of damages in complex class actions is always complex and difficult and often subject to expert testimony." *JPMorgan*, 2014 WL 1224666, at *11; *see also AOL*, 2006 WL 903236, at *9 ("[T]he legal requirements for recovery under the securities laws present considerable challenges, particularly with respect to loss causation and the calculation of damages."). This case is no exception. Defendants and their expert would have undoubtedly pointed to the COVID-19 pandemic

and associated market disruption in an attempt to refute causation and damages. Mandel Decl., ¶42. Lead Plaintiffs were prepared to argue that all four Notes experienced a statistically significant price decline on June 24, 2020, when the Company announced a revised merger agreement with ADS, and as a result the Notes would be redeemed pursuant to the special mandatory redemption feature. *Id.* Nevertheless, Defendants' success on any of their arguments posed significant risk to the Class' ability to obtain any recovery. In any event, the parties would inevitably find themselves in a "battle of experts," the outcome of which could not be predicted, and which could have resulted in a small, or no, recovery for the Class.

4. The Quality of Representation Supports the Requested Fee

In assessing the quality of counsel's representation, courts consider, among other things, "the recovery obtained and the backgrounds of the lawyers involved in the lawsuit." *Taft v. Ackermans*, 2007 WL 414493, at *10 (S.D.N.Y. Jan. 31, 2007). Lead Counsel is recognized as a leader in securities class actions and complex litigations. *See* Robbins Geller Fee Decl., Ex. F (Firm Résumé). Lead Counsel respectfully submits that this factor is best illustrated by the result achieved. In a case where liability and damages were heavily contested, Lead Counsel, through a high-level of skill, hard work, and determination, secured an outstanding $30 million cash recovery for the Class.

Courts also consider the quality of the adversary when evaluating counsel's performance. *See, e.g.*, *Marsh*, 265 F.R.D. at 148 ("The high quality of defense counsel opposing Plaintiffs' efforts further proves the caliber of representation that was necessary to achieve the Settlement."); *Veeco*, 2007 WL 4115808, at *7 (among the factors supporting a fee award was that defendants were represented by "one of the country's largest law firms"). Lead Counsel was opposed in this Litigation by experienced and skilled defense counsel at Baker Botts L.L.P., who employed a number of defenses, arguments, and strategies in an attempt to obtain the dismissal of this case,

prevent class certification, and limit their clients' exposure. *See* Mandel Decl., ¶82. Defendants' Counsel also resisted Lead Plaintiffs' discovery efforts throughout the course of the Litigation, requiring Lead Plaintiffs to move the Court for highly relevant documents concerning the Antitrust Revenue Threshold that dated back to March 2019 and to participate in numerous conferences concerning Defendants' privilege assertions and waiver thereof. In the face of this formidable opposition, Lead Counsel persisted and obtained an excellent result for the Class.

5. The Requested Fee in Relation to the Settlement

"When determining whether a fee request is reasonable in relation to a settlement amount, the court compares the fee application to fees awarded in similar securities class-action settlements of comparable value." *In re Signet Jewelers Ltd. Sec. Litig.*, 2020 WL 4196468, at *20 (S.D.N.Y. July 21, 2020) (citation modified). As discussed in detail in §III.C, *supra*, the requested fee of 33-1/3% of the Settlement Amount is well within the range of percentage fee awards that courts in the Circuit have awarded in comparable cases. Accordingly, the fee requested is reasonable in relation to the Settlement.

6. Public Policy Considerations

"Courts in this Circuit have recognized the importance of private enforcement actions and the corresponding need to incentivize attorneys to pursue such actions on a contingency fee basis." *Kohari*, 2025 WL 100898, at *12; *see also McIntosh*, 2024 WL 5118192, at *12 (same); *Signet*, 2020 WL 4196468, at *21 ("A strong public policy concern exists for rewarding firms for bringing successful securities litigation."); *GSE*, 2020 WL 3250593, at *5 ("Generally, public policy is served by ensuring a fee is large enough to incentivize lawyers to bring meritorious class actions in the future."); *Woburn Ret. Sys. v. Salix Pharms., Ltd.*, 2017 WL 3579892, at *7 (S.D.N.Y. Aug. 18, 2017) (fee award was "appropriate, and not excessive, to encourage future securities class actions").

Thus, public policy considerations support rewarding Lead Counsel for taking on the risk of pursuing this private securities class action for nearly three years.

7. The Class' Reaction to the Fee Request Supports the Requested Fee

The Claims Administrator has disseminated a total of 9,815 Postcard Notices to potential Class Members and nominees. *See* accompanying Declaration of Ross D. Murray Regarding Notice Dissemination, Publication, Establishment of Call Center Services and Website, and Requests for Exclusion Received to Date, ¶10. The time to object to Lead Counsel's fee request expires on November 25, 2025. To date, no Class Member has objected to the fee and expense amounts set forth in the Notice. The Class' reaction supports a finding that the requested fee is fair and reasonable. *See, e.g.*, *Signet*, 2020 WL 4196468, at *21 ("The absence of any objections to the requested attorneys' fees . . . supports a finding that the request is fair and reasonable.").[10]

8. The Fee Request Is Supported by Lead Plaintiffs

Lead Plaintiffs, who have overseen Lead Counsel's litigation activities since the inception of the case, support the fee request. *See* Tarantola Decl., ¶10. Lead Plaintiffs' endorsement of Lead Counsel's fee request supports approval of the request. *See, e.g.*, *Veeco*, 2007 WL 4115808, at *8 ("[P]ublic policy considerations support the award in this case because the Lead Plaintiff . . . conscientiously supervised the work of lead counsel and has approved the fee request.").

All of these factors weigh in favor of Lead Counsel's fee request.

[10] *Flag Telecom*, 2010 WL 4537550, at *29 ("If th[e] important public policy [of enforcing the securities laws] is to be carried out, the courts should award fees which will adequately compensate Lead Counsel for the value of their efforts, taking into account the enormous risks they undertook."); *Maley*, 186 F. Supp. 2d at 373 ("In considering an award of attorney's fees, the public policy of vigorously enforcing the federal securities laws must be considered.").

IV. LEAD COUNSEL'S EXPENSES ARE REASONABLE AND WERE NECESSARY TO THE PROSECUTION OF THE LITIGATION

Lead Counsel respectfully requests an award of $946,662.31 in reasonable costs, charges, and expenses in connection with the prosecution of this Litigation. *See In re China Sunergy Sec. Litig.*, 2011 WL 1899715, at *6 (S.D.N.Y. May 13, 2011) (In a class action, attorneys should be compensated "for reasonable out-of-pocket expenses incurred and customarily charged to their clients, as long as they were "incidental and necessary to the representation.") (citation modified); *In re Flag Telecom*, 2010 WL 4537550, at *30 ("It is well accepted that counsel who create a common fund are entitled to the reimbursement of expenses that they advanced to a class."); *In re Indep. Energy Holdings PLC Sec. Litig.*, 302 F. Supp. 2d 180, 183 n.3 (S.D.N.Y. 2003) ("Attorneys may be compensated for reasonable out-of-pocket expenses incurred and customarily charged to their clients, as long as they were incidental and necessary to the representation of those clients.") (citation modified).

Lead Counsel's expenses are consistent with the stage of the Litigation at the time the Settlement was reached, and include, for example, expert fees, document management costs, deposition and transcript costs, legal research costs, mediation fees, and filing fees. These expenses are routinely charged and awarded in common fund cases. *See, e.g.*, *GSE*, 2020 WL 3250593, at *6 (awarding counsel for, among other things, expert-related expenses, copying costs, online research, and filing and service fees); *In re Glob. Crossing Sec. & ERISA Litig.*, 225 F.R.D. 436, 468 (S.D.N.Y. 2004) ("The expenses incurred – which include investigative and expert witnesses, filing fees, service of process, travel, legal research and document production and review – are the type for which 'the paying, arms' length market' reimburses attorneys. For this reason, they are properly chargeable to the Settlement fund.").

The expenses incurred by Lead Counsel are described in detail in the accompanying Robbins Geller Fee Decl. To date, there have been no objections to Lead Counsel's expense request.

V. LEAD PLAINTIFFS ARE ENTITLED TO REASONABLE AWARDS UNDER 15 U.S.C. §78u-4(a)(4)

Lead Plaintiffs are each seeking an award of $10,000 for the time they spent representing the Class in this Litigation. *See* 15 U.S.C. §78u-4(a)(4) (providing for an "award of reasonable costs and expenses (including lost wages) directly relating to the representation of the class" may be made to "any representative party serving on behalf of a class."). Such awards are permitted because they "'compensate plaintiffs for the time and effort expended in assisting the prosecution of the litigation, the risks incurred by becoming and continuing as a litigant, and any other burdens sustained by plaintiffs.'" *McIntosh*, 2024 WL 5118192, at *13; *Kohari*, 2025 WL 100898, at *12 (same).

Numerous courts in this Circuit have approved reasonable awards to compensate a class representative for his, her, or its time and expenses in representing the class. *See, e.g.*, *XL Fleet*, 2024 WL 1884483, at *2 (awarding $25,000 to lead plaintiff and $15,000 to each named plaintiff); *Kohari*, 2025 WL 100898, at *13 (approving request of $15,000 to each lead plaintiff); *In re Qudian Inc. Sec. Litig.*, 2021 WL 2328437, at *2 (S.D.N.Y. June 8, 2021) (awarding $12,500 to lead plaintiff); *In re Revolution Lighting Techs., Inc. Sec. Litig.*, 2020 WL 4596811, at *3 (S.D.N.Y. Aug. 11, 2020) (awarding $10,000 to lead plaintiff); *Yuzary v. HSBC Bank USA, N.A.*, 2013 WL 5492998, at *12 (S.D.N.Y. Oct. 2, 2013) ("The Court finds reasonable service awards of $10,000 each to named [p]laintiffs . . . ."); *Toure*, 2012 WL 3240461, at *6 (awarding $10,000 to each named plaintiff).

Here, Lead Plaintiffs actively participated in this Litigation, including reviewing pleadings and briefs, reviewing opinions issued by the Court, collecting and producing documents in response to discovery requests, preparing for and sitting for a deposition, participating in numerous

discussions with Lead Counsel regarding litigation strategy, case developments, and settlement negotiations, monitoring the progress of settlement negotiations, and approving the Settlement. Tarantola Decl., ¶¶2-8. These types of activities "support awarding reimbursement of expenses to class representatives," *see In re Marsh & McLennan Cos., Inc. Sec. Litig.*, 2009 WL 5178546, at *21 (S.D.N.Y. Dec. 23, 2009), and the amount requested is consistent with awards in other complex cases. *See Signet*, 2020 WL 4196468, at *22-*24 (collecting cases and awarding $25,410 to lead plaintiff).

Accordingly, Lead Plaintiffs respectfully request that the Court grant their request for awards for their time and effort in representing the Class.

VI. CONCLUSION

Lead Counsel's efforts resulted in an outstanding result for the Class. In recognition of its efforts, Lead Counsel respectfully requests that the Court grant its motion for an award of attorneys' fees of 33-1/3% of the Settlement Fund, payment of $946,662.31 in litigation expenses, plus interest earned thereon, and awards of $10,000 to each Lead Plaintiff pursuant to 15 U.S.C. §78u-4(a)(4).

DATED: November 10, 2025

Respectfully submitted,

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Lead Counsel for the Class

WORD COUNT CERTIFICATION

Pursuant to III.B.1 of the Honorable Lorna G. Schofield's Individual Rules and Procedures for Civil Cases, the undersigned counsel certifies that the total number of words in the foregoing brief, inclusive of point headings and footnotes and exclusive of the caption, table of contents, table of authorities, signature block, and this Certification, is 7,462 words. This figure is based on Microsoft Word's word count function, which includes legal citations, numerical information, and certain forms of punctuation in the word count.

EXHIBIT A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SCOTT ERNST, individually and as a representative of the classes,

Plaintiff,

-against-

DISH NETWORK, LLC, DISH NETWORK SERVICE, LLC, AND STERLING INFOSYSTEMS, INC.

Defendants.

Case No.: 12 CIV 8794(LGS)

~~[PROPOSED]~~ FINAL SETTLEMENT APPROVAL ORDER

Based on Plaintiff Scott Ernst's Unopposed Motion for Final Approval of the Proposed Class Action Settlement with Defendant Sterling Infosystems, Inc. ("Sterling" or "Defendant") in the above-captioned matter ("Lawsuit"), the Final Approval Hearing and for good cause shown, IT IS HEREBY ORDERED:

1. This Court has jurisdiction over the subject matter of this action and over the settling parties hereto.

2. Pursuant to Fed. R. Civ. P. 23(b)(3), the Lawsuit is hereby certified, for settlement purposes only, as a class action on behalf of the following Settlement Class Members with respect to the claims asserted in the Lawsuit:

> **Criminal Record Settlement Class.** All consumers for whom Sterling issued a consumer report on or after December 4, 2010, where the report contained one or more criminal counts that did not result in a conviction but which predate the report by more than seven years. Consumers for whom Sterling's records indicate a salary that was or was reasonably likely to equal or exceed $75,000 are excluded.
>
> **DISH Contractor Settlement Class.** All consumers who were the subject of a consumer report issued by Sterling to a contractor participating in the DISH Network Contractor Program, and for whom certain information contained in the report was also provided by Sterling to DISH in a summary report on or after December 4, 2010.

> **MVR Record Settlement Class.** All consumers for whom Sterling issued a consumer report on or after December 4, 2010, where the report contained one or more items of information in the motor vehicle records ("MVR") section of the report which predate the report by more than seven years. Consumers for whom Sterling's records indicate a salary that was or was reasonably likely to equal or exceed $75,000 are excluded.

3. The Court hereby finds that the Settlement Agreement is the product of arms-length settlement negotiations among the Plaintiff, Class Counsel, and Defendant. The Settlement Agreement, including its exhibits, and the definition of words and terms contained therein, are incorporated by reference in this Order. The terms of this Court's Preliminary Approval Order are also incorporated by reference in this Order.

4. Pursuant to Fed. R. Civ. P. 23, the Court certifies the Plaintiff Scott Ernst as the Class Representative and appoints Nichols Kaster, PLLP as Class Counsel.

5. Pursuant to the Court's Preliminary Approval Order, the Mail Notices were mailed, along with the Claim Form. The Court hereby finds and concludes that the Mail Notices and Claim Form were disseminated to members of the Settlement Classes in accordance with the terms set forth in Paragraphs 4.1 through 4.3 of the Settlement Agreement and in compliance with this Court's Preliminary Approval Order. The Court further finds and concludes that the Mail Notices, Claim Form and the distribution procedures set forth in Paragraphs 4.1 through 4.10 of the Settlement Agreement satisfy Fed. R. Civ. P. 23 and the requirements of due process, were the best notice practicable under the circumstances, provided individual notice to all members of the Settlement Classes who could be identified through reasonable effort, provided an opportunity for the Settlement Class Members to object or exclude themselves from the Settlement, and support the Court's exercise of jurisdiction over the Settlement Classes as contemplated in the Settlement and this Order.

6. The Settlement Class Members were given an opportunity to object to the settlement. The 24 Settlement Class Members who made valid and timely requests for exclusion are excluded from the Settlement and are not bound by this Order. The identities of such persons are set forth in **Exhibit A**, attached hereto. One person, Mr. Jordan Abels, filed an objection to the Settlement. Mr. Abels did not appear at the November 10, 2015, fairness hearing. As described in greater detail below, the terms and conditions of the parties' agreement represent a fair, reasonable and adequate settlement as to all class members, and Mr. Abels' objection is overruled.

7. For settlement purposes only, the Court finds that the Lawsuit satisfies the applicable prerequisites for class action treatment under Fed. R. Civ. P. 23, namely:

- The Settlement Class Members are so numerous that joinder of all of them in the Lawsuit is impracticable;
- There are questions of law and fact common to the Settlement Class Members, which predominate over any individual questions;
- The claims of the class representative are typical of the claims of the Settlement Class Members;
- The class representative and Settlement Class Counsel have fairly and adequately represented and protected the interests of all of the Settlement Class Members; and
- Class treatment of these claims will be efficient and manageable, thereby achieving an appreciable measure of judicial economy, and a class action is superior to other available methods for a fair and efficient adjudication of this controversy.

8. The Court hereby finds and concludes that the notice provided by Defendant to the appropriate state and federal officials pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. § 1715, satisfies the requirements of that statute.

9. The Court hereby finally approves the Settlement Agreement (which was filed with the Court, as amended, on April 7, 2015 (Docket No. 169), and which shall be deemed incorporated herein) and the Settlement contemplated thereby, and finds that the terms and conditions constitute, in all respects, a "fair, reasonable, and adequate" settlement as to all members of the Settlement Classes in accordance with Fed. R. Civ. P. 23(e). The Settlement Agreement shall be consummated in accordance with its terms, except as amended by any subsequent order issued by this Court.

10. The Plaintiff, Settlement Class Members, and their successors and assigns are permanently barred and enjoined from instituting or prosecuting, either individually or as a class, or in any other capacity, any of the Released Claims against any of the Released Parties, as set forth in the Settlement Agreement. Pursuant to the release contained in the Settlement Agreement, the Released Claims are compromised, settled, released, discharged, and dismissed with prejudice by virtue of these proceedings and this Order, provided, however, that the Released Claims shall not be construed to limit the right of Defendant or any member of the Settlement Classes to enforce the terms of the Agreement.

11. This Order is binding on all Settlement Class Members, except those individuals identified in **Exhibit A** hereto, who validly and timely excluded themselves from the Settlement.

12. The Court hereby retains continuing and exclusive jurisdiction over the Parties and all matters relating to the Lawsuit and/or Settlement Agreement, including the administration, interpretation, construction, effectuation, enforcement, and consummation of the settlement, including its injunctive provisions, and this Order. This Order finally disposes of all claims and is appealable.

13. This Order is not, and shall not be construed as, an admission by Defendant of any liability or wrongdoing in this or in any other proceeding.

14. The Court awards Class Counsel $1,282,500.00 in Attorneys' Fees and costs, and approves Class Counsel's application for a service award to the Plaintiff in the amount of $5,000. The Court further approves and authorizes the deduction of an amount not to exceed $270,319 from the Settlement Funds to cover the Settlement Administrator's fees and costs. These amounts are to be deducted from the Settlement Funds as set forth in Paragraph 8.7.3 of the Settlement Agreement.

15. The amount awarded to Class Counsel is fair and reasonable based on the factors set forth in *Goldberger v. Integrated Resources, Inc.*, 209 F.3d 43 (2d Cir. 2000). Using the approach from *In re Colgate-Palmolive Co. Erisa Litigation*, 36 F. Supp. 3d 344 (S.D.N.Y. 2014), the first step is to establish a baseline or benchmark for a reasonable fee. Evidence of attorneys' fees in this category of cases and cases of a similar size takes into account the magnitude and complexity of the case and the policy consideration of using a sliding scale to avoid a windfall to class counsel. Empirical evidence indicates that the median percentage of settlement awarded as attorneys' fees in this category of class actions ranges from 25% to 26%. The same studies show that, for common fund settlements of a similar size to the one here, the median is between 25% and 29.7%.[1] Accordingly, an attorneys' fee award of 27% of the

[1] Brian T. Fitzpatrick, *An Empirical Study of Class Action Settlements and Their Fee Awards*, 7 J. Empirical Legal Stud. 811, 835, 839 (2010) (median attorney fee for "other" cases is 26% and for cases with a common fund of between $4.45 and 7 million is 29.7%); Theodore Eisenberg & Geoffrey P. Miller, *Attorney Fees and Expenses in Class Action Settlements: 1993-2008*, 7 J. Empirical Legal Stud. 248, 262, 265 (2010) (median fee for "other" cases is 25% and for cases with a common fund of between $2.8 and 5.3 million is 25%).

settlement fund, or $1,282,500.00, is reasonable. Considering the *Goldberger* factors, the circumstances of this case require no further upward or downward adjustment.

16. The amount awarded to Lead Counsel is reasonable considering counsel's lodestar. *See Goldberger*, 209 F.3d at 50 ("[T]he lodestar remains useful as a baseline even if the percentage method is eventually chosen. Indeed, we encourage the practice of requiring documentation of hours as a "cross check" on the reasonableness of the requested percentage."). The lodestar is calculated to be $499,332.14, resulting in a 2.57 multiplier, which is within the range awarded by courts throughout the country.

17. Pursuant to the Settlement Agreement, payment checks that are not cashed or deposited ninety days after the date on the Payment Notice shall be distributed to cy pres recipients. The parties' selection of the Southern Coalition for Social Justice and the Salvation Army as cy pres recipients is approved.

18. Once all distributions have made, Class Counsel shall file an updated Allocation Spreadsheet detailing the payments actually made from the Gross Settlement Fund with a letter containing any necessary explanations.

19. This Court hereby dismisses the Lawsuit against Defendant Sterling Infosystems, Inc., including all claims against said Defendant, with prejudice, without costs to any party, except as expressly provided for in the Settlement Agreement. This Order does not dismiss Defendants DISH Network, LLC and DISH Network Service, LLC, or dismiss or release any claims advanced against the DISH Defendants.

20. Finding that there is no just reason for delay, the Court orders that this Final Approval Order shall constitute a final judgment pursuant to Fed. R. Civ. P. 54 that is binding on the settling parties and the Settlement Classes.

SO ORDERED:

Dated: November 13, 2015
New York, New York

LORNA G. SCHOFIELD
UNITED STATES DISTRICT JUDGE

EXHIBIT A

1. Carlos Almond
2. Rodney Gilmore
3. Ioana Adriana Olah
4. Valentin A. Olah
5. Shannon Dew
6. Aubry Marvin Ramsammy
7. Robert Dewayne Melvin
8. Michael J. Jett
9. Emmitt Louis Odom
10. Clifford John Schmidt
11. Kemone Rodgers
12. Brian Alan Morgan
13. Rene Saucedo
14. Kimberly Renee Owens
15. Elmer Keith Tarver
16. Mensur Balla
17. David George Dannenberg
18. Elton Heri
19. Rodney Serber
20. Merle Patterson
21. William Arnold
22. Rafal Stykowski
23. Jeffrey Moss
24. Calen Curtis Edwards

EXHIBIT B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re JERNIGAN CAPITAL, INC. SECURITIES LITIGATION	Master File No. 1:20-cv-09575-JLR-KHP
	CLASS ACTION
This Document Relates To: ALL ACTIONS.	ORDER AWARDING ATTORNEYS' FEES AND EXPENSES AND AN AWARD TO LEAD PLAINTIFF PURSUANT TO 15 U.S.C. §78u-4(a)(4)

This matter having come before the Court on May 29, 2025, on the motion of Lead Counsel for an award of attorneys' fees and expenses and an award to Lead Plaintiff (the "Fee Motion"), the Court, having considered all papers filed and proceedings conducted herein, having found the Settlement of this Action to be fair, reasonable and adequate, and otherwise being fully informed of the premises and good cause appearing therefore; For the reasons set forth on the record at the May 29, 2025 conference:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Order incorporates by reference the definitions in the Stipulation of Settlement dated February 7, 2025 (the "Stipulation"), and all capitalized terms used, but not defined herein, shall have the same meanings as set forth in the Stipulation.

2. This Court has jurisdiction to enter this Order, over the subject matter of this Action, and over all of the Parties and all Class Members.

3. Notice of the Fee Motion was given to all Class Members who could be located with reasonable effort. The form and method of notifying the Class of the Fee Motion met 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 law; constituted the best notice practicable under the circumstances; and constituted due and sufficient notice to all Persons entitled thereto.

4. Lead Counsel is hereby awarded attorneys' fees of 33⅓% of the Settlement Amount, plus interest at the same rate earned by the Settlement Fund. Lead Counsel is also awarded litigation expenses in the amount of $197,475.91, plus interest at the same rate earned by the Settlement Fund, which is payable to Lead Counsel upon entry of this Order. The Court finds that the amount of fees awarded is fair, reasonable, and appropriate under the "percentage-of-recovery" method.

5. In making this award of attorneys' fees and expenses to be paid from the Settlement Fund, the Court has analyzed the factors considered within the Second Circuit and found that:

(a) the Settlement has created a fund of $12,000,000 in cash, pursuant to the terms of the Stipulation, and Class Members will benefit from the Settlement created by the efforts of Lead Counsel;

(b) the fee sought by Lead Counsel has been reviewed and approved as reasonable by Lead Plaintiff, who oversaw the prosecution and resolution of the Action;

(c) over 9,900 copies of the Notice were disseminated to potential Class Members indicating that Lead Counsel would move for attorneys' fees in an amount not to exceed 33⅓% of the Settlement Amount and for expenses in an amount not to exceed $225,000, plus interest on both amounts, and no objections to the fees or expenses were filed by Class Members;

(d) Lead Counsel expended substantial time and effort pursuing the Action on behalf of the Class;

(e) Lead Counsel pursued the Action on a contingent basis;

(f) the claims against Defendants involve complex factual and legal issues and, in the absence of settlement, would involve lengthy proceedings whose resolution would be uncertain;

(g) had Lead Counsel not achieved the Settlement, there would remain a significant risk that the Class may have recovered less or nothing from the Defendants;

(h) Lead Counsel conducted the litigation and achieved the Settlement with skill, perseverance, and diligent advocacy;

(i) public policy concerns favor the award of reasonable attorneys' fees and expenses in securities class action litigation; and

(j) the attorneys' fees and expenses awarded are fair and reasonable and consistent with awards in similar cases.

6. Pursuant to 15 U.S.C. §78u-4(a)(4), the Court awards $10,000 to Lead Plaintiff John R. Erickson for the time he spent representing the Class.

7. Any appeal or any challenge affecting this Court's approval regarding the Fee Motion shall in no way disturb or affect the finality of the Judgment entered with respect to the Settlement.

8. In the event that the Settlement is terminated or does not become Final or the Effective Date does not occur in accordance with the terms of the Stipulation, this Order shall be rendered null and void to the extent provided in the Stipulation and shall be vacated in accordance with the Stipulation.

IT IS SO ORDERED.

DATED: May 29, 2025

Jennifer Rochon

THE HONORABLE JENNIFER L. ROCHON
UNITED STATES DISTRICT JUDGE

EXHIBIT C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re NYSE SPECIALISTS SECURITIES LITIGATION	:	Master File No. 03-CV-8264(RWS)
	:	CLASS ACTION
This Document Relates To:	:	
ALL ACTIONS.	:	

~~[PROPOSED]~~ AMENDED FINAL ORDER AND JUDGMENT

This matter came for a duly-noticed hearing on May 22, 2013 (the "Final Approval Hearing"), upon the Motion for Final Approval of Settlements and Plan of Allocation of Settlements' Proceeds, and Award of Attorneys' Fees and Expenses filed in the above-captioned matter (the "Class Action"), which was filed by Lead Plaintiff and Class Representative California Public Employees' Retirement System ("CalPERS" or "Lead Plaintiff") and Named Plaintiff and Class Representative Market Street Securities (collectively "Plaintiffs"), on behalf of the class certified in the above-captioned matter (the "Class"), and was joined by defendants Bear Wagner Specialists LLC; Bear, Stearns & Co., Inc.; FleetBoston Financial Corp.; Fleet Specialist, Inc.; Bank of America Corp.; Quick & Reilly, Inc.; LaBranche & Co. Inc.; LaBranche & Co. LLC; George M. L. LaBranche, IV; Performance Specialist Group, LLC; Spear, Leeds & Kellogg Specialists LLC; Spear, Leeds & Kellogg, L.P.; Goldman, Sachs & Co.; The Goldman Sachs Group, Inc.; SIG Specialists, Inc. and Susquehanna International Group, LLP (collectively, the "Settling Defendants" and such defendants that were specialists on the New York Stock Exchange during the Class Period being the "Specialist Defendants"). Due and adequate notice of the Stipulation of Settlement dated October 24, 2012 (the "Settlement Agreement"), having been given to the members of the Class, the

Final Approval Hearing having been held and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed in the premises and good cause appearing therefor, and a determination having been made expressly pursuant to Rule 54(b) of the Federal Rules of Civil Procedure that there is no justification for delay, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. This Final Order and Judgment hereby incorporates by reference the definitions in the Settlement Agreement and all terms used herein shall have the same meanings as set forth in the Settlement Agreement.

2. For purposes of this Settlement, the Court hereby finally certifies the Class, as defined in the Court's March 14, 2009, Order granting class certification as: all Persons who submitted orders (directly or through agents) to purchase or sell NYSE-listed securities during the Class Period, which orders were listed on the Specialists' Display Book and subsequently disadvantaged by the Settling Defendants. Excluded from the class are the Settling Defendants, members of the immediate family of each of the individual Settling Defendants, any person, firm, trust, or corporation that controls or is controlled by any Specialist Defendant (an "Affiliate"), any officers or directors of any Settling Defendant, and the legal representatives, agents, heirs, successors-in-interest or assigns of any excluded party, in their capacity as such. Notwithstanding the foregoing, the exclusion set forth herein shall not include any investment company or pooled investment fund, including but not limited to, mutual fund families, exchange-traded funds, fund of funds, and hedge funds, in which any Settling Defendant has or may have a direct or indirect interest, or as to which its Affiliates may act as an investment advisor to, but in which the Settling Defendant or any of its Affiliates is not a majority owner or does not hold a majority beneficial interest. Based on the record, the Court reconfirms that the applicable provisions of Rule 23 of the Federal Rules of Civil

Procedure have been satisfied and the Class Action has been properly maintained according to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure ("Rule 23(a)" and "Rule 23(b)(3)," respectively).

3. This Court has jurisdiction over the subject matter of the Class Action and over all parties to the Class Action.

4. The Court finds that due process and adequate notice have been provided pursuant to Rule 23 of the Federal Rules of Civil Procedure to all members of the Class, notifying the Class of, among other things, the pendency of the Class Action and the proposed Settlement.

5. The notice provided was the best notice practicable under the circumstances and included individual notice to those members of the Class who could be identified through reasonable efforts. The Court finds that notice was also given by publication in two publications, as set forth in the Declaration of Ronald A. Bertino of Heffler Claims Group, LLC dated May 14, 2013. Such notice fully complied in all respects with the requirements of Rule 23 of the Federal Rules of Civil Procedure, due process of law, and applicable law.

6. Pursuant to and in compliance with Rule 23 of the Federal Rules of Civil Procedure, the Court hereby finds that due and adequate notice of these proceedings was directed to all Class Members of their right to object to the Settlement, the Plan of Allocation, and Lead Counsel's right to apply for attorneys' fees and expenses associated with the Class Action. A full and fair opportunity was accorded to all members of the Class to be heard with respect to the foregoing matters.

7. The Court finds that one Class Member has requested exclusion from the Class pursuant to the Notice.

8. It is hereby determined that all members of the Class, (other than those expressly excluding themselves and who are listed on Exhibit A hereto (the "Excluded Class Members")), are bound by this Final Order and Judgment. The Excluded Class Members are hereby found to have properly excluded themselves from the Class. Any Class Member that requested exclusion from the Class, but that is not included on Exhibit A hereto as an Excluded Class Member is hereby found not to have complied with the requirements of this Court's Order of November 20, 2012, preliminarily approving the Settlement and shall be bound by this Final Order and Judgment.

9. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby approves the Settlement, as set forth in the Settlement Agreement, and finds that the Settlement is, in all respects, fair, reasonable and adequate, and in the best interests of the Class, including Plaintiffs. This Court further finds that the Settlement set forth in the Settlement Agreement is the result of arm's-length negotiations between experienced counsel representing the interests of the Parties. In addition, the Court recognizes that the Parties participated in mediation sessions before the Honorable Daniel Weinstein (Ret.), which resulted in the reaching of the Settlement. Accordingly, the Settlement embodied in the Settlement Agreement is hereby approved in all respects. The Parties are hereby directed to carry out the Settlement Agreement in accordance with all of its terms and provisions, including the termination provisions.

10. The Settlement Fund has been established as an interest-bearing escrow account. The Court further approves the establishment of the Settlement Fund under the Settlement Agreement as a qualified settlement fund pursuant to Internal Revenue Code Section 4688 and the Treasury Regulations promulgated thereunder.

11. The Court reserves exclusive jurisdiction over the implementation and enforcement of the Settlement Agreement and the Settlement contemplated thereby and the enforcement of this Final

Order and Judgment. The Court also retains exclusive jurisdiction, except to the extent the Parties have committed certain issues to resolution by the mediator, to resolve any disputes that may arise with respect to the Settlement Agreement, the Settlement, or the Settlement Fund, to consider or approve administration costs and fees, and to consider or approve the amounts of distributions to members of the Class.

12. The Court hereby approves the release of the Released Class Claims as against the Defendant Released Persons as set forth in the Settlement Agreement. Under the terms and conditions set forth in the Settlement Agreement, any and all actions, claims, debts, demands, causes of action and rights, and liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses, or liabilities whatsoever), including, without limitation, any claims, causes of action and rights that relate in any way to any violation of state, federal, or any foreign jurisdiction's securities laws, any misstatement, omission, or disclosure (including, but not limited to, those in financial statements), any breach of duty, any negligence or fraud, or any other alleged wrongdoing or misconduct by any Defendant Released Persons, including both known claims and Unknown Claims, against any Defendant Released Persons, belonging to the Class Releasing Persons, based on a Class Member's orders which were placed through the DOT System and/or could have been or might have been asserted in the Class Action or any forum in connection with, arising out of, related to, based upon, in whole or in part, directly or indirectly, any allegation, transaction, fact, matter, occurrence, representation, action, omission, or failure to act that was alleged, involved, set forth, referred to, or that could have been alleged in the Class Action, including any allegations that DOT System orders involving stocks traded on the NYSE were affected by actual or claimed frontrunning, trading ahead, interpositioning, or other alleged violations relating to such transactions or orders are hereby released and forever

discharged. Each Class Releasing Person is hereby barred from suing or otherwise seeking to establish or impose liability against any of the Defendant Released Persons based, in whole or in part, on any of the Released Class Claims. Each Class Releasing Person is also hereby found to have expressly waived and released (1) any and all provisions, rights, and benefits conferred by §1542 of the California Civil Code, which provides that:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR

and (2) any and all provisions or rights conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. Each Class Releasing Person may hereafter discover facts other than or different from those which he, she or it knows or believes to be true with respect to the Released Class Claims, but each Class Releasing Person fully, finally, and forever settles and releases any and all Released Class Claims (including Unknown Claims), known or unknown, suspected or unsuspected, contingent or noncontingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The releases given by the Class Releasing Persons shall be and remain in effect as full and complete releases of the claims set forth in the Class Action, notwithstanding the later discovery or existence of such additional or different facts relative hereto or the later discovery of any such additional or different claims that would fall within the scope of the release provided in Section 9.2 of the Settlement Agreement, as if such facts or claims had been

known at the time of this release. The Class Releasing Persons are hereby enjoined from asserting any of the Released Class Claims against any of the Defendant Released Persons.

13. The Court hereby approves the release of the Released Settling Defendants' Claims as against the Class Released Persons as set forth in the Settlement Agreement. Under the terms and conditions set forth in the Settlement Agreement, any and all actions, claims, debts, demands, causes of action and rights, and liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses, or liabilities whatsoever), whether based on federal, state, local statutory, or common law or any other law, rule, or regulation, including both known claims and Unknown Claims, that have been or could have been asserted against the Class Released Persons, belonging to the Defendant Releasing Persons, which arise out of or relate in any way to the institution, prosecution, or settlement of the Class Action, excluding any claims for breaches of the Settlement Agreement are hereby released and forever discharged. The Defendant Releasing Persons are hereby found to have waived and released (1) any and all provisions, rights, and benefits conferred by §1542 of the California Civil Code, which provides that:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR

and (2) any and all provisions or rights conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. The Defendant Releasing Persons may hereafter discover facts in addition to or different from those which they know or believe to be true with respect to the subject matter of the Released Settling Defendants' Claims, but the Defendant Releasing Persons shall

expressly fully, finally, and forever settle and release any and all Released Settling Defendants' Claims (including Unknown Claims), known or unknown, suspected or unsuspected, contingent or noncontingent, 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, breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts. The releases given by the Defendant Releasing Persons shall be and remain in effect as full and complete releases of the claims set forth in the Class Action, notwithstanding the later discovery or existence of such additional or different facts relative hereto or the later discovery of any such additional or different claims that would fall within the scope of the release provided in Section 9.3 of the Settlement Agreement, as if such facts or claims had been known at the time of this release. The Defendant Releasing Persons are hereby expressly enjoined from asserting any of the Released Settling Defendants' Claims against the Class Released Persons.

14. The Settlement is not and shall not be deemed or construed to be an admission, adjudication or evidence of any violation of any statute or law or of any liability or wrongdoing by any of the Defendant Released Persons or of the truth of any of the claims or allegations alleged in the Class Action. The Settlement Agreement, including its exhibits, and any and all negotiations, documents and discussions associated with it, shall be without prejudice to the rights of any party, shall not be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by the Defendant Released Persons, or of the truth of any of the claims or allegations, or of any damage or injury. Evidence of this Settlement or the negotiation of this Settlement shall not be discoverable or used directly or indirectly, in any way, whether in the

Class Action or in any other action or proceeding of any nature, except in connection with a dispute under this Settlement or an action in which this Settlement is asserted as a defense.

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

16. Bar Order: The Court hereby (a) permanently bars, enjoins and restrains any person or entity from commencing, prosecuting, or asserting any Barred Claims against any of the Defendant Released Persons, whether as claims, cross-claims, counterclaims, third-party claims, or otherwise, and whether asserted in the Class Action or any other proceeding, in this Court, in any federal or state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States or elsewhere; and (b) permanently bars, enjoins, and restrains the Defendant Released Persons from commencing, prosecuting, or asserting any Barred Claims against any person or entity, whether as claims, cross-claims, counterclaims, third-party claims or otherwise, and whether asserted in the Class Action or any other proceeding, in this Court, in any federal or state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States or elsewhere.

17. Judgment Reduction: Any final verdict or judgment that may be obtained by or on behalf of the Class or a Class Member against any person or entity subject to the Bar Order shall be reduced by the greater amount of: (a) an amount that corresponds to the percentage of responsibility of the Settling Defendants for common damages; or (b) the amount paid by or on behalf of the Settling Defendants to the Class or Class Member for common damages.

18. The Plan of Allocation, which has been modified in part as summarized in the proposed letter from the settlement administrator attached hereto, is approved as fair, reasonable, and adequate.

19. The Court has reviewed Lead Counsel's petition for an award of attorneys' fees and expenses. The Court has also reviewed the recommendation of the mediator, the Honorable Daniel Weinstein (Ret.), that Lead Counsel should be awarded $7,613,000.00 in attorneys' fees and $2,219,518.00 in expenses. The Court determines that the mediator's award is fair, reasonable, and adequate and Lead Counsel is hereby awarded $7,613,000.00 in attorneys' fees and $2,219,518.00 in expenses, to be paid by the Settling Defendants in accordance with the terms of the Settlement Agreement.

20. If any deadline imposed herein falls on a non-business day, then the deadline is extended until the next business day.

21. There is no just reason for delay in the entry of this Final Order and Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

IT IS SO ORDERED.

Signed this 10th day of June, 2013, at the Courthouse for the United States District Court for the Southern District of New York.

THE HONORABLE ROBERT W. SWEET
UNITED STATES DISTRICT COURT JUDGE

EXHIBIT D

NERA

RECENT TRENDS IN SECURITIES CLASS ACTION LITIGATION: 2024 FULL-YEAR REVIEW

Edward Flores and Svetlana Starykh[1]

Filings Flat Relative to 2023, Standard Filings Increase for Second Straight Year

Resolutions Rise, Led by Increase in Dismissals

22 January 2025

FOREWORD

I am excited to share NERA's "Recent Trends in Securities Class Action Litigation: 2024 Full-Year Review" with you. This year's edition builds on work carried out over more than three decades by many of NERA's securities and finance experts. Although space does not permit us to present all the analyses the authors have undertaken while working on this year's edition or to provide details on the statistical analysis of settlement amounts and attorneys' fee percentages, we hope you will contact us if you want to learn more about our research or our consulting and testifying experience in securities litigations. On behalf of NERA's securities and finance experts, I thank you for taking the time to review this year's report and hope you find it informative.

DAVID TABAK, PhD
Senior Managing Director

INTRODUCTION

There were 229 new federal securities class action suits filed in 2024, equaling the total number of filings seen in 2023. Standard cases, containing alleged violations of Rule 10b-5, Section 11, and/or Section 12, grew for a second consecutive year with 214 cases filed in 2024, an increase of 20% relative to 2022. Filings against companies in the technology and healthcare sectors combined accounted for more than half of all filings, and the Second and Ninth Circuits accounted for 61% of filings. Among filings of standard cases, 41% had an allegation related to missed earnings guidance while only 8% had an allegation related to merger-integration issues. There were 36 standard filings against foreign companies, of which 33% had an allegation related to regulatory issues.

Suits with AI-related claims more than doubled relative to 2023, with 13 such suits filed in 2024. Nineteen cases with COVID-related claims were filed in 2024, a 46% increase from 2023. On the other hand, crypto- and SPAC-related filings continue to decline, with only eight and nine suits filed in each category, respectively.

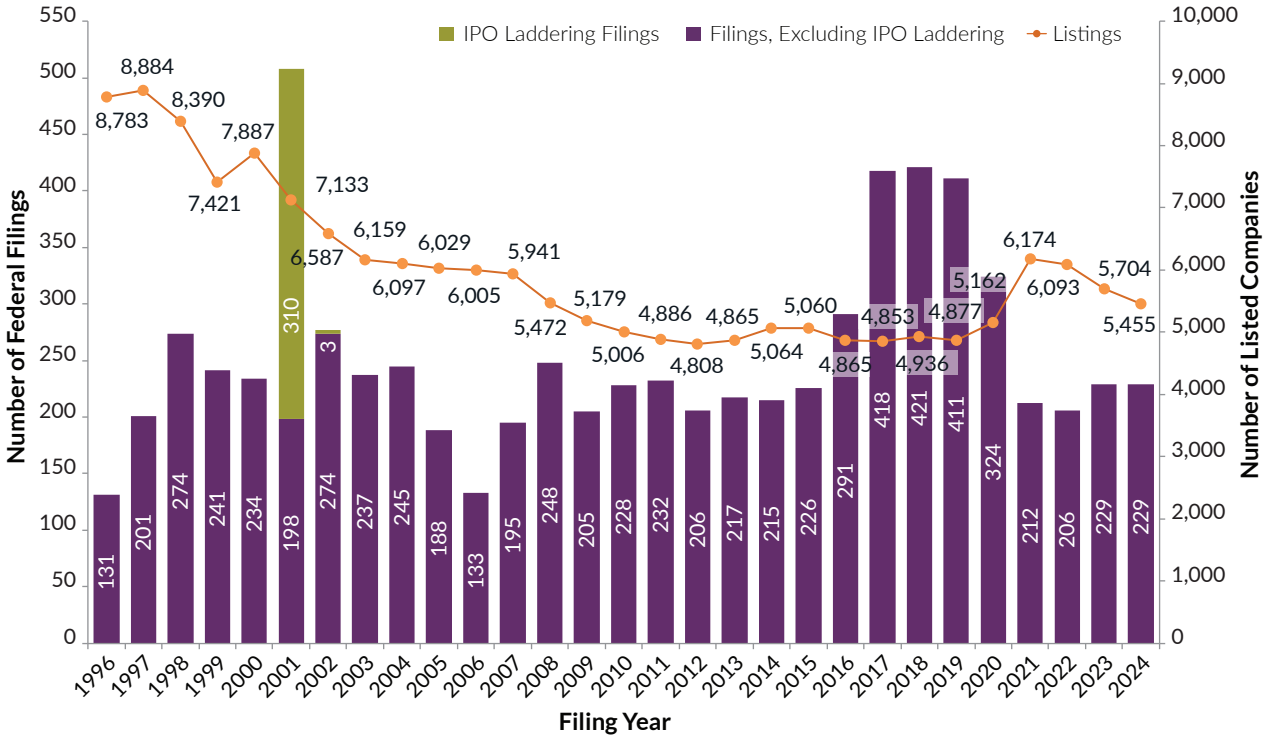
There were 217 cases resolved in 2024, consisting of 124 dismissals and 93 settlements, ending a six-year decline in resolutions seen from 2017 to 2023. The 17% increase in resolutions was mostly driven by an increase in the number of dismissed cases with Rule 10b-5, Section 11, and/or Section 12 claims. For cases filed in 2024, 7% have been dismissed and 93% remain pending.

Aggregate settlements totaled $3.8 billion in 2024, with the top 10 settlements accounting for approximately 60% of this amount. Aggregate plaintiffs' attorneys' fees and expenses totaled $1.1 billion, accounting for 27.3% of the 2024 aggregate settlement value. The average settlement value declined by 7% to $43 million in 2024, and the median settlement value slightly declined by 2% to $14 million. Overall, the distribution of settlement values for 2024 was largely similar to that of 2023.

TRENDS IN FILINGS

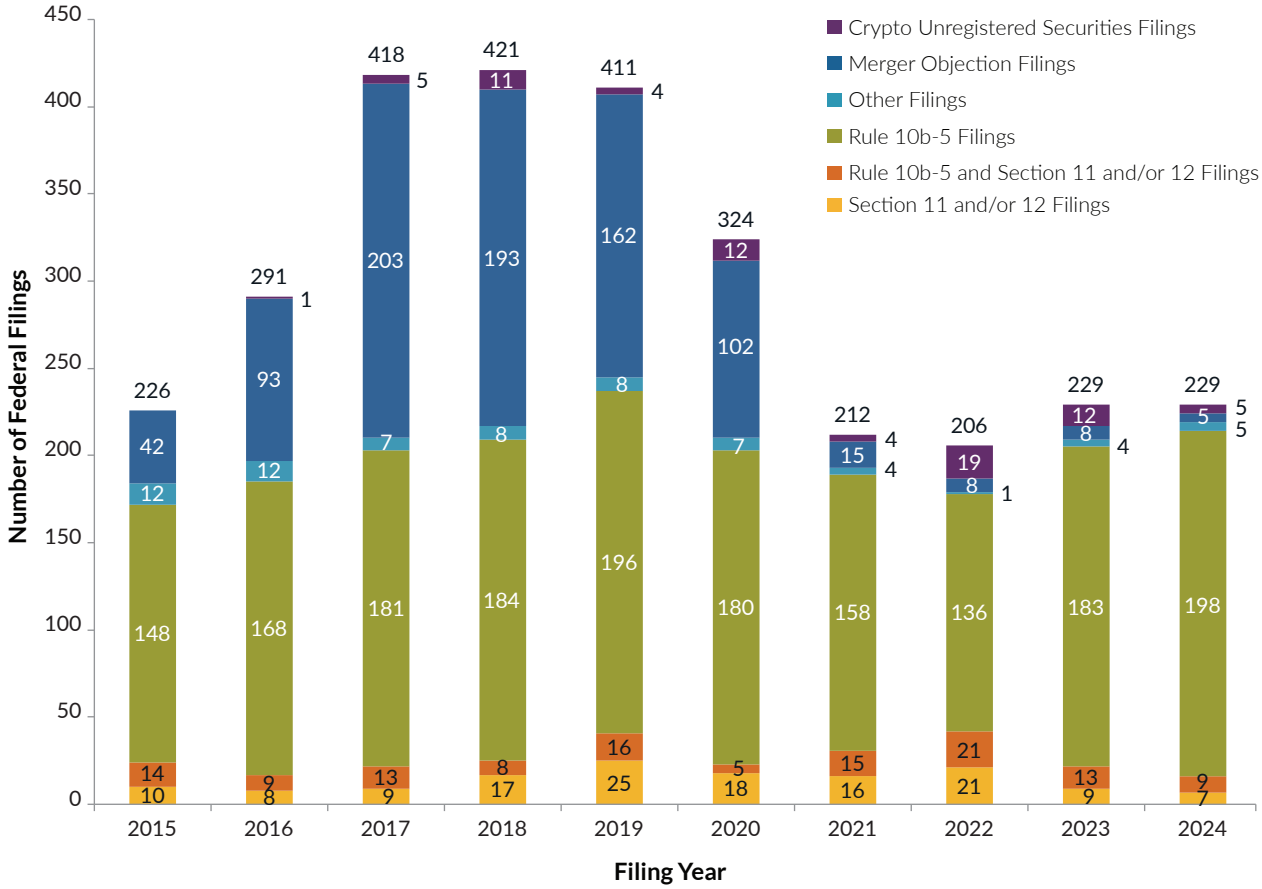
Across full-year 2024, 229 new federal securities class action cases were filed in the United States, the same number as were filed in 2023 (see Figure 1).[2] Standard cases, which contain alleged violations of Rule 10b-5, Section 11, and/or Section 12, increased for a second straight year, with 214 new filings, and accounted for over 93% of all filings in 2024.[3] Of these, filings with Rule 10b-5-only claims continue to make up the majority of standard cases with 198, an increase of 8% relative to 2023 and 46% since 2022, marking a 10-year high. On the other hand, there were only 16 standard cases with Section 11 and/or Section 12 claims (with or without an accompanying Rule 10b-5 claim), a 62% decline relative to 2022 and the lowest level of such filings over the past decade. This trend mirrors the slowdown in US IPO activity in recent years, which has seen the number of initial public offerings decline from a high of 1,035 in 2021 to at most 225 per year over 2022–2024.[4] Cases involving merger objections and crypto unregistered securities continue to decline, with only five suits filed in each category.[5] See Figure 2.

Figure 1. **Federal Filings and Number of Companies Listed in the United States**
January 1996–December 2024



Note: Listed companies include those listed on the NYSE and Nasdaq. Listings data are from World Federation of Exchanges (WFE). The 2024 listings data are as of November 2024.

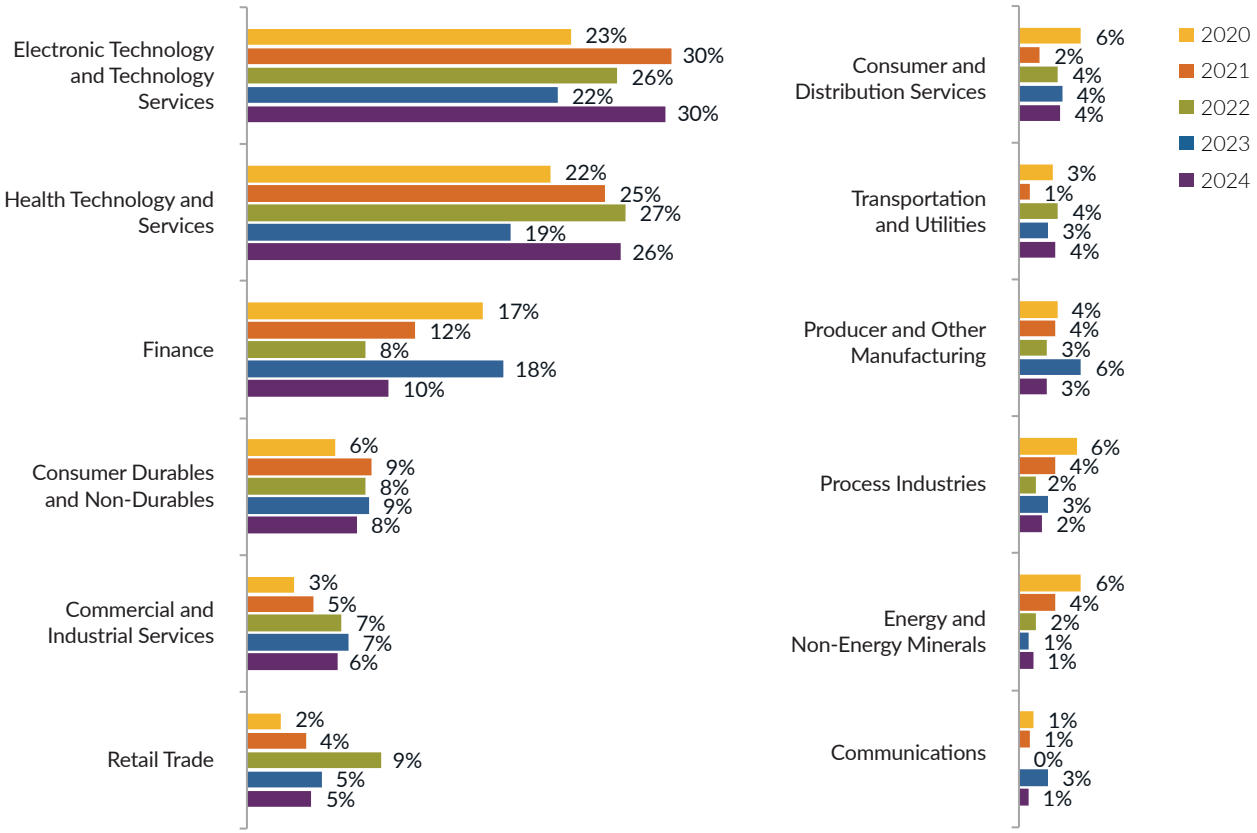
Figure 2. **Federal Filings by Type**
January 2015–December 2024



Filings with Rule 10b-5-only claims continue to make up the majority of standard cases with 198, an increase of 8% relative to 2023 and 46% since 2022, marking a 10-year high.

Excluding merger-objection and crypto unregistered securities cases, the electronic technology and technology services sector and the healthcare technology and services sector together comprised 56% of new filings in 2024, up from 41% in 2023. The percentage of suits in the finance sector declined by nearly half to 10%, partially due to a decline in filings against banking institutions. Elsewhere, the consumer durables and non-durables sector accounted for 8% of filings, roughly in line with recent years. See Figure 3.

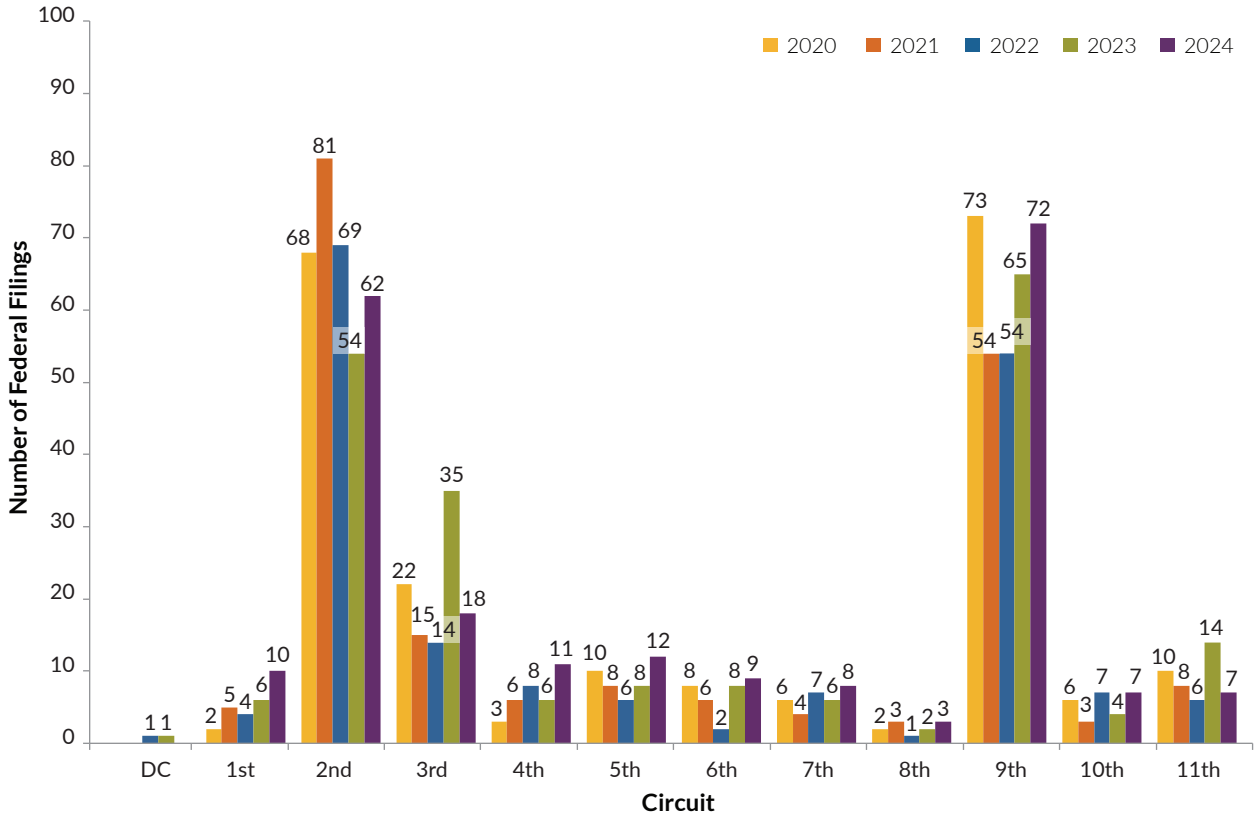
Figure 3. **Percentage of Federal Filings by Sector and Year**
Excludes Merger Objections and Crypto Unregistered Securities
January 2020–December 2024



Note: This analysis is based on the FactSet Research Systems, Inc. economic sector classification. Some of the FactSet economic sectors are combined for presentation.

The Second and Ninth Circuits continue to be the jurisdictions in which the majority of cases are filed, together accounting for 134 of the 219 non-merger objection, non-crypto unregistered securities filings in 2024. The Ninth Circuit saw 72 new filings, 11% more than in 2023 and marking a second consecutive year that filings have increased, and the Second Circuit witnessed 62 new filings, eight more than in 2023. After hitting a five-year high of 35 filings in 2023, filings in the Third Circuit declined by nearly half in 2024, with only 18 suits filed. Elsewhere, the First, Fourth, and Fifth Circuits each saw at least 10 suits filed, marking a five-year high in their respective circuits. See Figure 4.

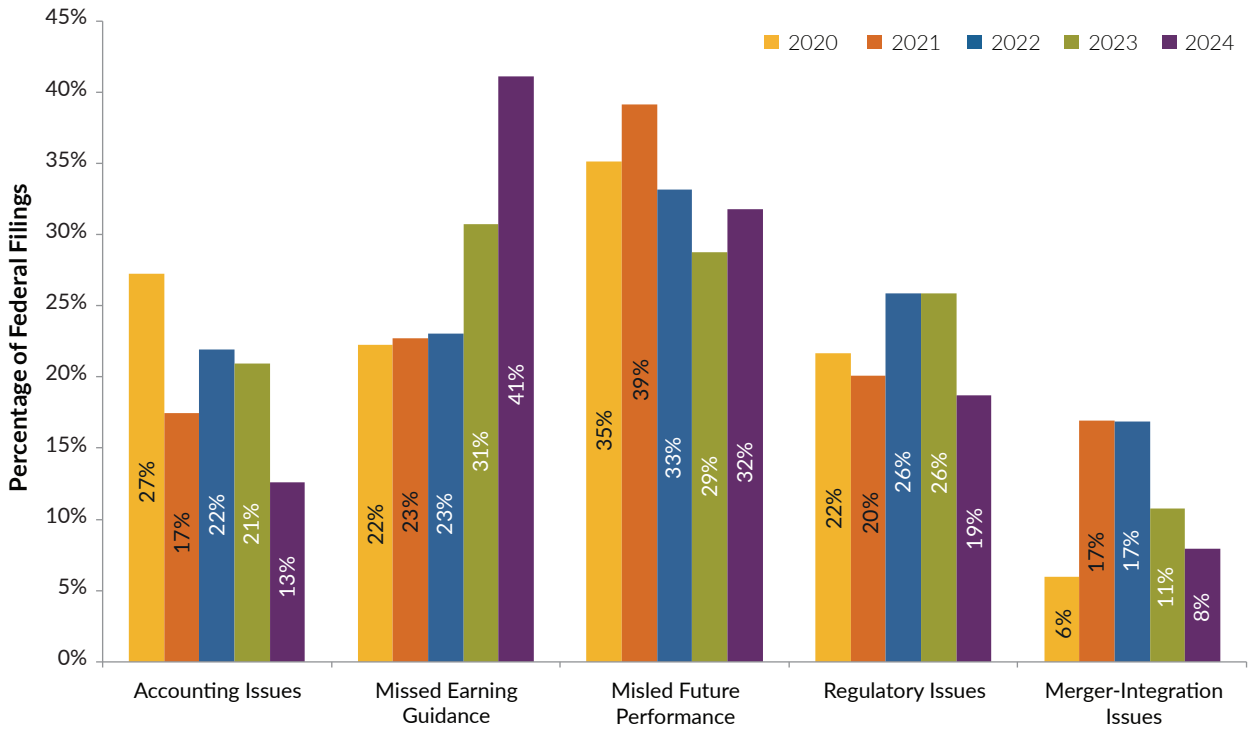
Figure 4. **Federal Filings by Circuit and Year**
Excludes Merger Objections and Crypto Unregistered Securities
January 2020–December 2024



Excluding merger objections and crypto unregistered securities cases, the Second and Ninth Circuits accounted for 61% of filings.

Among filings of standard cases, 41% included an allegation related to missed earnings guidance and 32% included an allegation related to misled future performance.[6] On the other hand, the percentage of standard cases containing an allegation related to accounting issues declined by over one-third to 13%. The percentage of standard cases containing an allegation related to merger-integration issues continued to decline by over one-quarter to 8%, partially driven by a decline in SPAC-related filings. See Figure 5.

Figure 5. **Allegations in Federal Filings**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12
January 2020–December 2024

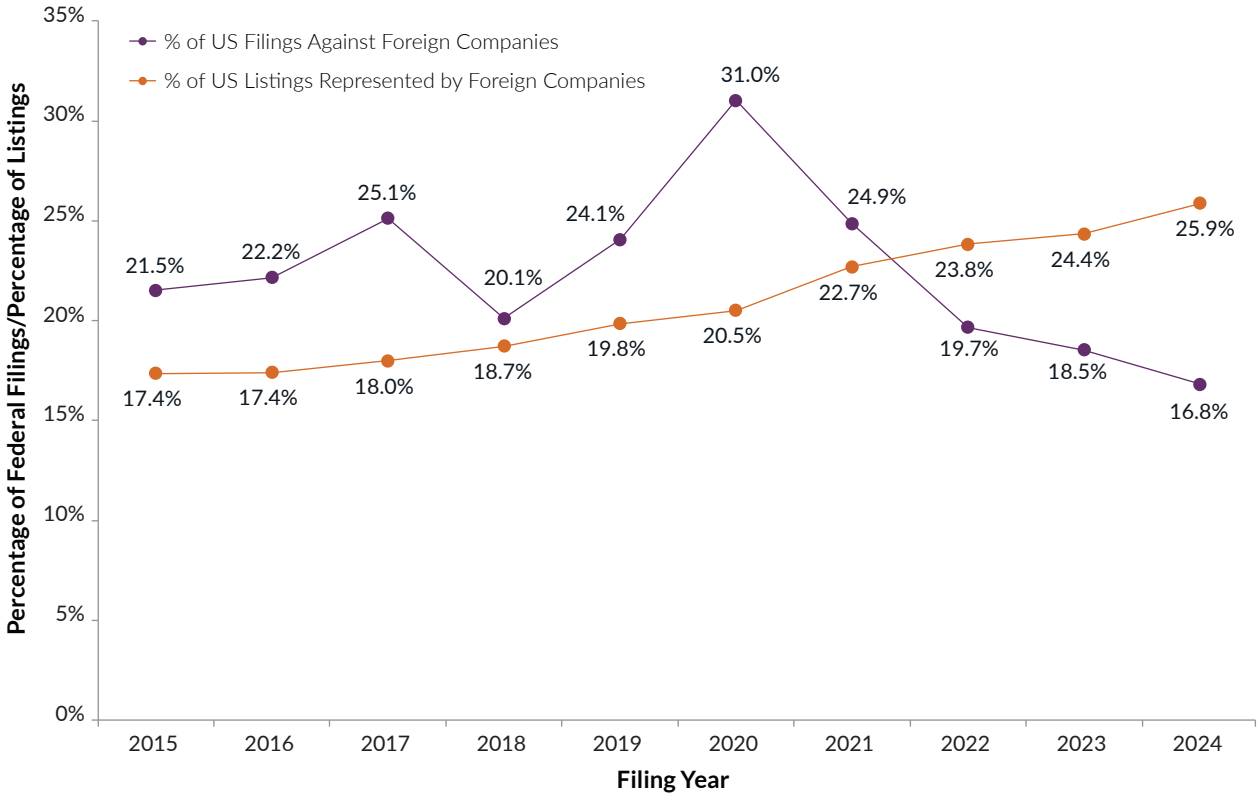


The percentage of standard cases containing an allegation related to accounting issues declined by over one-third.

FILINGS AGAINST FOREIGN COMPANIES

While the percentage of foreign companies listed on US stock exchanges has steadily increased over the past 10 years, there has been a notable decline in the percentage of federal filings against foreign companies since 2020.[7] In 2024, 25.9% of US listings were represented by foreign companies, a 10-year high, though only 16.8% of filings of standard cases were against foreign companies, a 10-year low. See Figure 6.

Figure 6. **Foreign Companies: Share of Federal Filings and Share of Companies Listed on US Exchanges**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12
January 2015–December 2024

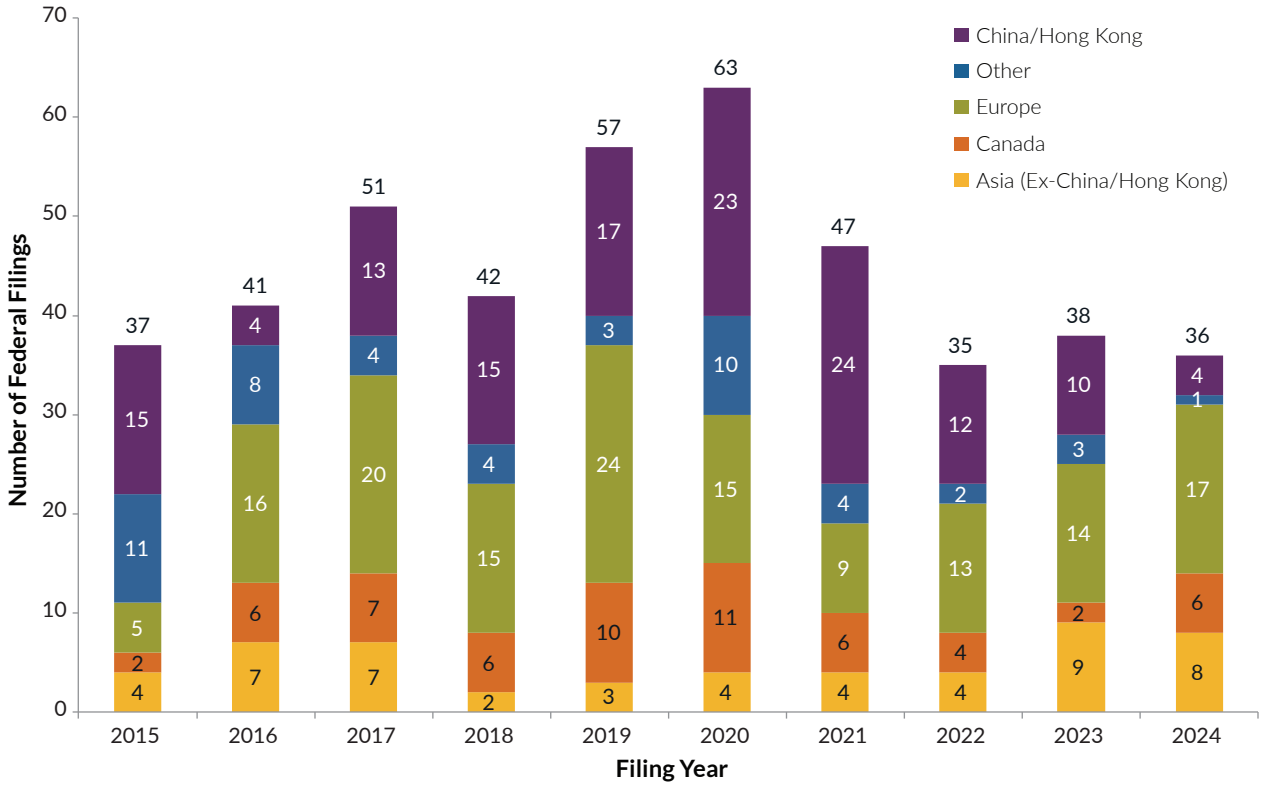


Note: Country of foreign issuer is determined based on location of principal executive offices.

Over the past four years, the share of US filings against foreign companies has sharply decreased.

There were 36 standard suits filed against foreign companies in 2024, a 5% decline from 2023, when 38 such suits were filed. The number of filings against companies based in Europe has steadily grown over the past three years, going from nine cases in 2021 to 17 cases in 2024. On the other hand, suits against companies based in China or Hong Kong declined from 24 in 2021 to four in 2024—an 83% decrease over the same three-year period. Elsewhere, there were six suits filed against companies based in Canada, four suits against companies in Israel, and one suit against a company in Australia. See Figure 7.

Figure 7. **Federal Filings Against Foreign Companies**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, or Section 12 by Region
January 2015–December 2024



Note: Country of foreign issuer is determined based on location of principal executive offices.

Among standard filings against foreign companies, 39% included an allegation related to missed earnings guidance, and 8% included an allegation related to merger-integration issues, roughly in line with the analogous rates for standard filings against US companies. Allegations related to regulatory issues were twice as common among foreign companies, however, with 33% of standard filings against foreign companies having this allegation, compared with 16% for standard filings against US companies. See Figure 8.

Figure 8. **Allegations in Federal Filings by US and Foreign Companies**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12
January 2024–December 2024

Note: Country of foreign issuer is determined based on location of principal executive offices.

EVENT-DRIVEN AND OTHER SPECIAL CASES

In this section, we summarize trends in filings in potential development areas we have identified for securities class actions over the past five years (see Figures 9 and 10).

Figure 9. **Number of Crypto Federal Filings**
January 2016–December 2024

Crypto Cases

Crypto-related filings, comprising cases involving unregistered securities and shareholder suits involving companies operating in or adjacent to the cryptocurrency industry, reached a peak in 2022 but have declined substantially since then. While 2022 saw 29 crypto-related filings, there were only 17 such filings in 2023 and eight in 2024. Of the eight filings in 2024, five suits included allegations the cryptocurrencies or nonfungible tokens (NFTs) at issue constituted sales of unregistered securities.

COVID-19

While it has been approximately five years since the start of the COVID-19 pandemic, suits with COVID-19-related claims continue to be filed. There were 19 such suits in 2024, a 46% increase relative to the 13 filings seen in 2023.

Artificial Intelligence

As interest in artificial intelligence (AI) has increased in recent years, securities class action suits with AI-related allegations have been filed in greater frequency. In 2024, there were 13 AI-related filings in which companies are alleged to have overstated the use or effectiveness of AI in their businesses, more than double the number of filings seen in 2023. Seven were filed in the second half of 2024, including suits against Oddity Tech Ltd., Super Micro Computer, Inc., and Gitlab Inc.

SPAC

Filings related to special purpose acquisition companies (SPACs) have continued to decline since their peak in 2021, when 36 securities class action suits were filed. There were only nine SPAC-related filings in 2024. This trend is consistent with the decline in SPAC IPOs in recent years, which saw a high of 613 in 2021 but dropped to only 57 in 2024.[8]

Environment

There were five environment-related securities class action suits filed in 2024, a 38% decline from the eight cases seen in 2023. Four of these cases were filed in the first half of 2024 against Cummins Inc., SSR Mining Inc., GrafTech International Ltd., and AXT, Inc.[9] In the second half of 2024, a suit was filed against RELX Plc over greenwashing allegations.[10]

Cybersecurity and Customer Privacy Breach

From 2020 to 2022, there were at least four securities class action suits filed each year related to cybersecurity and/or customer privacy breach. In 2023 and 2024, there were two such filings each year. Suits in 2024 included a filing against PDD Holdings Inc. over allegations its applications installed malware on users' phones and against CrowdStrike Holdings, Inc. in connection with the worldwide IT outages caused by a faulty software update in July 2024.[11]

Bribery/Kickbacks

Between 2020 and 2022, there were 12 cases filed related to allegations of bribery or kickbacks. While there were no bribery/kickback-related cases filed in 2023, there were two such cases filed in 2024.

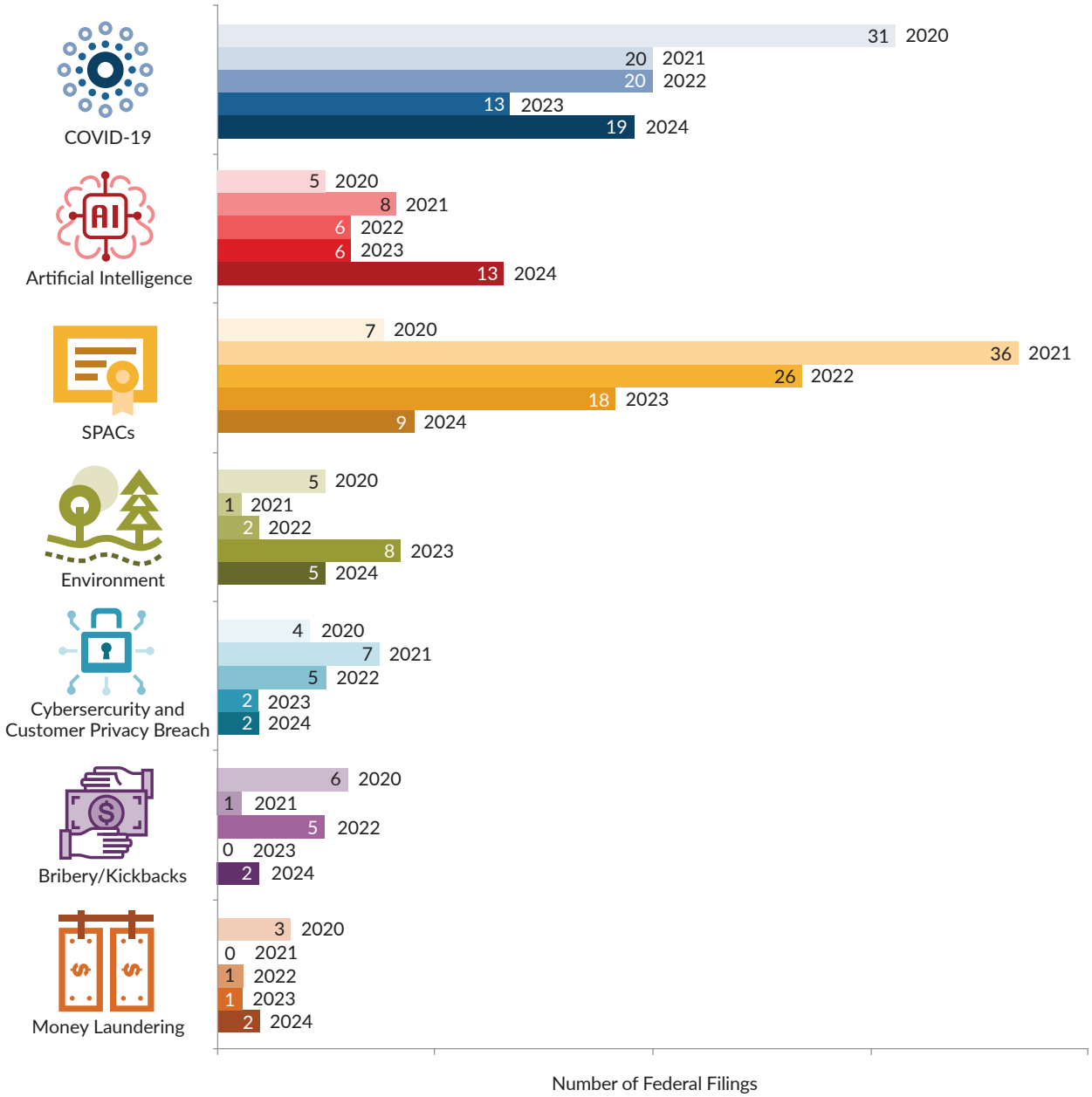
Money Laundering

While 2022 and 2023 saw only one suit filed with claims related to money laundering, there were two such suits filed in 2024. These suits involved TD Bank in connection with issues involving its anti-money laundering program and Customers Bancorp, Inc. over inadequate anti-money laundering practices.

Banking Turmoil

Between March and May 2023, there was a string of bank collapses and failures, which led to 11 securities class action suits filed against banking institutions in 2023. There have been no filings associated with banking turmoil since then; as a result, this development area is no longer presented in Figure 10.

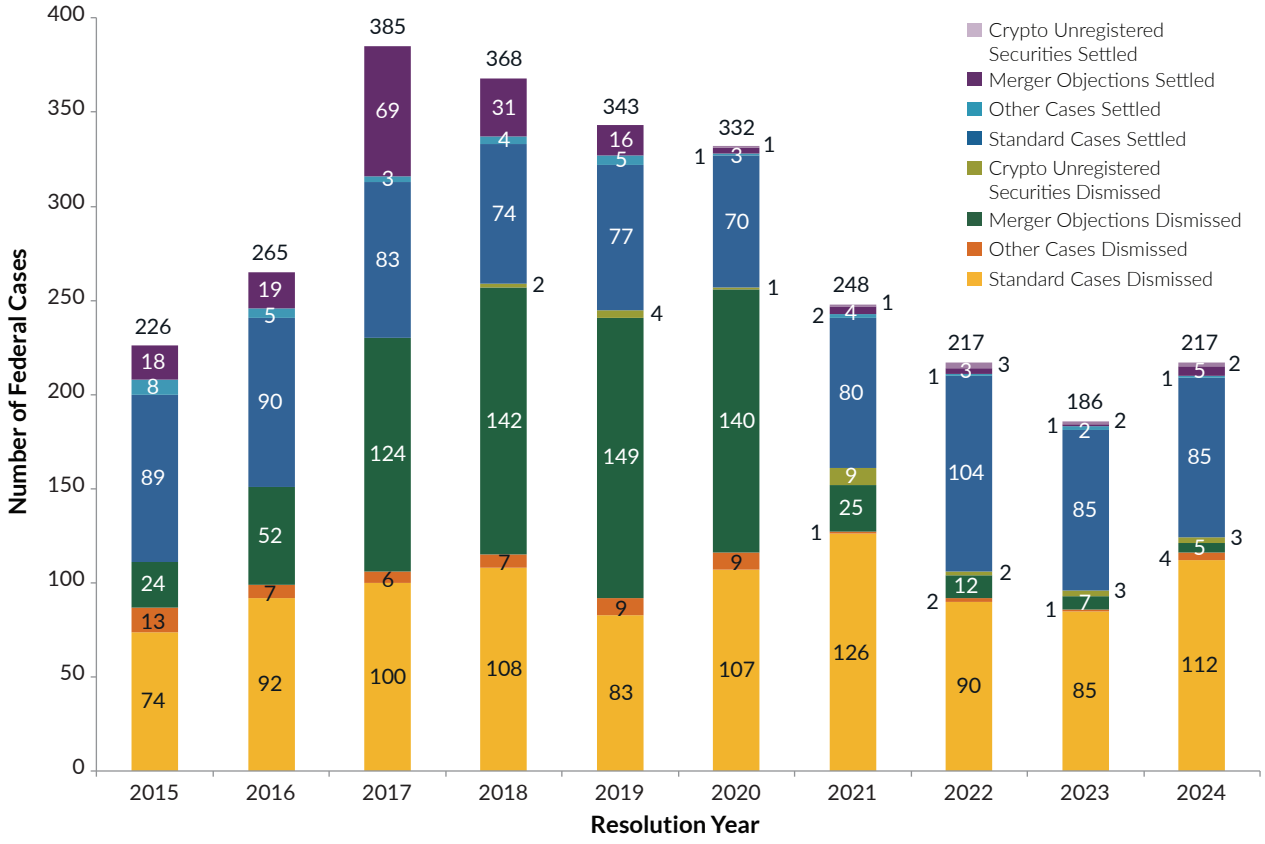
Figure 10. **Event-Driven and Other Special Cases by Filing Year**
January 2020–December 2024



TRENDS IN RESOLUTIONS

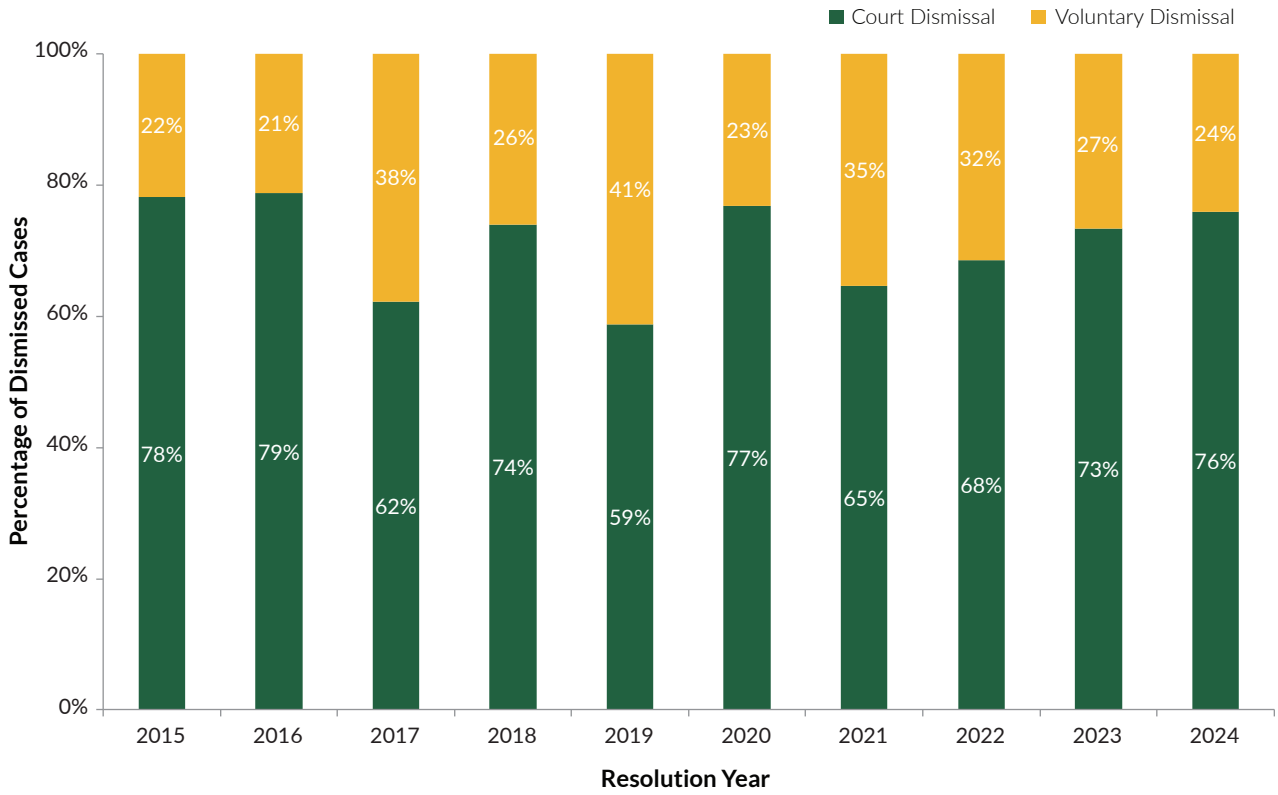
From 2017 to 2023, there was a decline in the number of resolved federal securities class action cases. This six-year decline ended in 2024, which saw the number of resolutions increase by 17% from 186 in 2023 to 217 in 2024. Of these resolved cases, 93 were settlements and 124 were dismissals.[12] Although the number of settlements increased by only 3% in 2024, the number of dismissals increased by 29% from 96 in 2023, largely driven by a rise in dismissals involving standard cases. Standard cases accounted for more than 90% of resolutions, comprising 197 of 217 resolved cases. See Figure 11.

Figure 11. **Number of Resolved Cases: Dismissed or Settled**
January 2015–December 2024



Excluding suits involving merger objections and crypto unregistered securities, historically, a minority of all dismissed cases are voluntarily dismissed by plaintiffs, though the percentage of voluntary dismissals has varied over time. For instance, while 35% of dismissed cases were voluntarily dismissed in 2021, this percentage has declined in subsequent years to 24% in 2024. See Figure 12.

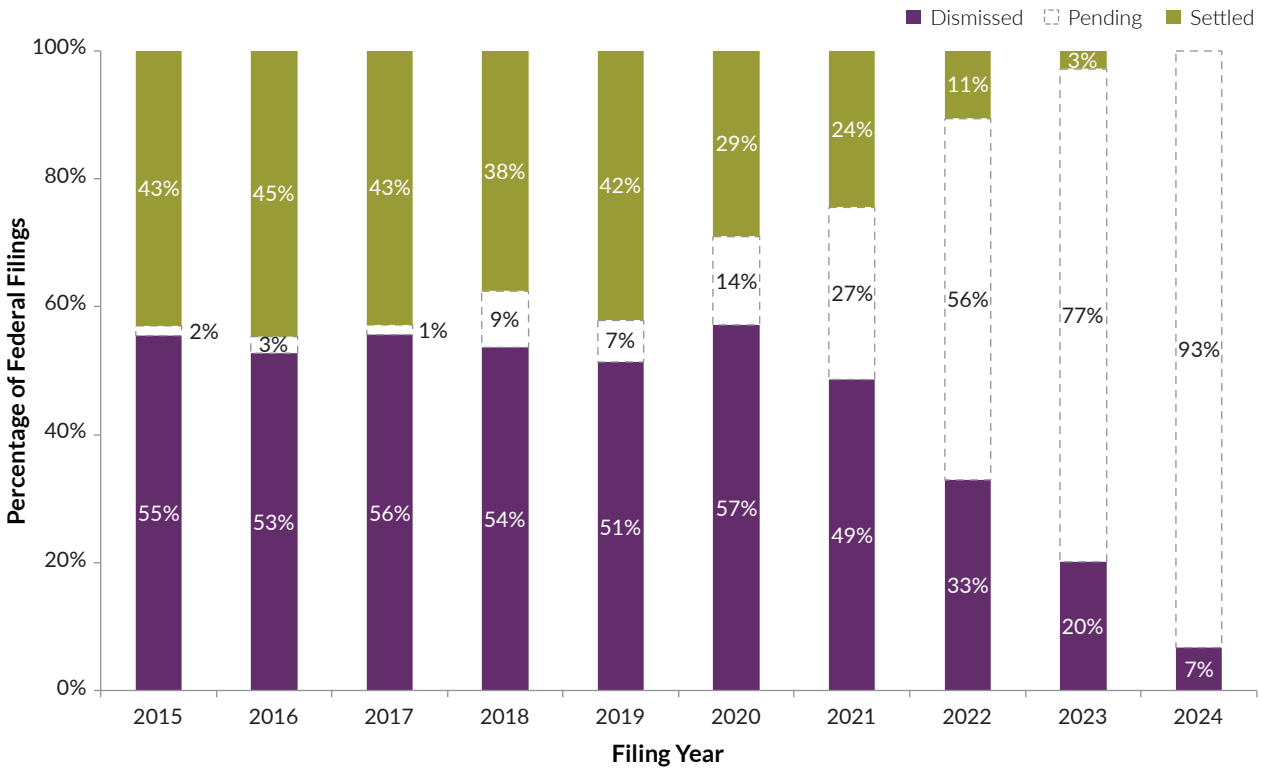
Figure 12. **Type of Dismissal as Percentage of Dismissed Cases by Resolution Year**
Excludes Merger Objections, Crypto Unregistered Securities, and Verdicts
January 2015–December 2024



Note: Court dismissals may include dismissals without prejudice and dismissals under appeal. Component values may not add to 100% due to rounding.

Since 2015, more filed cases have been dismissed than settled, with approximately 29% of filings remaining pending. This is consistent with historical trends, which indicate dismissals tend to occur earlier in the litigation cycle and settlements occur later. For cases filed in 2024, 7% have been dismissed and 93% remain pending as of 31 December 2024. See Figure 13.

Figure 13. **Status of Cases as Percentage of Federal Filings by Filing Year**
Excludes Merger Objections, Crypto Unregistered Securities, and Verdicts
January 2015–December 2024

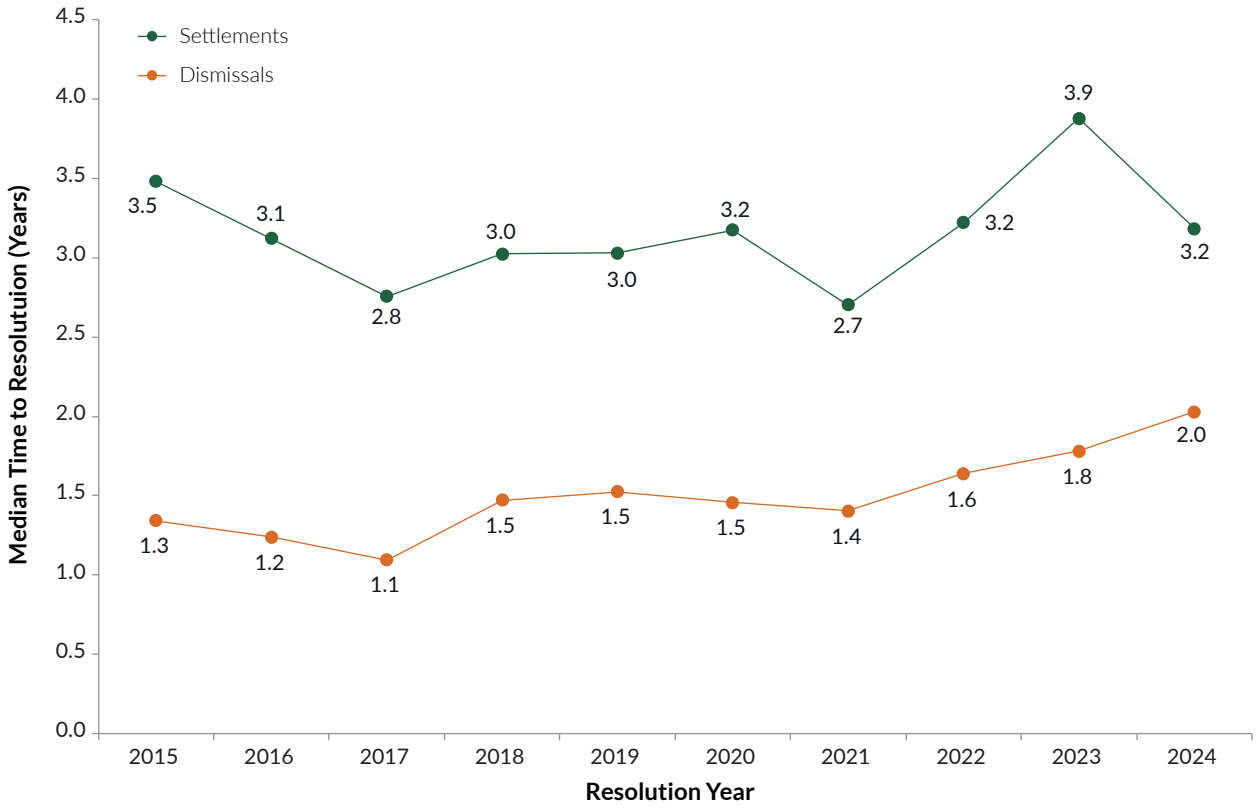


Note: Dismissals may include dismissals without prejudice and dismissals under appeal. Component values may not add to 100% due to rounding.

Since 2015, more filed cases have been dismissed than settled, with approximately 29% of filings remaining pending.

For cases dismissed between 2015 and 2021, the median time from the filing of the first complaint to resolution was relatively stable at around 1.4 years. Since 2021, the median time to dismissal has steadily increased, reaching a 10-year high of 2.0 years in 2024. For cases settled between 2015 and 2021, the median time from filing of the first complaint to resolution was relatively stable at around 3.0 years. While the median time to settlement notably increased to 3.9 years in 2023, it declined to 3.2 years in 2024. See Figure 14.

Figure 14. **Median Time from First Complaint Filing to Resolution**
Excludes Merger Objections, Crypto Unregistered Securities, and Verdicts
January 2015–December 2024



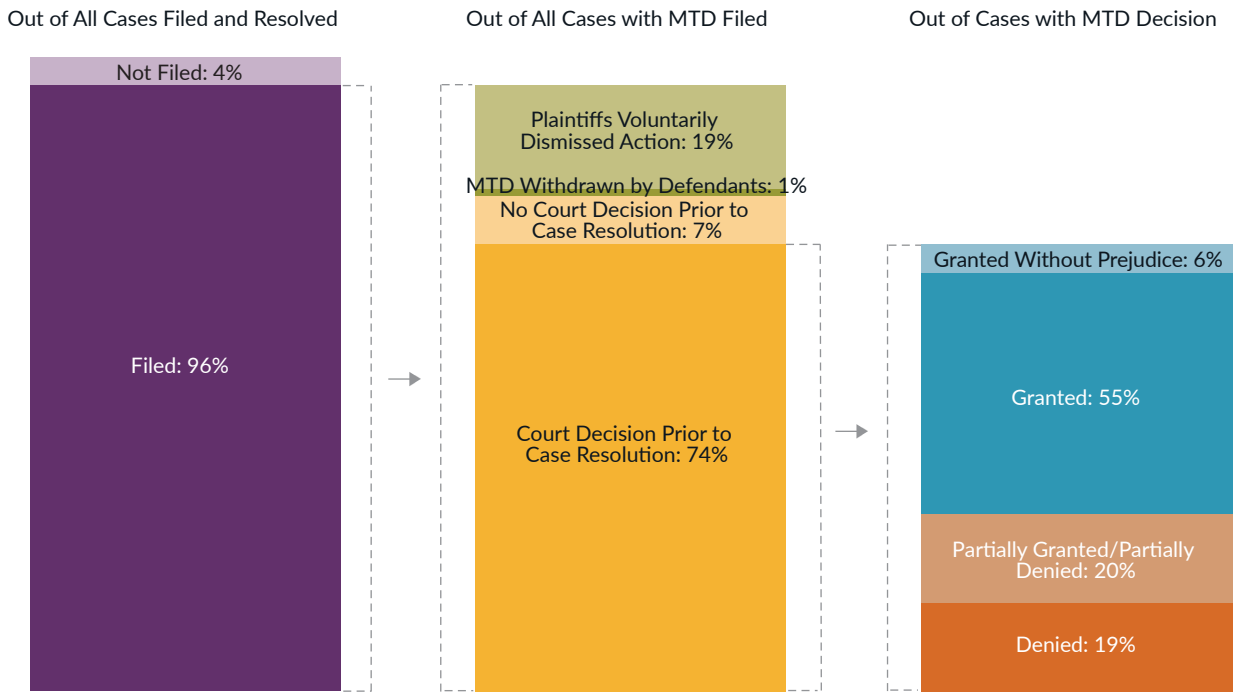
ANALYSIS OF MOTIONS

NERA's federal securities class action database tracks filing and resolution activity as well as decisions on motions to dismiss, motions for class certification, and the status of any motion as of the resolution date. For this analysis, we include securities class actions that were filed and resolved over the past 10 years in which purchasers of common stock are part of the class and in which a violation of Rule 10b-5, Section 11, and/or Section 12 is alleged.

Motion to Dismiss

A motion to dismiss was filed in 96% of the securities class action suits filed and resolved. Of these, a decision was reached in 74% of these cases, while 19% were voluntarily dismissed by plaintiffs, 7% settled before a court decision was reached, and 1% were withdrawn by defendants. Among the cases in which a decision was reached, 61% of motions were granted (with or without prejudice) while 39% were denied either in part or in full. See Figure 15.

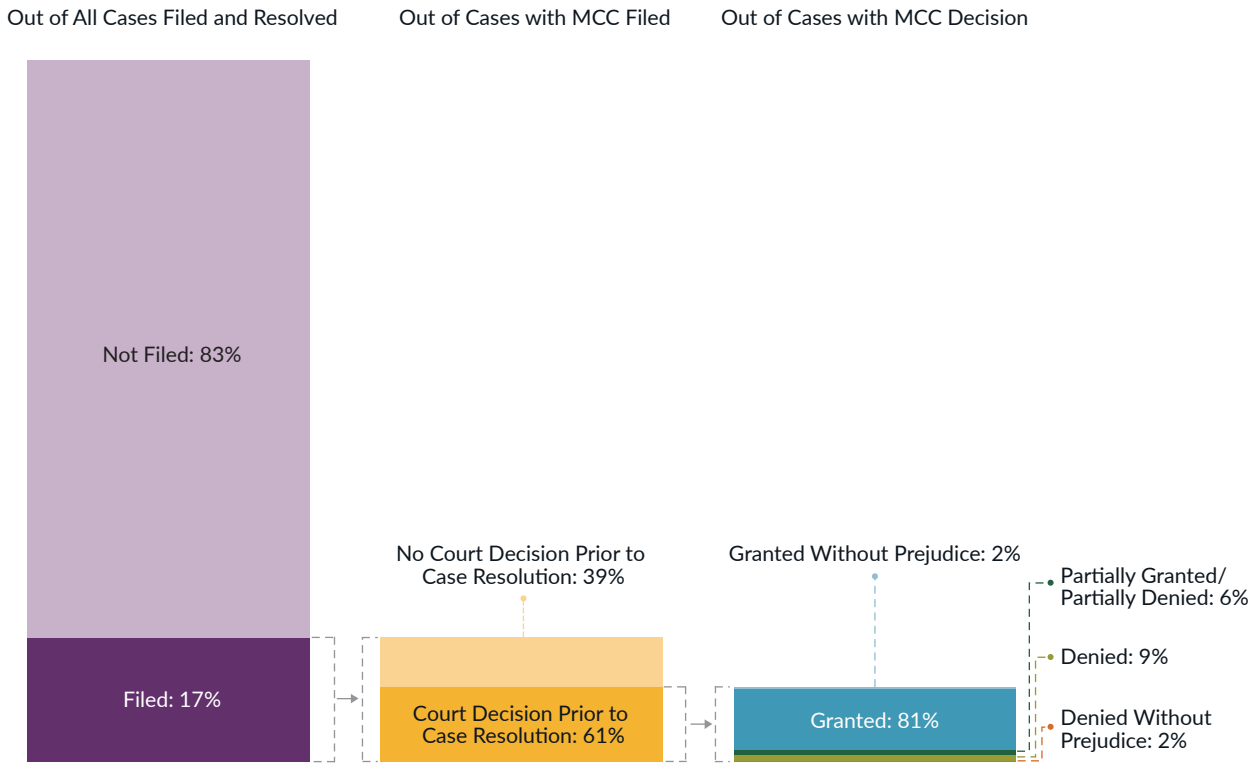
Figure 15. **Filing and Resolutions of Motions to Dismiss**
Cases Filed and Resolved January 2015–December 2024



Motion for Class Certification

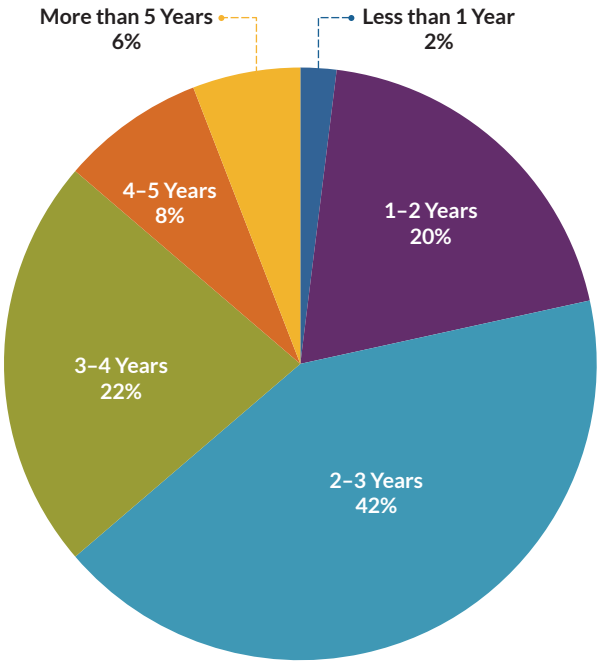
A motion for class certification was filed in only 17% of the securities class action suits filed and resolved, as most cases are either dismissed or settled before the class certification stage is reached. A decision was reached in 61% of the cases in which a motion for class certification was filed, while nearly all remaining 39% of cases were resolved with a settlement. Among the cases in which a decision was reached, the motion for class certification was granted (with or without prejudice) in 83% of cases and denied (with or without prejudice) in 11% of cases. See Figure 16.

Figure 16. **Filing and Resolutions of Motions for Class Certification**
Cases Filed and Resolved January 2015–December 2024



Approximately 62% of decisions on motions for class certification occur within three years of the filing of the first complaint, with 94% of decisions occurring within five years (see Figure 17). The median time is about 2.7 years.

Figure 17. **Time from First Complaint Filing to Class Certification Decision**
Cases Filed and Resolved January 2015–December 2024



The median time (for decisions on motions for class certification) is about 2.7 years.

TRENDS IN SETTLEMENT VALUES[13]

In 2024, aggregate settlements totaled $3.8 billion, nearly matching the inflation-adjusted total of $4.0 billion from 2023 (see Figure 18). After excluding cases involving merger objections, crypto unregistered securities, or settlements of $0 to the class, around 42% of settlements had a recovery of less than $10 million, another 40% had a settlement between $10 million and $49.9 million, and 18% settled for $50 million or more, largely mirroring the distribution of settlement values from 2023 (see Figure 19). The average settlement value was $43 million, a roughly 7% decline relative to the 2023 inflation-adjusted average settlement value of $46 million (see Figure 20).[14]

Figure 18. **Aggregate Settlement Value**
January 2015–December 2024

Figure 19. **Distribution of Settlement Values**
Excludes Merger Objections, Crypto Unregistered Securities, and Settlements for $0 to the Class
January 2020–December 2024

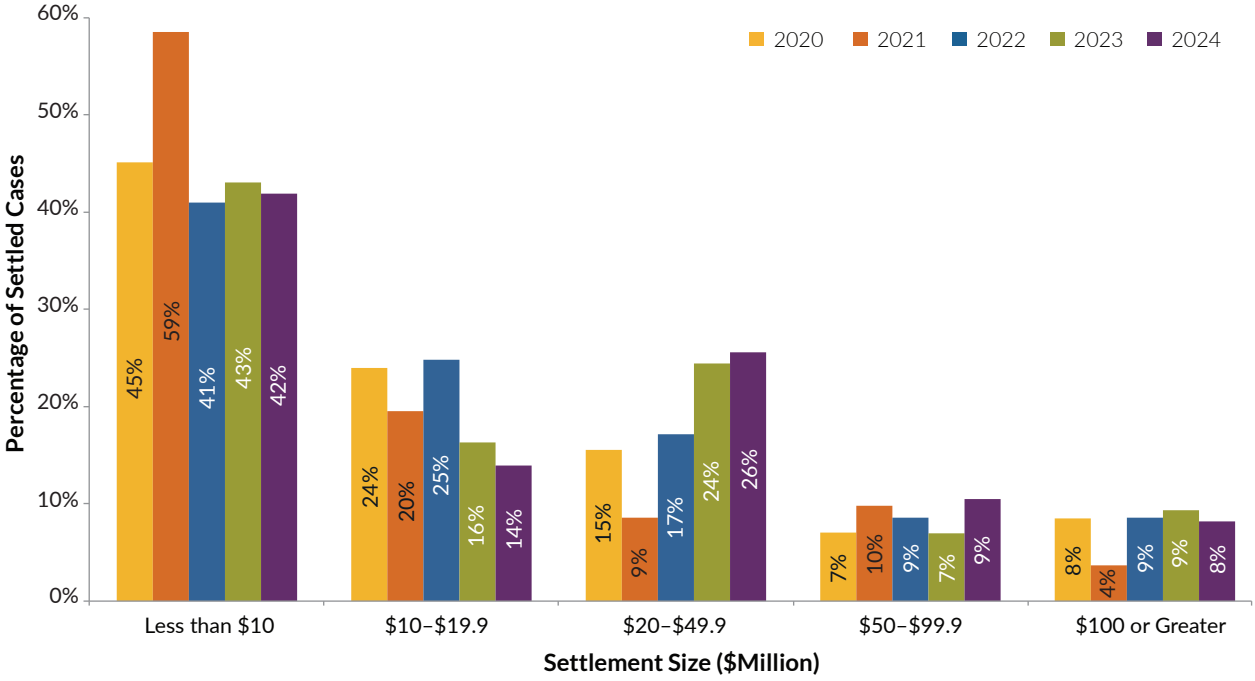
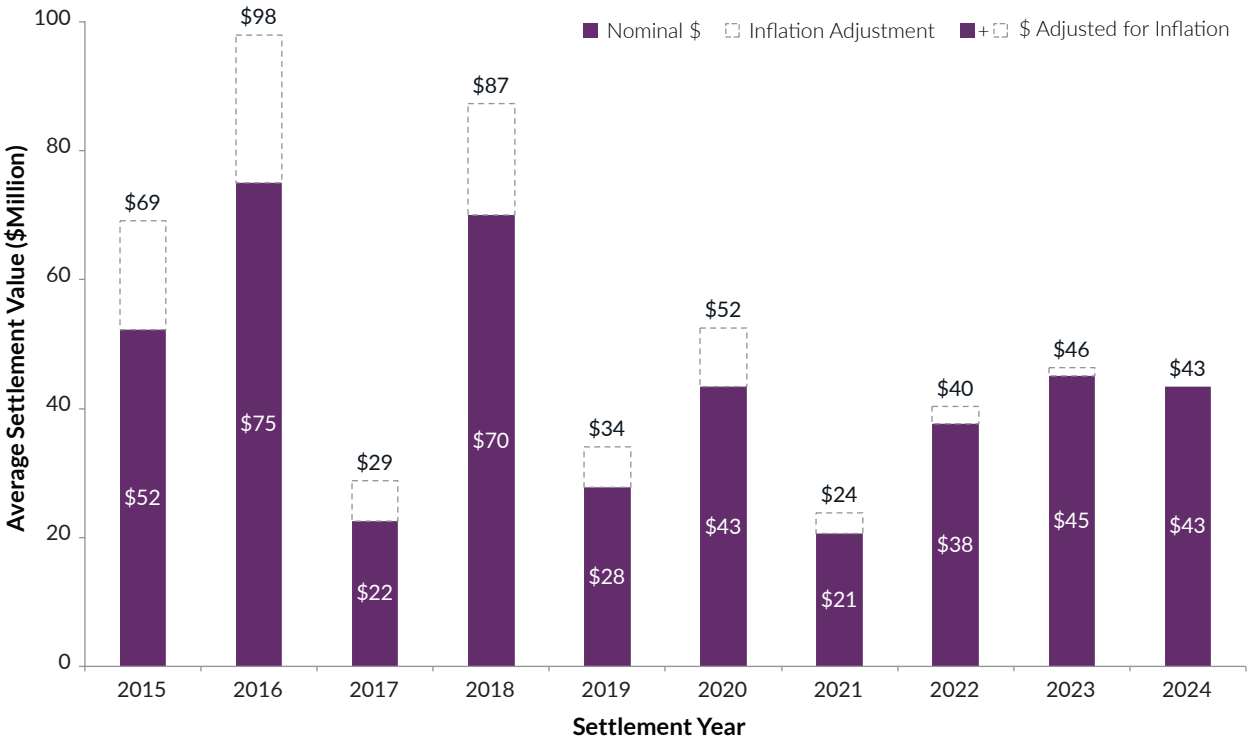


Figure 20. **Average Settlement Value**
Excludes Merger Objections, Crypto Unregistered Securities, and Settlements for $0 to the Class
January 2015–December 2024



While 2023 saw a $1 billion settlement by Wells Fargo & Company,[15] there were no settlements of $1 billion or higher in 2024, and the average settlement value excluding such cases was also $43 million (see Figure 21). The median settlement value was $14.0 million, roughly in line with the inflation-adjusted median settlement values in 2022 and 2023 (see Figure 22).

Figure 21. **Average Settlement Value**
Excludes Settlements of $1 Billion or Higher, Merger Objections, Crypto Unregistered Securities, and Settlements for $0 to the Class
January 2015–December 2024

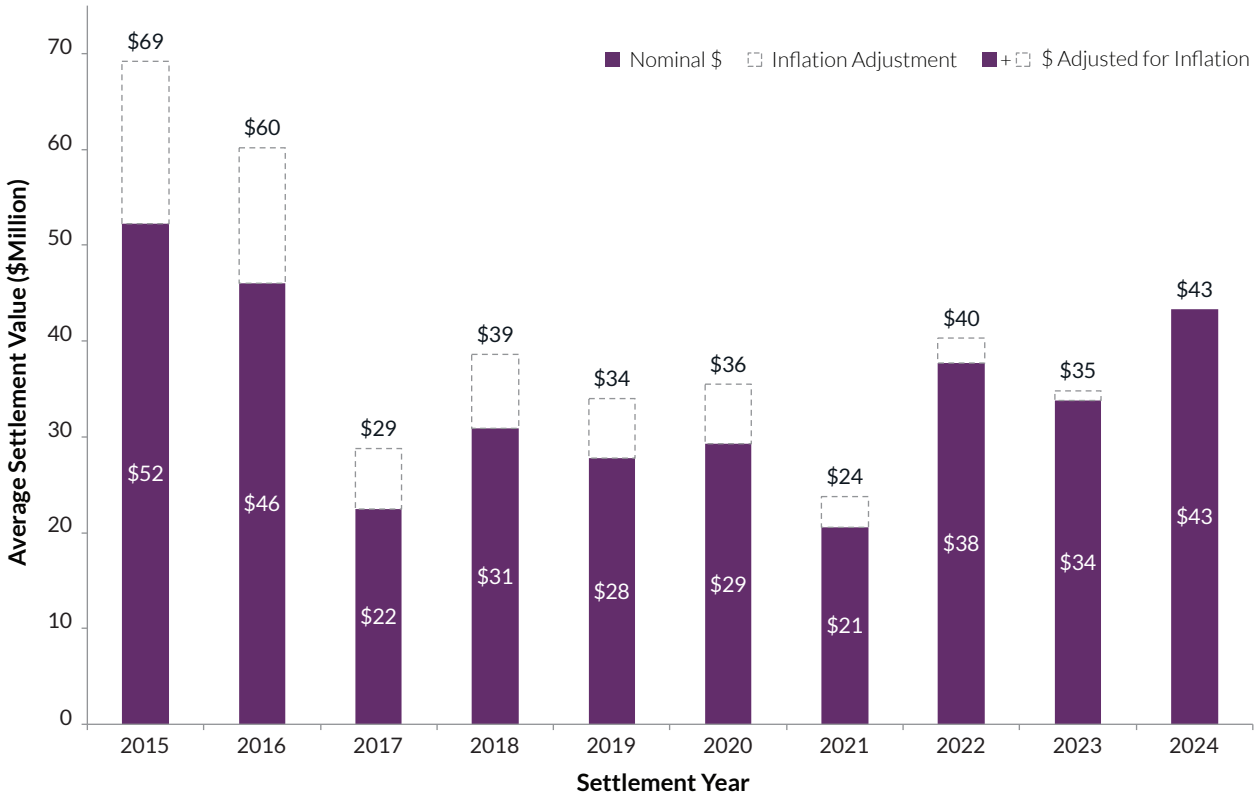


Figure 22. **Median Settlement Value**
Excludes Settlements of $1 Billion or Higher, Merger Objections, Crypto Unregistered Securities, and Settlements for $0 to the Class
January 2015–December 2024

The median settlement value was $14.0 million, roughly in line with the inflation-adjusted median settlement values in 2022 and 2023.

TOP SETTLEMENTS

The 10 largest settlements in 2024 ranged from $85 million to $490 million and collectively accounted for 60% of the $3.8 billion aggregate settlement amount. There were four settlements of at least $200 million, which include suits against Uber Technologies, Inc. ($200 million) over alleged misrepresentations in connection with its initial public offering,[16] Alphabet Inc. ($350 million) in a case involving a data privacy breach,[17] Under Armour, Inc. ($434 million) over claims the company hid declining demand of its products,[18] and Apple Inc. ($490 million) in a matter over alleged misrepresentations involving iPhone sales in China.[19] The Third and Ninth Circuits each accounted for four suits in the top 10 largest settlements. See Table 1.

Table 1. **Top 10 2024 Securities Class Action Settlements**

Rank	Defendant	Filing Date	Settlement Date	Total Settlement Value ($Million)	Plaintiffs' Attorneys' Fees and Expenses Value ($Million)	Circuit	Economic Sector
1	Apple Inc.	16 Apr 2019	17 Sep 2024	$490.0	$110.5	9th	Electronic Technology
2	Under Armour, Inc.	10 Feb 2017	7 Nov 2024	$434.0	$116.3	4th	Consumer Non-Durables
3	Alphabet, Inc.	11 Oct 2018	24 Sep 2024	$350.0	$68.0	9th	Technology Services
4	Uber Technologies, Inc.	4 Oct 2019	5 Dec 2024	$200.0	$61.2	9th	Transportation
5	Rite Aid Corporation	2 Nov 2018	7 Feb 2024	$192.5	$59.2	3rd	Retail Trade
6	TuSimple Holdings, Inc.	31 Aug 2022	2 Dec 2024	$189.0	$47.6	9th	Consumer Durables
7	Envision Healthcare Corporation	4 Aug 2017	21 Mar 2024	$177.5	$54.8	6th	Health Services
8	Pattern Energy Group Inc.	25 Feb 2020	3 May 2024	$100.0	$29.8	3rd	Utilities
9	Perrigo Company plc	18 May 2016	5 Sep 2024	$97.0	$22.5	3rd	Health Technology
10	Becton, Dickinson and Company	27 Feb 2020	22 Apr 2024	$85.0	$22.1	3rd	Health Technology
	Total			**$2,315.0**	**$592.0**		

Table 2 lists the 10 largest federal securities class action settlements through 31 December 2024. Since the Valeant Pharmaceuticals partial settlement of $1.2 billion in 2020, this list has remained unchanged, with settlements ranging from $1.1 to $7.2 billion.

Table 2. **Top 10 Federal Securities Class Action Settlements (As of 31 December 2024)**

Rank	Defendant	Filing Date	Settlement Year(s)	Total Settlement Value ($Million)	Financial Institutions Value ($Million)	Accounting Firms Value ($Million)	Plaintiffs' Attorney's Fees and Expenses Value ($Million)	Circuit	Economic Sector
1	ENRON Corp.	22 Oct 2001	2003–2010	$7,242	$6,903	$73	$798	5th	Industrial Services
2	WorldCom, Inc.	30 Apr 2002	2004–2005	$6,196	$6,004	$103	$530	2nd	Communications
3	Cendant Corp.	16 Apr 1998	2000	$3,692	$342	$467	$324	3rd	Finance
4	Tyco International, Ltd.	23 Aug 2002	2007	$3,200	No codefendant	$225	$493	1st	Producer Manufacturing
5	Petroleo Brasileiro S.A.-Petrobras	8 Dec 2014	2018	$3,000	$0	$50	$205	2nd	Energy Minerals
6	AOL Time Warner Inc.	18 July 2002	2006	$2,650	No codefendant	$100	$151	2nd	Consumer Services
7	Bank of America Corp.	21 Jan 2009	2013	$2,425	No codefendant	No codefendant	$177	2nd	Finance
8	Household International, Inc.	19 Aug 2002	2006–2016	$1,577	Dismissed	Dismissed	$427	7th	Finance
9	Valeant Pharmaceuticals International, Inc.*	22 Oct 2015	2020	$1,210	$0	$0	$160	3rd	Health Technology
10	Nortel Networks	2 Mar 2001	2006	$1,143	No codefendant	$0	$94	2nd	Electronic Technology
	Total			**$32,334**	**$13,249**	**$1,017**	**$3,358**		

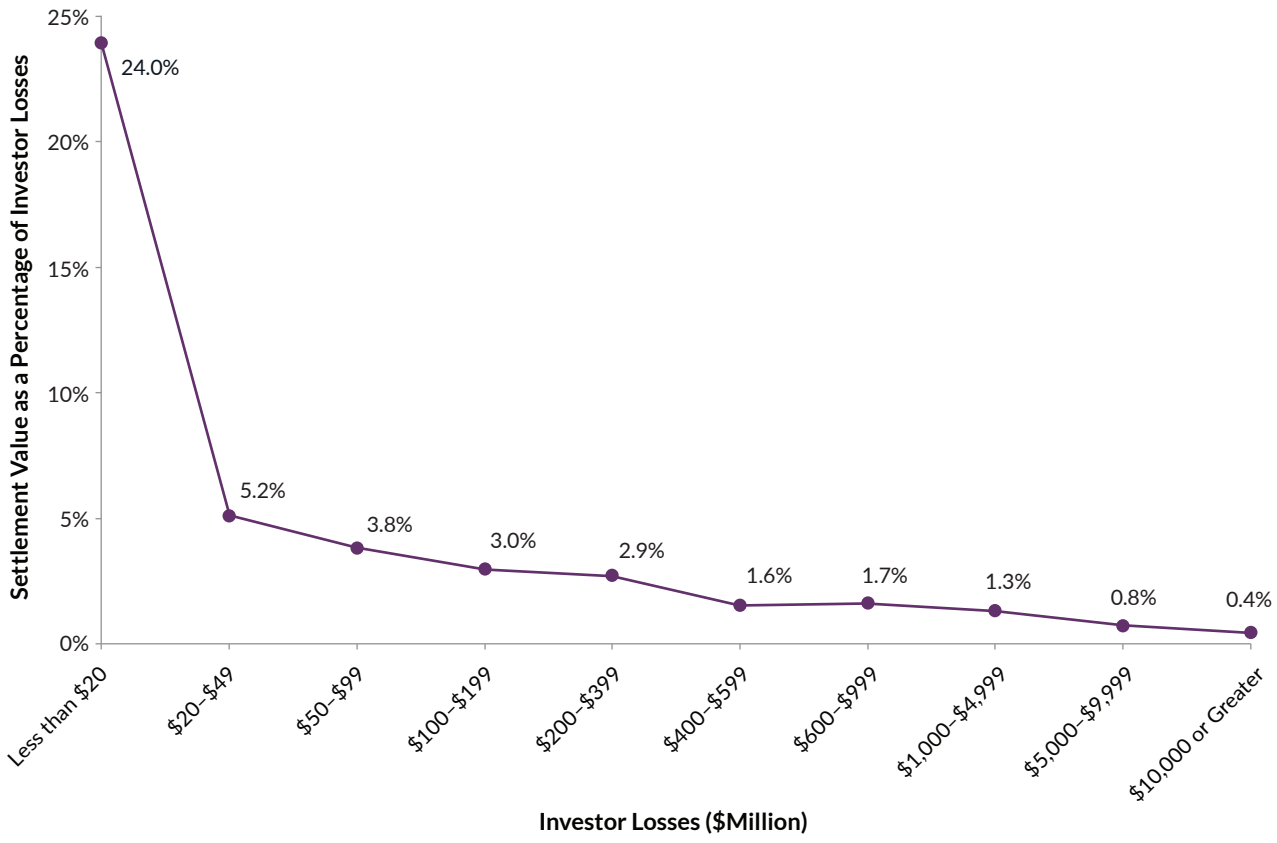
* Denotes a partial settlement, which is included here due to its sizeable amount. Note that this case is not included in any of our resolution or settlement statistics.

NERA-DEFINED INVESTOR LOSSES

To estimate the potential aggregate loss to investors as a result of investing in the defendant's stock during the alleged class period, NERA has developed a proprietary variable, NERA-Defined Investor Losses, using publicly available data. The NERA-Defined Investor Loss measure is constructed assuming investors had invested in stocks during the class period whose performance was comparable to that of the S&P 500 Index. Over the years, NERA has reviewed and examined more than 2,000 settlements and found, of the variables analyzed, this proprietary variable to be the most powerful predictor of settlement amount.[20]

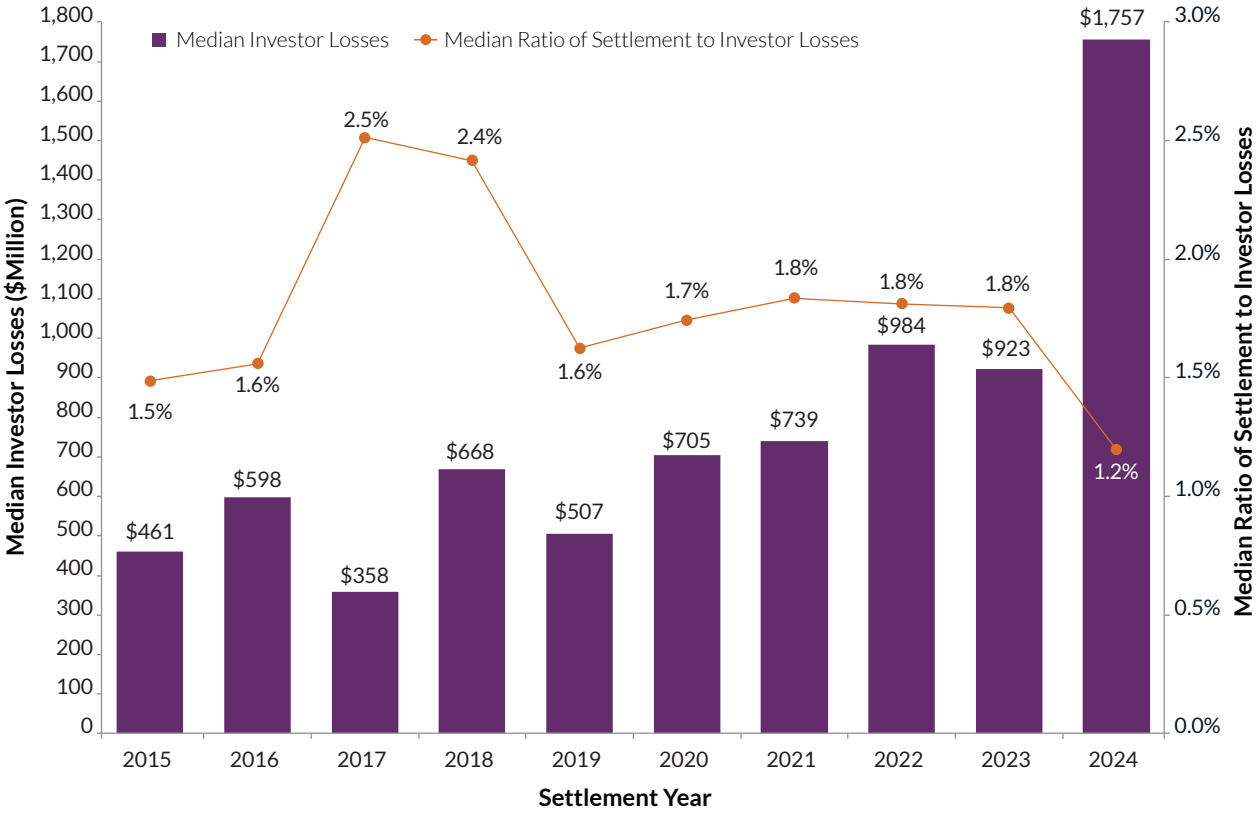
A statistical review reveals that although settlement values and NERA-Defined Investor Losses are highly correlated, the relationship is not linear. The ratio is higher for cases with lower NERA-Defined Investor Losses than for cases with higher Investor Losses. For instance, in cases with less than $20 million in Investor Losses, the median settlement value comprises 24% of Investor Losses, while for cases with $100 million or more in Investor Losses, the median settlement value is at or under 3.0% of Investor Losses. See Figure 23.

Figure 23. **Median Settlement Value as a Percentage of NERA-Defined Investor Losses**
By Level of Investor Losses
Cases Settled January 2015–December 2024



Since 2015, annual median Investor Losses have ranged from a low of $358 million to a high of $1.76 billion. For cases settled in 2024, the median Investor Losses were $1.76 billion, the highest recorded value over the past 10 years. The median ratio of settlement amount to Investor Losses was 1.2% in 2024, a notable decline from the 1.8% median ratio seen over 2021–2023. See Figure 24.

Figure 24. **Median NERA-Defined Investor Losses and Median Ratio of Settlement to Investor Losses by Settlement Year**
January 2015–December 2024

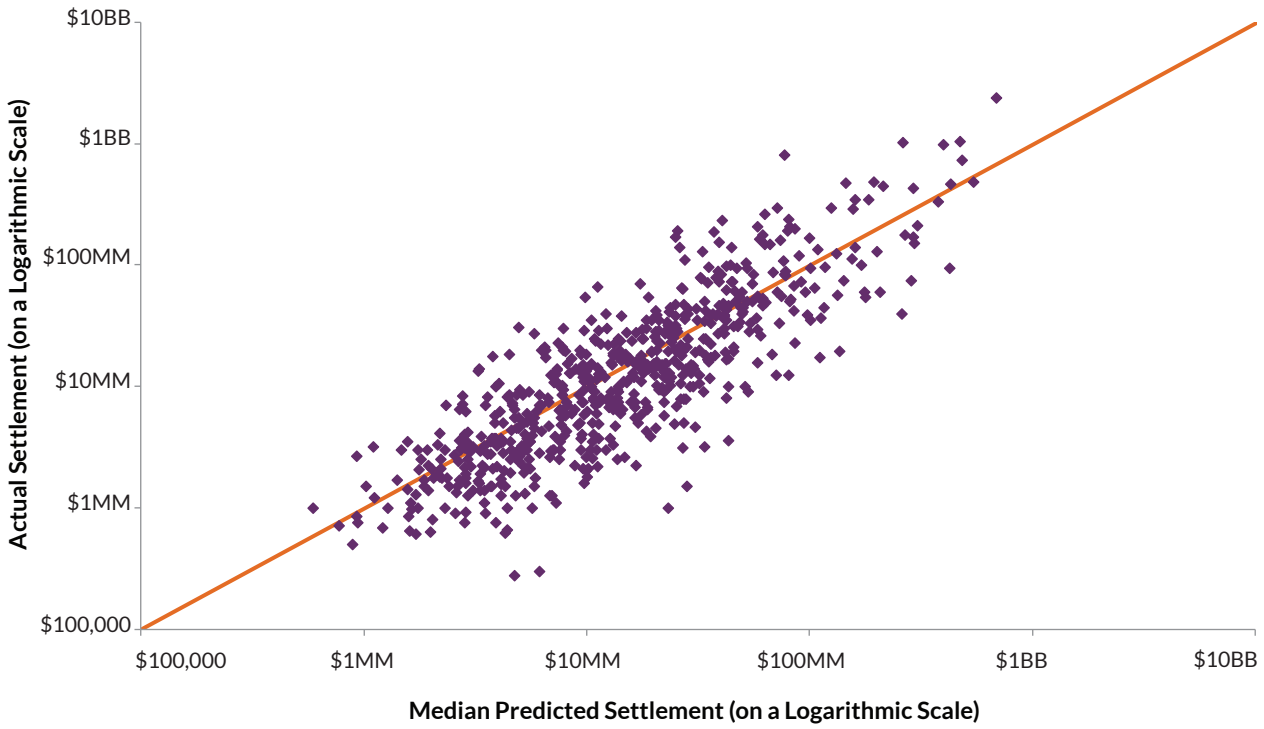


NERA has identified the following key factors as driving settlement amounts:

- NERA-Defined Investor Losses;
- The market capitalization of the issuer immediately after the end of the class period;
- The types of securities (in addition to common stock) alleged to have been affected by the fraud;
- Variables that serve as a proxy for the merit of plaintiffs' allegations (e.g., whether the company has already been sanctioned by a government or regulatory agency or paid a fine in connection with the allegations);
- The stage of litigation at the time of settlement; and
- Whether an institution or public pension fund is named lead plaintiff (see Figure 25).

Among cases settled between January 2012 and December 2024, these factors in NERA's statistical model can explain more than 70% of the variation observed in actual settlements.

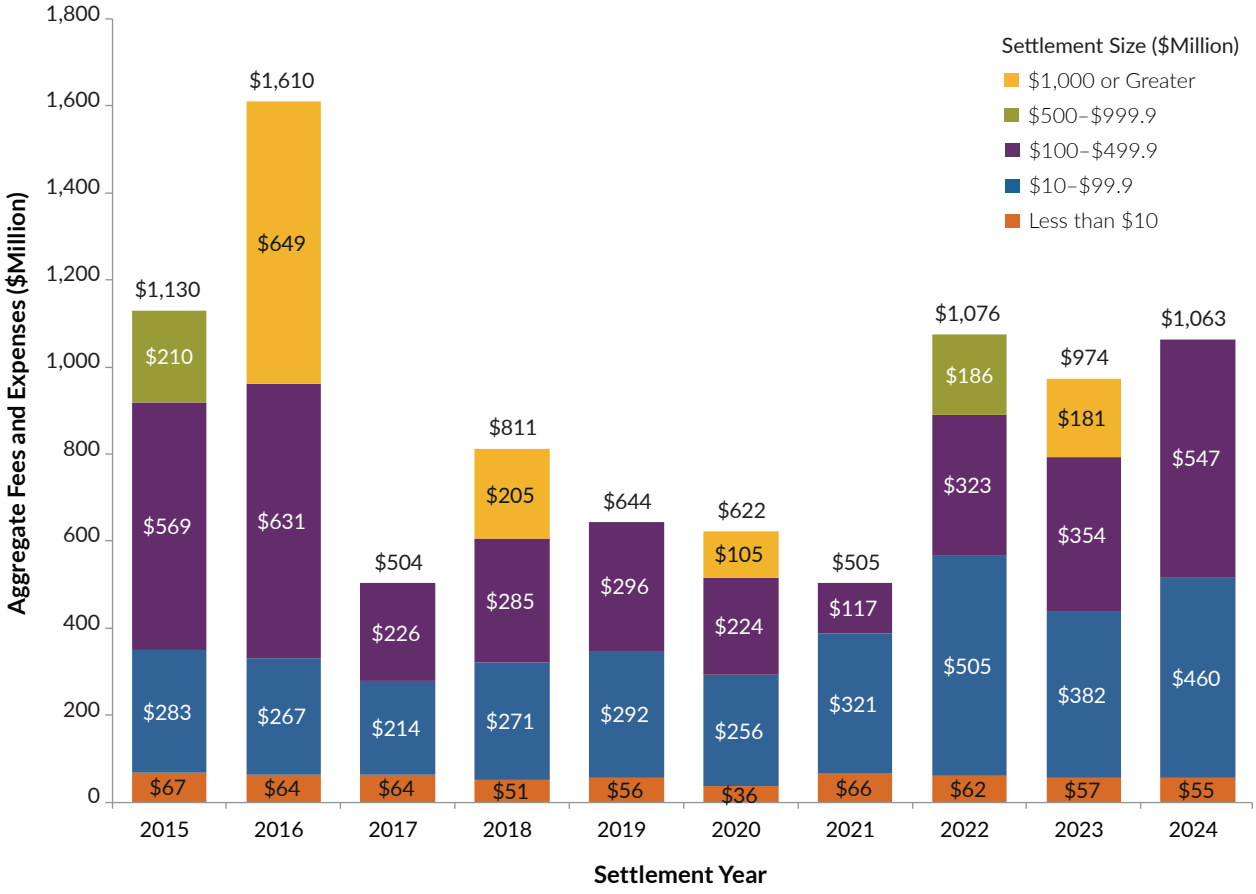
Figure 25. **Predicted vs. Actual Settlements**
Investor Losses Using S&P 500 Index
Cases Settled January 2012–December 2024



TRENDS IN PLAINTIFFS' ATTORNEYS' FEES AND EXPENSES

In the past decade, annual aggregate plaintiffs' attorneys' fees and expenses have ranged from a low of $504 million to a high of $1.6 billion. In 2024, aggregate plaintiffs' attorneys' fees and expenses totaled $1.06 billion, nearly $90 million more compared with the $974 million seen in 2023 (see Figure 26). Plaintiffs' attorneys' fees and expenses comprised approximately 27.3% of the $3.8 billion aggregate settlement amount.

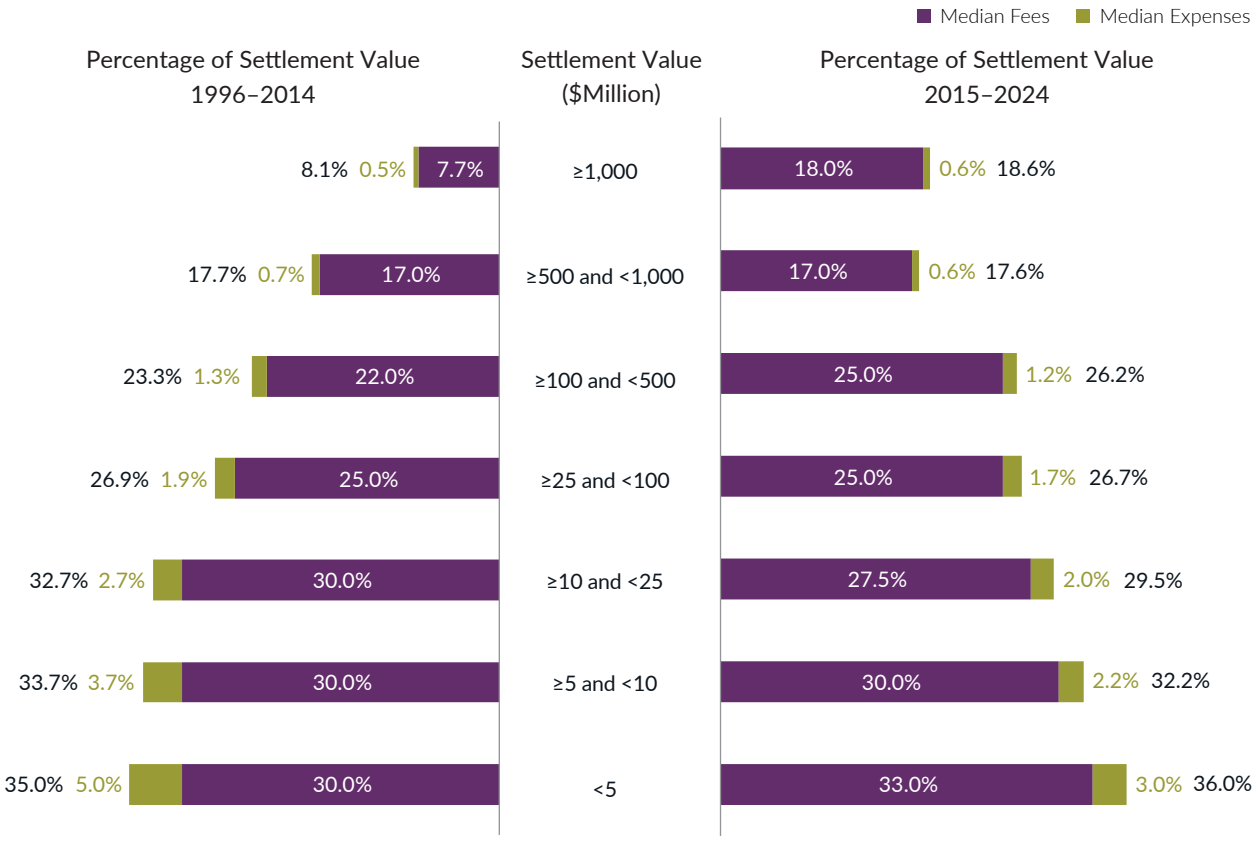
Figure 26. **Aggregate Plaintiffs' Attorneys' Fees and Expenses by Settlement Size**
January 2015–December 2024



For cases that have settled since the passage of the Private Securities Litigation Reform Act (PSLRA) in 1995, plaintiffs' attorneys' fees and expenses as a percentage of the settlement amount generally decline as the settlement size increases. For instance, for cases settled between 2015 and 2024, the median percentage of fees and expenses ranged from 36.0% in settlements of $5 million or lower to 18.6% in settlements of $1 billion or higher.

Over the 2015–2024 period, median percentage of attorneys' fees have increased for settlements under $5 million, settlements between $100 and $500 million, and settlements over $1 billion, relative to the 1996–2014 period. This increase is more pronounced for settlements of $1 billion or higher, although this category has only five settlements in the post-2014 period (see Figure 27).

Figure 27. **Median of Plaintiffs' Attorneys' Fees and Expenses by Size of Settlement**
Excludes Merger Objections, Crypto Unregistered Securities, and Settlements for $0 to the Class



Note: Component values may not add to total value due to rounding.

CONCLUSION

Filings of federal securities class actions remained flat in 2024, with 229 suits filed. Of these, there were 198 suits with Rule 10b-5-only claims, a 10-year high, while there were only 16 suits with Section 11 and/or Section 12 claims, a 10-year low. After a dip in 2023, the percentage of filings against companies in the technology and healthcare sectors increased to 30% and 26%, respectively. The percentage of filings against foreign companies continues to decline, with only 16.8% targeting foreign companies. While suits with AI-related allegations doubled in 2024 to 13 filings, there were no suits related to banking turmoil, a category that saw 11 filings in 2023.

The number of resolved cases increased by nearly 17% from 186 in 2023 to 217 in 2024, ending a six-year decline in resolutions dating back to 2017. This increase in resolutions, consisting of 93 settlements and 124 dismissals, was mostly driven by an increase in the number of dismissed cases. For dismissed cases, the median time to dismissal increased from 1.4 years in 2021 to 2.0 years in 2024, while the percentage of voluntary dismissals declined from 35% to 24% over that same period. For settled cases in 2024, the average and median settlement values were $43 million and $14 million, respectively, a slight decline over their 2023 inflation-adjusted values.

NOTES

1 This edition of NERA's report on "Recent Trends in Securities Class Action Litigation" expands on previous work by our colleagues Lucy P. Allen, Dr. Vinita Juneja, Dr. Denise Neumann Martin, Dr. Jordan Milev, Robert Patton, Dr. Stephanie Plancich, Janeen McIntosh, and others. The authors thank Dr. David Tabak and Benjamin Seggerson for helpful comments on this edition. We thank Vlad Lee, Daniel Klotz, and other researchers from NERA's securities and finance capability for their valuable assistance. These individuals receive credit for improving this report; any errors and omissions are those of the authors. NERA's proprietary securities class action database and all analyses reflected in this report are limited to US federal case filings and resolutions.

2 NERA tracks securities class actions that have been filed in US federal courts. Most of these cases allege violations of federal securities laws; others allege violations of common law, including breach of fiduciary duty, as with some merger-objection cases; still others are filed in federal court under foreign or state law. If multiple actions are filed against the same defendant, are related to the same allegations, and are in the same circuit, we treat them as a single filing. The first two actions filed in different circuits are treated as separate filings. If cases filed in different circuits are consolidated, we revise our count to reflect the consolidation. Therefore, case counts for a particular year may change over time. Different assumptions for consolidating filings would probably lead to counts that are similar but may, in certain circumstances, lead observers to draw a different conclusion about short-term trends in filings. Data for this report were collected from multiple sources, including Institutional Shareholder Services, Dow Jones Factiva, Bloomberg Finance, FactSet Research Systems, Nasdaq, Intercontinental Exchange, US Securities and Exchange Commission (SEC) filings, complaints, case dockets, and public press reports. IPO laddering cases are presented only in Figure 1.

3 Federal securities class actions that allege violations of Rule 10b-5, Section 11, and/or Section 12 have historically dominated federal securities class action dockets and have often been referred to as "standard" cases. In the analyses of this report, standard cases involve registered securities and do not include cases involving crypto unregistered securities, which are considered a separate category.

4 IPO figures taken from Stock Analysis, accessed 13 January 2025, available at https://stockanalysis.com/ipos/statistics/.

5 In this study, crypto cases consist of two mutually exclusive subgroups: (1) crypto shareholder class actions, which include a class of investors in common stock, American depositary receipts/American depositary shares (ADR/ADS), and/or other registered securities, along with crypto- or digital-currency-related allegations; and (2) crypto unregistered securities class actions, which do not have class investors in any registered securities that are traded on major exchanges (New York Stock Exchange, Nasdaq). We include crypto shareholder class actions in all our analyses that include standard cases. Crypto unregistered securities class actions are excluded from some analyses, which is noted in the titles of our figures.

6 Most securities class action complaints include multiple allegations. For this analysis, all allegations from the complaint are included and thus the total number of allegations exceeds the total number of filings.

7 Here, a company is considered a foreign company based on the location of its principal executive office.

8 SPAC IPO figures taken from SPAC Data, accessed 13 January 2025, available at https://www.spacdata.com.

9 See Figure 8 of NERA's 2024 midyear report "Recent Trends in Securities Class Action Litigation: 2024 H1 Update," 6 August 2024, available at https://www.nera.com/insights/publications/2024/recent-trends-in-securities-class-action-litigation--2024-h1-upd.html.

10 Sarah Jarvis, "RELX Hit with Proposed Greenwashing Class Action," *Law360.com*, 7 August 2024, available at https://www.law360.com/articles/1867368/.

11 Jordan Robertson and Evan Gorelick, "CrowdStrike and the Global IT Outage, Explained," *Bloomberg*, 19 July 2024, available at https://www.bloomberg.com/news/articles/2024-07-19/crowdstrike-microsoft-it-outage-what-caused-it-what-comes-next.

12 Here "dismissed" is used as shorthand for all class actions resolved without settlement; it includes cases in which a motion to dismiss was granted (and not appealed or appealed unsuccessfully), voluntary dismissals, cases terminated by a successful motion for summary judgment, and an ultimately unsuccessful motion for class certification.

13 For our settlement analyses, NERA includes settlements that have had the first settlement-approval hearing. We do not include partial settlements or tentative settlements that have been announced by plaintiffs and/or defendants. As a result, although we include the 2020 Valeant Pharmaceuticals partial settlement in Table 2 due to its size, this case is not included in any of our resolution, settlement, or attorney fee statistics.

NOTES

14 While annual average settlement values can be a helpful statistic, these values may be affected by one or a few very high settlement amounts. Unlike averages, the median settlement value is unaffected by these very high outlier settlement amounts. To understand what more typical cases look like, we analyze the average and median settlement values for cases with a settlement amount under $1 billion, thus excluding these outlier settlement amounts. For the analysis of settlement values, we limit our data to non-merger objection and non-crypto unregistered securities cases with settlements of more than $0 to the class.

15 Jon Hill and Jessica Corso, "Wells Fargo Inks $1B Deal to End Investors' Compliance Suit," *Law360.com*, 16 May 2023, available at https://www.law360.com/articles/1677976/.

16 Bonnie Eslinger, "Uber Investors' Attys Awarded $58M In $200M IPO Suit Deal," *Law360.com*, 4 December 2024, available at https://www.law360.com/articles/2269355.

17 Bonnie Eslinger, "Google Investors' Attys Snag $66.5M In $350M Privacy Deal," *Law360.com*, dated 30 September 2024, available at https://www.law360.com/articles/1884117.

18 Hailey Konnath, "Under Armour to Pay $434M to End Securities Fraud Claims," *Law360.com*, dated 21 June 2024, available at https://www.law360.com/articles/1850514.

19 Dorothy Atkins, "Apple's $490M Deal Over China Sales OK'ed, Attys Get $110M," *Law360.com*, 19 September 2024, available at https://www.law360.com/articles/1880634.

20 NERA-Defined Investor Losses is only calculable for cases involving allegations of damages to common stock based on one or more corrective disclosures moving the stock price to its alleged true value. As a result, we have not calculated this metric for cases such as merger objections.

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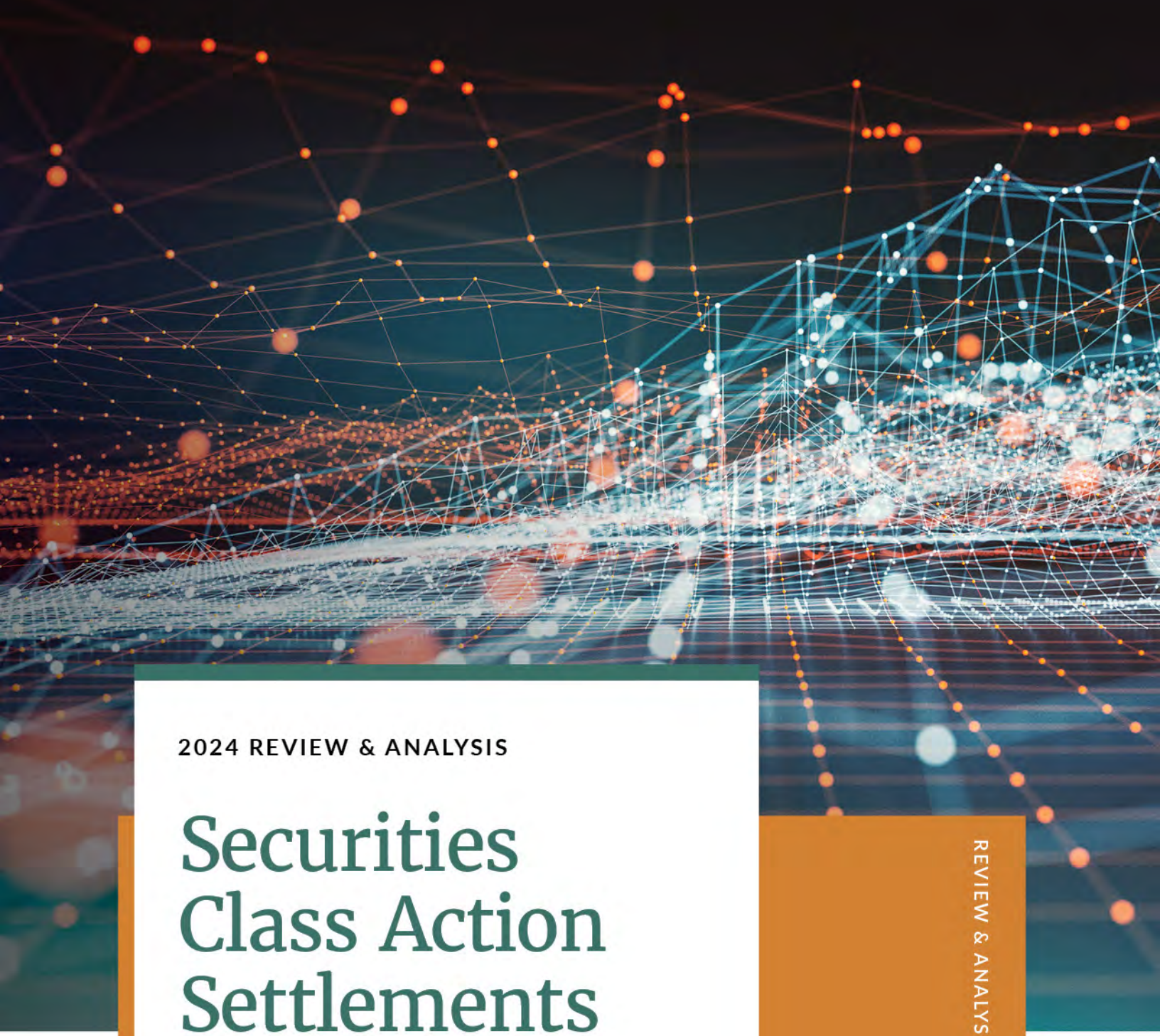

2024 REVIEW & ANALYSIS

Securities Class Action Settlements

REVIEW & ANALYSIS

CORNERSTONE RESEARCH
Economic and Financial Consulting and Expert Testimony

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Figures and Appendices

2024 Highlights

The median settlement amount declined from the 13-year high in 2023, but remained 24% above the 2015–2023 median. Median plaintiff-style damages[1] also fell in 2024, despite reaching the third-highest level in the past decade.

In 2024, there were 88 securities class action settlements totaling approximately $3.7 billion, compared to 83 settlements totaling $4.0 billion in 2023.

The median settlement amount of $14.0 million declined 10% from 2023.

The average settlement amount of $42.4 million decreased 13% from 2023.

Seven mega settlements ($100 million or greater) accounted for 54% of the total settlement value.

The median settlement amount for cases with only Securities Act of 1933 ('33 Act) claims was $10.3 million, a 26% decrease from 2023.

Median plaintiff-style damages declined 20% year-over-year to $272 million following a record high in 2023.[2]

Issuer defendant firms with settlements in 2024 were 65% smaller than those in 2023, as measured by median total assets, which reached its lowest level since 2018.

The median duration from case filing to settlement hearing (3.2 years) declined 14% from the record peak observed in 2023 (3.7 years), but remains historically elevated.

In 2024, 19% of settlements were related to a special purpose acquisition company (SPAC).[3] The median settlement amount for SPAC cases was $12.0 million, compared to $15.3 million for non-SPAC cases.

Figure 1: Settlement Statistics
(Dollars in millions)

	2015–2023	2023	2024
Number of Settlements	736	83	88
Total Amount	$37,294.2	$4,043.2	$3,732.9
Minimum	$0.4	$0.8	$0.6
Median	$11.3	$15.4	$14.0
Average	$50.7	$48.7	$42.4
Maximum	$3,748.3	$1,029.5	$490.0

Note: Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented.

Author Commentary

FINDINGS

Settlements in securities class actions continued at a pace typical of recent years. While both total settlement dollars and the median settlement amount declined from 2023, they remained at high levels compared to the past decade.

This decline in settlement sizes can largely be attributed to lower plaintiff-style damages—a proxy for the amount of potential investor losses that plaintiffs may claim in a securities class action, which our research finds to be the single most important factor in explaining individual settlement amounts.

Institutional investors served as lead plaintiff less frequently in 2024 settlements, with their involvement reaching the lowest level over the last 10 years. An institutional investor serving as lead or co-lead plaintiff has historically been associated with cases with larger settlements and higher plaintiff-style damages. Lower institutional investor involvement is consistent with lower median plaintiff-style damages.

Issuer defendants had significantly smaller median total assets than in 2023, marking the lowest level observed since 2018. Additionally, a greater percentage of 2024 settlements involved issuers that had been delisted from a major exchange and/or had declared bankruptcy. Issuer defendant firm assets and issuer distress both have potential implications for the ability to fund a settlement, which is consistent with the smaller settlements in 2024.

This was also the first year in which a large number of settled cases were related to SPACs. SPAC cases tended to settle for smaller amounts compared to non-SPAC cases. Commentators have suggested that D&O insurance coverage for SPAC cases was likely limited,[4] which may have played a role in the lower SPAC-related settlement values.

IN THEIR WORDS

Eric Tam, Principal at Cornerstone Research

"Median settlement amount and plaintiff-style damages declined from their highs observed in 2023, but remained at elevated levels relative to the past decade."

IN THEIR WORDS

Laarni T. Bulan, Vice President at Cornerstone Research

"What is interesting in 2024 is the high proportion of settled cases related to SPACs. The median settlement for SPAC cases was 21% lower than the median for non-SPAC cases."

LOOKING AHEAD

Absent a change in dismissal rate, the number of settled cases in the coming years is not expected to change substantially given recent securities case filing trends. Further, the elevated levels in recent years of proxies for potential investor losses reported in Cornerstone Research's *Securities Class Action Filings—2024 Year in Review* suggest that settlement amounts could remain at relatively high levels. The large proportion of SPAC-related settlements will likely continue for a few years before tapering off.

Total Settlement Dollars

In 2024, total settlement dollars declined by 8%, even as the number of settled cases increased from the prior year.

Fewer mega settlements ($100 million or greater) contributed to lower total settlement dollars. There were seven such settlements in 2024 down from nine in 2023. Additionally, the largest mega settlement was $490 million, compared to a $1 billion settlement in 2023.

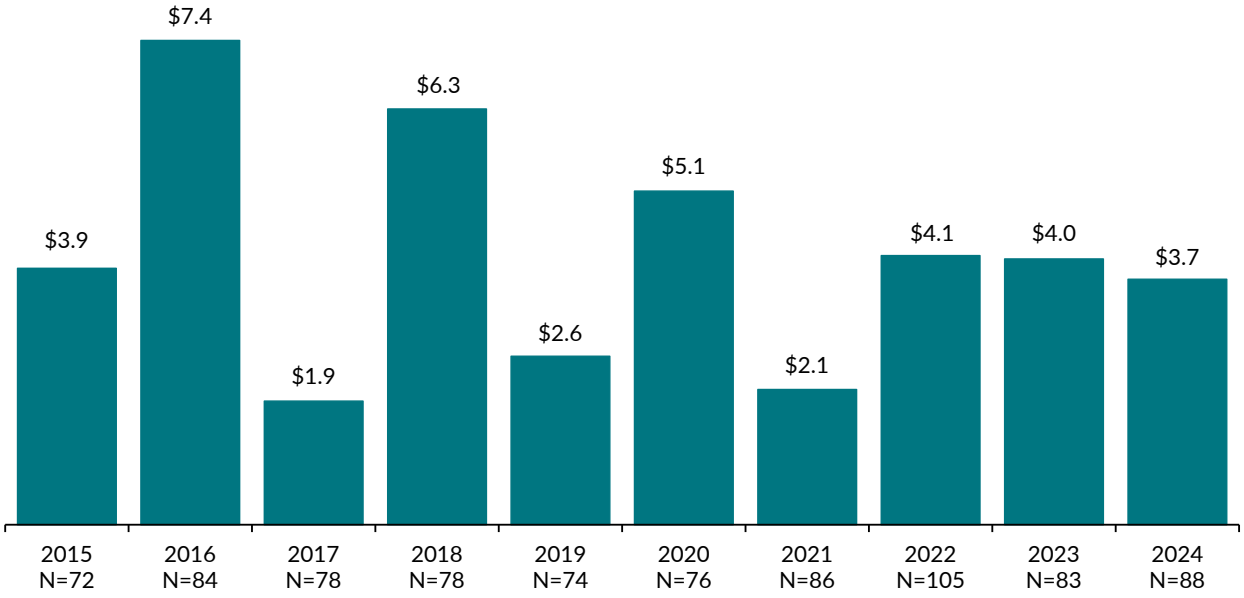
QUICK STAT

−8%

Change in total settlement dollars from 2023 to 2024

See Appendix 4 for an analysis of mega settlements.

Figure 2: Total Settlement Dollars
2015–2024
(Dollars in billions)



Note: Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented. “N” refers to the number of settlements.

Settlement Size

The median settlement amount in 2024 was $14 million, a 10% decline from the 13-year high observed in 2023.

The average settlement amount in 2024 was $42.4 million, a 13% decrease from 2023.

Issuers that have been delisted from a major exchange and/or declared bankruptcy prior to settlement are generally associated with lower settlement amounts. The proportion of settlements with such issuers increased from 6% in 2023 to 16% in 2024, contributing to the decline in settlement amounts.

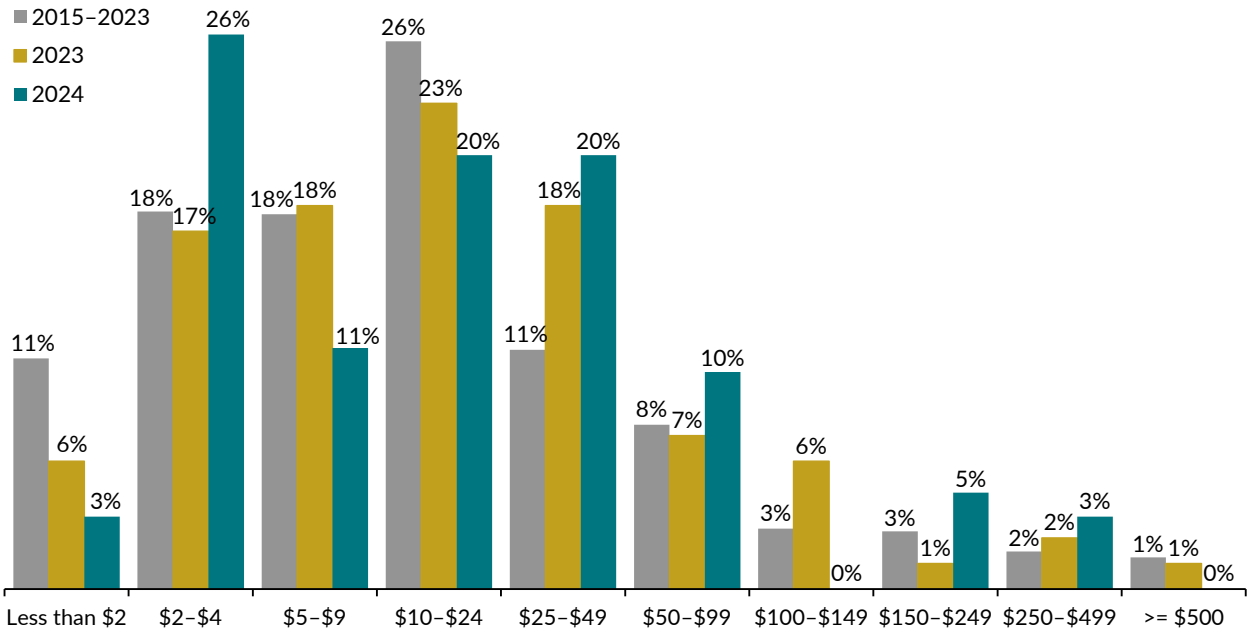
Seventeen settlements were related to SPACs. In comparison, there were only six SPAC-related settlements in total between 2017 and 2023. The median and average settlement amounts for SPAC cases were $12.0 million and $16.7 million, respectively—21% and 66% smaller than the median and average settlement amounts, respectively, for non-SPAC cases.

See Appendix 1 for an analysis of settlement amounts by percentiles.

FAST FACT

Issuer defendant firms in 2024 settlements were 65% smaller, as measured by median total assets, than those in 2023, the lowest observed level since 2018.

Figure 3: Distribution of Settlements Amounts
2015–2024
(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented. Percentages may not sum to 100% due to rounding.

Introduction of Plaintiff-Style Damages

In this report, we introduce plaintiff-style damages—a new proxy for the amount of potential investor losses that plaintiffs may claim in a securities class action.

Our research has consistently found that the most important determinant of settlement outcomes is potential investor losses. Plaintiff-style damages are estimated using an approach that more closely aligns with approaches used by plaintiffs in the current securities class action litigation environment.

In the past, we presented "simplified tiered damages" as a measure of potential investor losses. That approach reflected certain data limitations but allowed for consistency across a large volume of cases, enabling the identification and analysis of settlement trends. Cornerstone Research's latest investments in big data analytics and capabilities have enhanced the estimation of potential investor losses by incorporating additional case-specific data while maintaining a consistent approach across cases. For example, when estimating the number of shares eligible for damages, the new plaintiff-style damages approach adjusts for short interest positions and shares estimated to be held by institutional investors throughout the entire class period. These and other adjustments result in plaintiff-style damages that tend to be smaller than the previously used measure of simplified tiered damages.

Cornerstone Research's latest investments in big data analytics and capabilities have enhanced the estimation of potential investor losses by incorporating additional case-specific data while maintaining a consistent approach across cases.

Our analysis also finds that plaintiff-style damages are generally larger than the aggregate damages amounts reported by plaintiffs in their motions for settlement approval, referred to as "plaintiff-estimated damages." As previously discussed in Cornerstone Research's *Securities Class Action Settlements—2023 Review and Analysis*, plaintiff-estimated damages are often represented by plaintiffs as the "best-case scenario" or the "maximum potential recovery."[5] As other authors have noted, plaintiff counsel have an incentive to report "the lower end of the range of estimated total aggregate damages" in order "to demonstrate to the court a high settlement amount relative to potential recovery."[6]

Type of Claim

RULE 10B-5 CLAIMS AND PLAINTIFF-STYLE DAMAGES

Cornerstone Research's analysis finds a proxy for investor losses—in this case plaintiff-style damages—to be the most important determinant of settlement outcomes based on regression analysis.[7] However, plaintiff-style damages do not represent actual economic losses borne by shareholders. Determining any such economic losses for a given case requires more in-depth analysis.

QUICK STAT

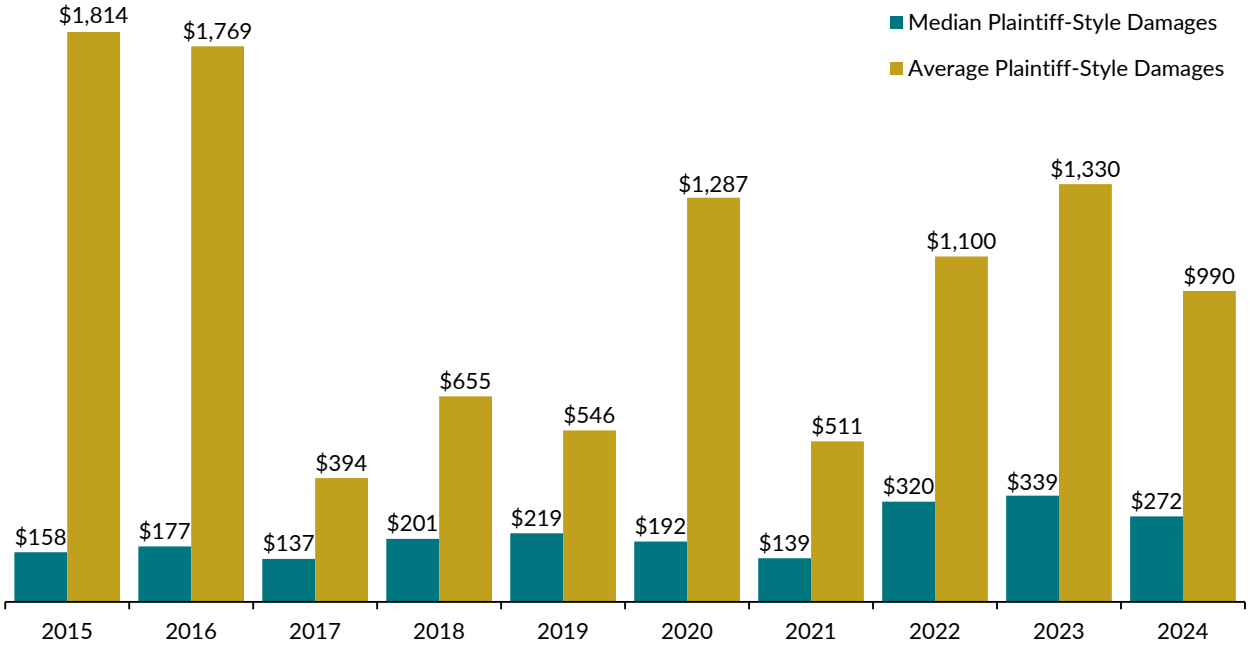
–36%

Change in median length of the class period for settled cases from 2023 to 2024

Median and average plaintiff-style damages both declined in 2024, but remained at similarly elevated levels as observed in recent years.

All else equal, larger plaintiff-style damages are generally associated with longer class periods. Consistent with the lower levels of plaintiff-style damages observed in 2024, the median length of the class period for settled cases in 2024 was 1.2 years, compared to 1.9 years in 2023.

Figure 4: Median and Average Plaintiff-Style Damages in Rule 10b-5 Cases
2015–2024
(Dollars in millions)



Note: Plaintiff-style damages are adjusted for inflation based on class period end dates and are estimated for common stock/ADR/ADS only; 2024 dollar equivalent figures are presented. Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).

In 2024, the overall median settlement as a percentage of plaintiff-style damages was 7.3% — an increase of 16% from 2023, but equaling the 2015–2023 median.

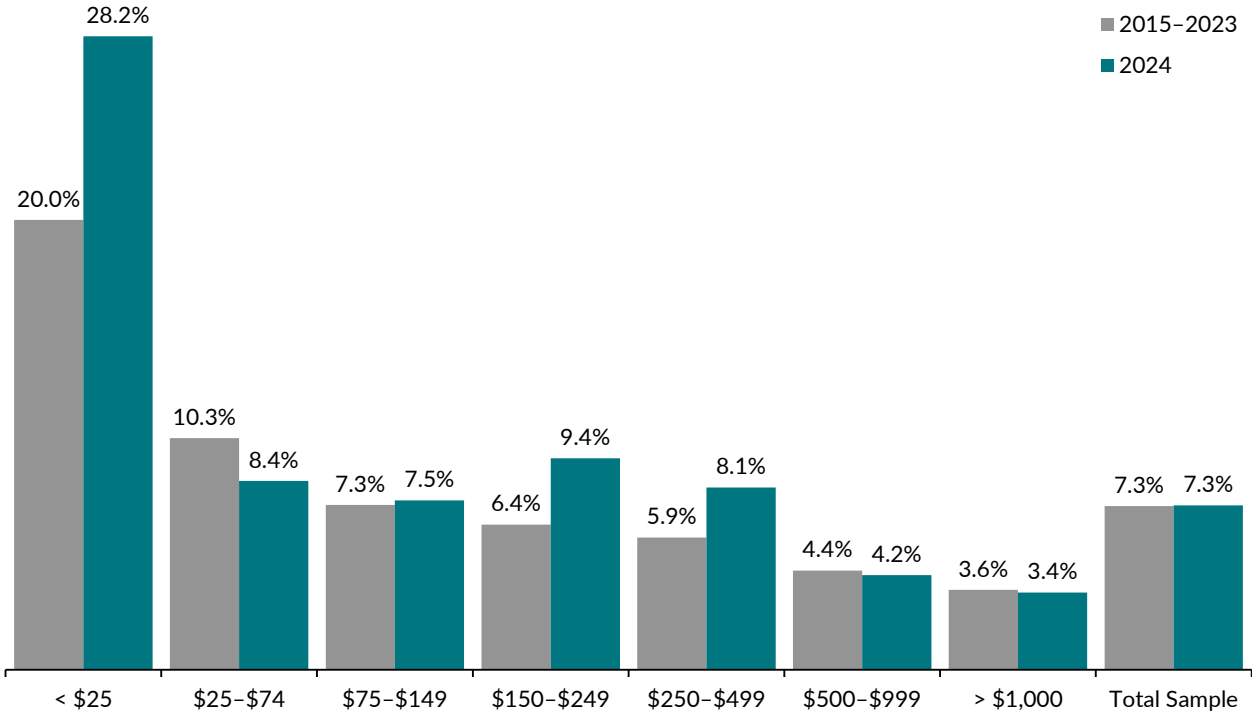
For cases with plaintiff-style damages less than $25 million, the median settlement as a percentage of plaintiff-style damages reached 28.2%, the highest level observed since 2017.

See Appendix 5 for additional information on median and average settlements as a percentage of plaintiff-style damages.

FAST FACT

Larger cases, as measured by plaintiff-style damages, typically settle for a smaller percentage of those damages.

Figure 5: Median Settlement as a Percentage of Plaintiff-Style Damages by Damages Ranges in Rule 10b-5 Cases
2015–2024
(Dollars in millions)



Note: Plaintiff-style damages are adjusted for inflation based on class period end dates and are estimated for common stock/ADR/ADS only; 2024 dollar equivalent figures are presented. Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).

'33 ACT CLAIMS AND STATUTORY DAMAGES

For cases with only '33 Act claims—those involving Section 11 and/or Section 12(a)(2) claims and no Rule 10b-5 claims—potential shareholder losses (referred to here as "statutory damages") are estimated based on the difference between the statutory purchase and sales prices for those shares that are assumed to be traceable to the registration statement at issue.[8]

There were nine settlements with only '33 Act claims in 2024. The majority of those cases were filed in federal court (six), with the remainder in state court (three).[9]

QUICK STATS

9

Number of '33 Act settlements in 2024

$10.3 million

The median settlement for cases with only '33 Act claims in 2024

In 2024, the median settlement amount for '33 Act–only cases declined by 26% from 2023 to $10.3 million, aligning with the 2015–2023 median.

Additionally, 89% of these cases in 2024 named an underwriter defendant, up from 70% in 2023 and consistent with the 2015–2023 average of 86%.

Figure 6: Settlements by Nature of Claims
2015–2024
(Dollars in millions)

	Number of Settlements	Median Settlement	Median Statutory Damages	Median Settlement as a Percentage of Statutory Damages
Section 11 and/or Section 12(a)(2) Only	93	$10.3	$129.9	7.9%

	Number of Settlements	Median Settlement	Median Plaintiff-Style Damages	Median Settlement as a Percentage of Plaintiff-Style Damages
Both Rule 10b-5 and Section 11 and/or Section 12(a)(2)	128	$16.2	$262.8	8.8%
Rule 10b-5 Only	602	$11.3	$216.6	6.9%

Note: Settlement dollars and damages are adjusted for inflation; 2024 dollar equivalent figures are presented.

The median statutory damages in 2024 decreased by 14% from the 2023 median, but remained the second-highest in the past decade.

The median settlement as a percentage of "statutory damages" increased to 7.1% from the 10-year low of 5.4% in 2023.

The median size of issuer defendants (measured by total assets) was 26% larger for settlements with only '33 Act claims relative to those that included Rule 10b-5 claims, reversing a two-year trend in which these cases involved smaller issuer defendants.

The median length of time from case filing to settlement hearing date for '33 Act claim cases was 3.7 years in 2024, down from 4.2 years in 2023.

QUICK STATS

7.1%

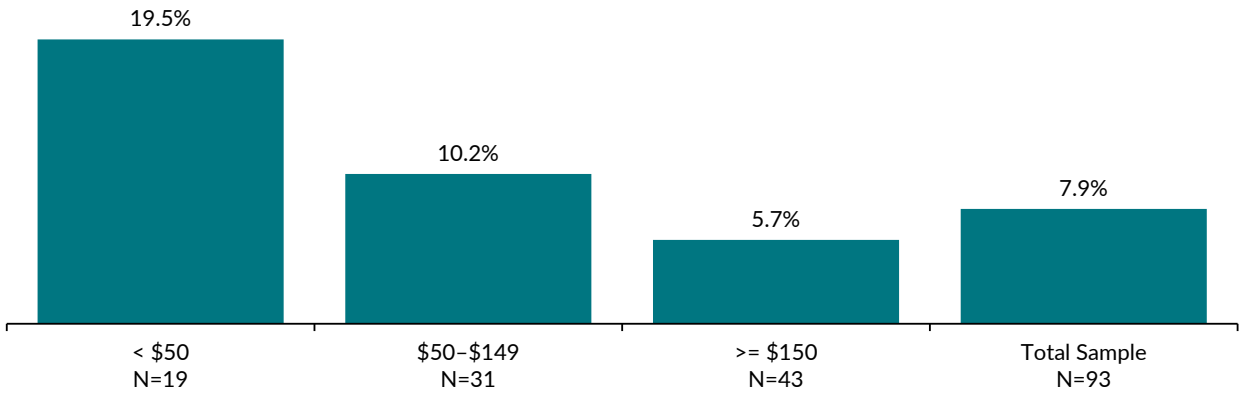
Median settlement as a percentage of statutory damages in 2024

3.7 years

The median time to settle for 2024 cases with only '33 Act claims

See Appendix 6 for additional information on median and average settlements as a percentage of statutory damages.

Figure 7: Median Settlement as a Percentage of Statutory Damages by Damages Ranges in Cases with Only '33 Act Claims
2015–2024
(Dollars in millions)



Note: "N" refers to the number of cases. Damages are adjusted for inflation; 2024 dollar equivalent figures are presented. This analysis excludes cases alleging Rule 10b-5 claims.

Figure 8: Jurisdictions of Settlements of '33 Act Claim Cases

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State Court	2	4	5	4	4	7	6	6	3	3
Federal Court	3	6	3	4	5	1	12	3	7	6

Note: This analysis excludes cases alleging Rule 10b-5 claims.

Analysis of Settlement Characteristics

GAAP VIOLATIONS

This analysis examines allegations of GAAP violations in settlements of securities class actions involving Rule 10b-5 claims, including two subcategories of GAAP violations—financial restatements and accounting irregularities.[10]

The percentages of settled cases involving GAAP violations generally and financial restatements specifically have declined substantially in the past five years (2020–2024) compared to the first half of the last decade (2015–2019).

Between 2015 and 2024, the median settlement amount for cases involving accounting irregularities was $33 million, significantly higher than the $12 million median for cases without such allegations.

Similarly, the median settlement as a percentage of plaintiff-style damages was higher in cases involving accounting irregularities (8.6%) than in those without (7.2%).

For further details regarding settlements of accounting cases, see Cornerstone Research's forthcoming annual report on *Accounting Class Action Filings and Settlements*.[11]

Figure 9: Percentage of Cases Involving Accounting Allegations

	2015–2019	2020–2024
GAAP Violations	53%	38%
Restatement	26%	14%
Accounting Irregularities	3%	2%
Auditor Codefendant	9%	3%

Note: This analysis is limited to cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

DERIVATIVE ACTIONS

Securities class actions often involve an accompanying (or parallel) derivative action with similar claims, and such cases have historically settled for higher amounts than securities class actions without an accompanying derivative matter.[12]

In 2024, the median plaintiff-style damages for cases with an accompanying derivative action was $333 million—47% higher than the $227 million median for cases without one, marking the largest percentage difference since 2020.

The percentage of settlements with an accompanying derivative action in 2024 (52%) rebounded from 2023 (40%). The accompanying derivative actions were most frequently filed in the Delaware Court of Chancery, which accounted for 19 out of 46 such settlements in 2024.

In 2024, the median settlement for cases with an accompanying derivative action ($18.6 million) decreased by 14% from the 2023 median ($21.6 million).

QUICK STATS

52%

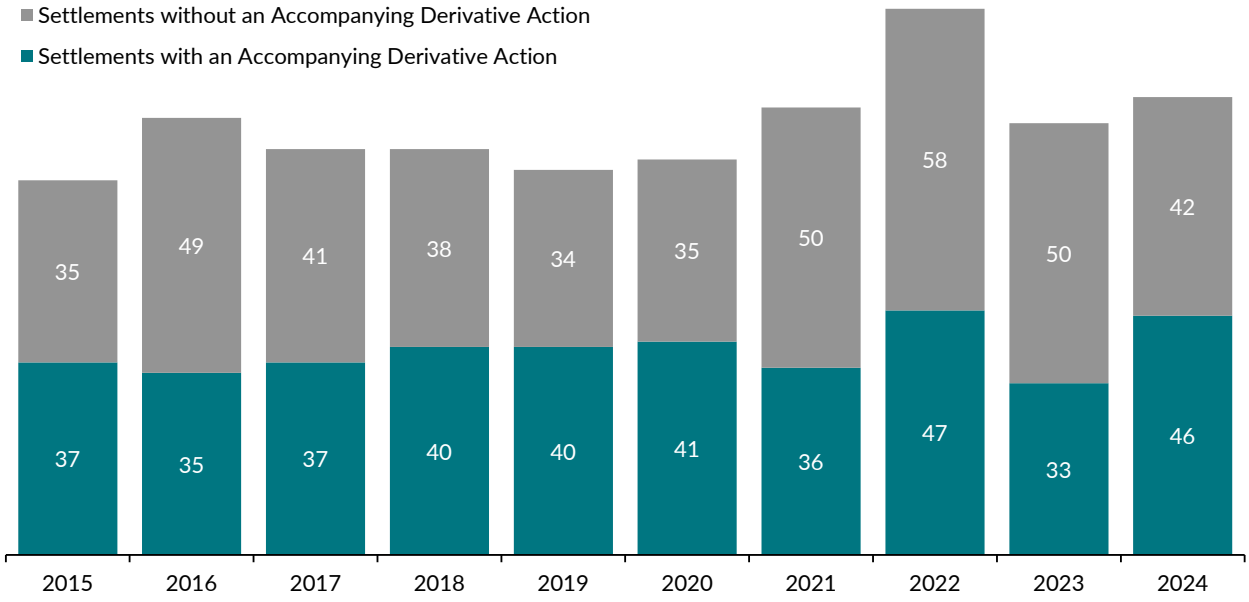
Percentage of 2024 cases involving an accompanying derivative action

$18.6 million

Median settlement for 2024 cases involving an accompanying derivative action

For more information on settlement outcomes of the accompanying derivative actions, see Cornerstone Research's *Parallel Derivative Action Settlement Outcomes*.[13]

Figure 10: Number of Settlements with an Accompanying Derivative Action
2015–2024



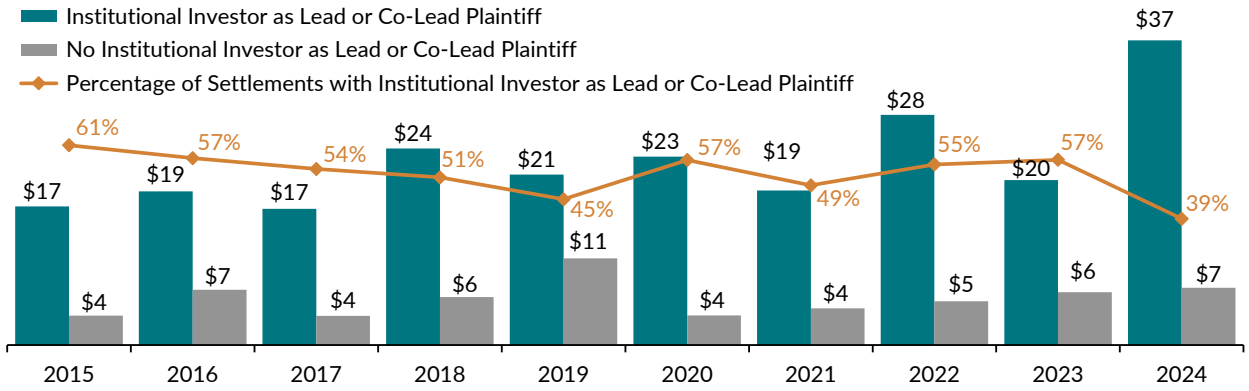
INSTITUTIONAL INVESTORS

As discussed in prior reports, increasing institutional investor participation as lead plaintiff in securities litigation was a focus of the Private Securities Litigation Reform Act of 1995 (Reform Act).[14] In the years following passage of the Reform Act, institutional investor involvement as lead plaintiff did increase, particularly in cases with higher plaintiff-style damages.

In 2024, however, only 39% of settlements involved an institutional investor serving as lead (or co-lead) plaintiff—the lowest rate since 2005. Of the 17 SPAC settlements in 2024, two included an institutional investor as a lead (or co-lead) plaintiff.

While fewer settlements had institutional investor participation as lead (or co-lead) plaintiff, the difference in median settlements for cases with and without such participation was $30 million—the largest dollar amount difference and the second-largest percentage gap since 2004.

Figure 11: Median Settlement Amount by Institutional Investor Participation as Lead or Co-Lead Plaintiff
2015–2024
(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented.

Figure 12: Median Statistics by Institutional Investor Participation as Lead or Co-Lead Plaintiff
2024
(Dollars in millions)

	With an Institutional Investor	Without an Institutional Investor
Settlement Amount	$37	$7
Plaintiff-Style Damages	$705	$118
Settlement Amount as a % of Plaintiff-Style Damages	8.3%	7.0%
Total Assets	$5,056	$630

Note: Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims) and are adjusted for inflation based on class period end dates; 2024 dollar equivalent figures are presented.

Time to Settlement and Case Complexity

The median duration from case filing to settlement hearing (3.2 years) declined 14% from the record peak observed in 2023 (3.7 years).

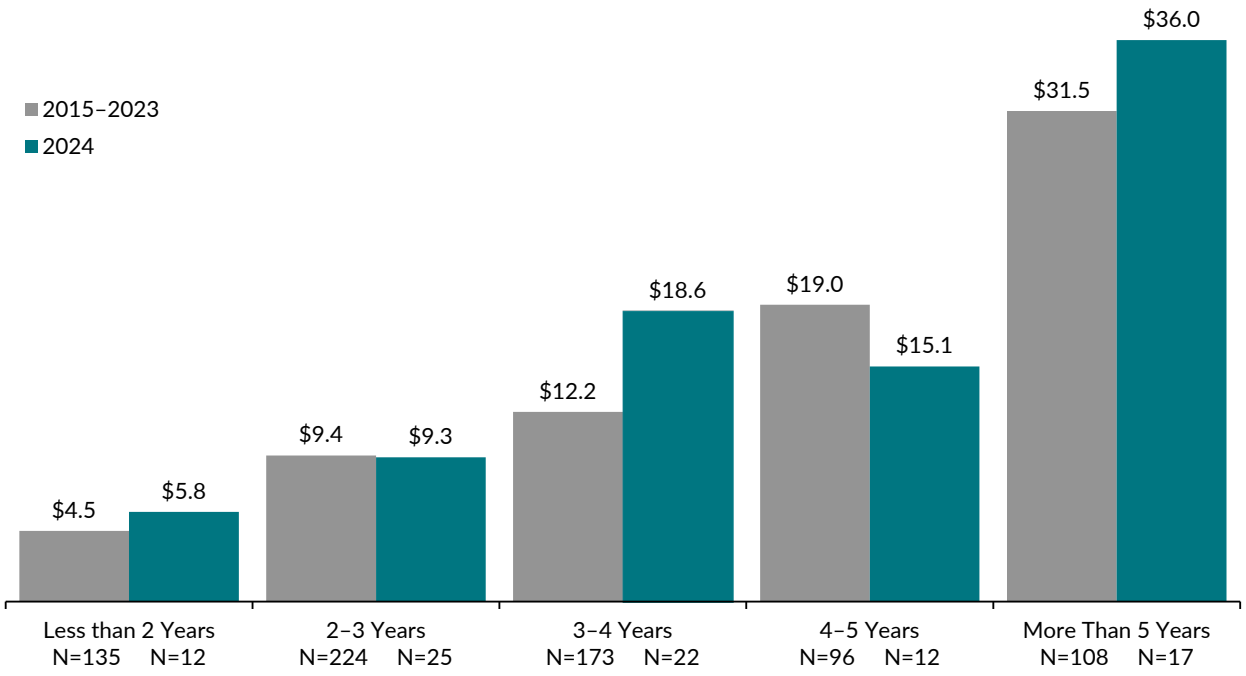
Despite the decline, the median time to settlement remains the third longest in the last decade. This finding is consistent with heightened case activity among 2024 settled cases, as measured by the number of docket entries—a proxy for the time and effort expended by the litigants and/or case complexity. In 2024, the median number of docket entries reached its highest level since 2010 (149).

QUICK STATS

3.2 years
2024 median time to settlement

149
Median number of docket entries for 2024 cases

Figure 13: Median Settlement Amount by Duration from Filing Date to Settlement Hearing Date
2015–2024
(Dollars in millions)



Note: "N" refers to the number of cases. Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented.

Case Stage at the Time of Settlement

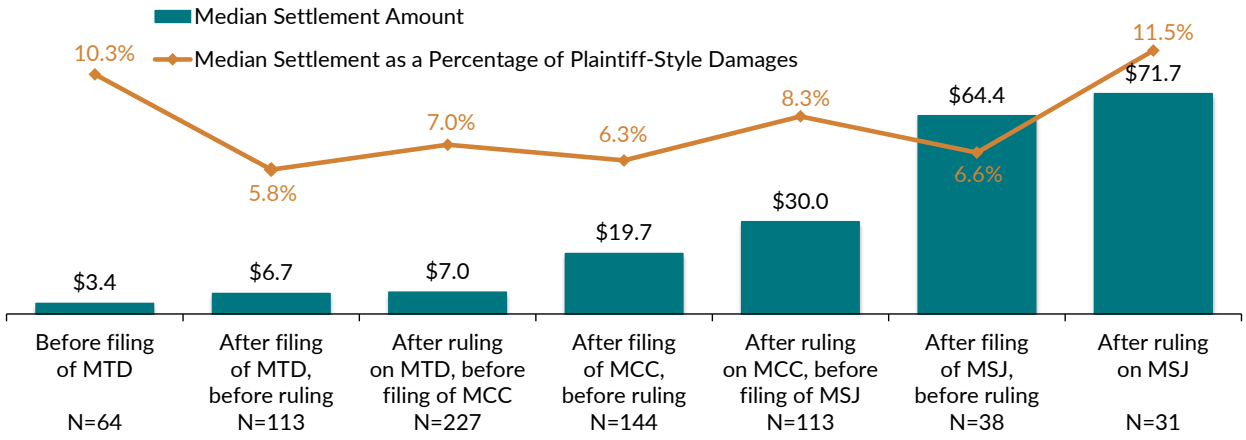
Using data obtained through collaboration with Stanford Securities Litigation Analytics (SSLA), this report analyzes settlements in relation to the stage in the litigation process at the time of settlement.

Cases with larger issuer defendant total assets and plaintiff-style damages tend to settle later in the litigation process.

For example, median issuer defendant total assets and median plaintiff-style damages for cases that settled in 2024 after the filing of a motion for class certification were substantially larger than for cases that settled prior to such a motion being filed.

In 2024, only two cases settled prior to the filing of a motion to dismiss, well below the 2015–2023 average of over seven cases per year.

Figure 14: Median Settlement Dollars and Stage of Litigation at Time of Settlement
2015–2024
(Dollars in millions)



Note: "N" refers to the number of cases. Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented. MTD refers to "motion to dismiss," MCC refers to "motion for class certification," and MSJ refers to "motion for summary judgment." This analysis is limited to cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

Figure 15: 2024 Median Statistics for Cases Settled Prior to and After a Filing for MCC
(Dollars in millions)

	Settled Prior to MCC Filed	Settled After MCC Filed
Settlement Amount	$7	$29
Plaintiff-Style Damages	$118	$567
Settlement Amount as a % of Plaintiff-Style Damages	8.2%	6.1%
Total Assets	$506	$1,864

Note: MCC refers to "motion for class certification." Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims) and are adjusted for inflation based on class period end dates; 2024 dollar equivalent figures are presented.

Cornerstone Research's Settlement Analysis

This research examines the relationship between settlement outcomes and certain securities case characteristics. Regression analysis is employed to better understand the factors that inform case settlements given the characteristics of a particular securities class action.

DETERMINANTS OF SETTLEMENT OUTCOMES

Based on regression analysis, important determinants of settlement amounts include the following:

- Plaintiff-style damages
- The most recently reported total assets prior to the settlement hearing date for the defendant issuer
- Whether there were accounting irregularities
- Whether there were criminal charges against the issuer, officers, directors, or other defendants with allegations similar to those included in the underlying class action complaint
- Whether there was a derivative action with allegations similar to those included in the underlying class action complaint
- Whether, in addition to Rule 10b-5 claims, Section 11 claims were alleged and were still active prior to settlement
- Whether the issuer has been delisted from a major exchange and/or has declared bankruptcy (i.e., whether the issuer was "distressed")
- Whether an institutional investor acted as lead plaintiff
- Whether securities other than common stock/ADR/ADS were included in the alleged class

Cornerstone Research analyses show that, all else being equal, settlement amounts tended to be higher in cases involving larger plaintiff-style damages, greater issuer defendant total assets, or cases in which Section 11 claims were alleged in addition to Rule 10b-5 claims.

Settlement amounts also tended to be higher in cases that involved accounting irregularities, criminal charges, an accompanying derivative action, an institutional investor lead plaintiff, or securities in addition to common stock/ADR/ADS included in the alleged class.

Settlement amounts tended to be lower if the issuer was distressed.

Collectively, the factors above explain more than 75% of the variation in settlement outcomes.

Research Sample

The database compiled for this report is limited to cases alleging Rule 10b-5, Section 11, and/or Section 12(a)(2) claims brought by purchasers of a corporation's common stock. The sample contains only cases alleging fraudulent inflation in the price of a corporation's common stock.

Cases with alleged classes of only bondholders, preferred stockholders, etc.; cases alleging fraudulent depression in price; and mergers and acquisitions cases are excluded. These criteria are imposed to ensure data availability and to utilize a relatively homogeneous set of cases in terms of the nature of the allegations.

The database includes 2,270 securities class actions filed after passage of the Reform Act (1995) and settled from 1996 through 2024. These securities class actions correspond to approximately $148.5 billion in total settlement dollars, adjusted for inflation and expressed in 2024 dollars. These settlements are identified based on a review of case activity collected by Securities Class Action Services LLC (SCAS).[15]

The designated settlement year, for purposes of this report, corresponds to the year in which the hearing to approve the settlement was held.[16] Cases involving multiple settlements are reflected in the year of the most recent partial settlement, provided certain conditions are met.[17]

In addition to SCAS, data sources include Bloomberg, the Center for Research in Security Prices (CRSP) at University of Chicago Booth School of Business, LSEG Workspace, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, Stanford Securities Litigation Analytics (SSLA), Securities Class Action Clearinghouse (SCAC), and public press.

Endnotes

1 For purposes of our settlement research and modeling, we utilize a measure of potential investor losses that allows for consistency across a large volume of cases, thus enabling the identification and analysis of potential trends. This measure, "settlement model plaintiff-style damages" ("plaintiff-style damages" as referred to in this report), is estimated using a methodology that more closely aligns with approaches used by plaintiffs in the current securities class action litigation environment. See page 5 for more details.

2 Plaintiff-style damages are calculated for cases that settled in 2014 or later, and account for the U.S. Supreme Court's 2005 landmark decision in *Dura Pharmaceuticals Inc. v. Broudo*, 544 U.S. 336. Plaintiff-style damages are based on the stock-price movements associated with the alleged disclosure dates that are described in the settlement plan of allocation.

3 A SPAC is a shell company that raises capital through an initial public offering to later acquire an existing business. SPAC cases are classified as those with a defendant issuer that was a SPAC during any portion of the class period or that had a de-SPAC transaction within 180 days prior to the start of the class period.

4 Kevin LaCroix, "Record-Setting Settlements in Two SPAC-Related Securities Suits," The D&O Diary, January 13, 2025, https://www.dandodiary.com/2025/01/articles/securities-litigation/record-setting-settlements-in-two-spac-related-securities-suits/.

5 *Securities Class Action Settlements 2023 Review and Analysis*, Cornerstone Research (2024).

6 Catherine J. Galley, Nicholas D. Yavorsky, Filipe Lacerda, and Chady Gemayel, *Approved Claims Rates in Securities Class Actions: Evidence from 2015–2018 Rule 10b-5 Settlements*, Cornerstone Research (2020). Data on "plaintiff-estimated damages" are made available to Cornerstone Research through collaboration with Stanford Securities Litigation Analytics (SSLA). SSLA tracks and collects data on private shareholder securities litigation and public enforcements brought by the U.S. Securities and Exchange Commission (SEC) and the U.S. Department of Justice (DOJ). The SSLA dataset includes all traditional class actions, SEC actions, and DOJ criminal actions filed since 2000. Available on a subscription basis at https://sla.law.stanford.edu/.

7 Laarni T. Bulan, Ellen M. Ryan, and Laura E. Simmons, *Estimating Damages in Settlement Outcome Modeling*, Cornerstone Research (2017).

8 In the past, we presented "simplified statutory damages" as a measure of potential investor losses for cases with Section 11 claims but no Rule 10b-5 claims. In this report, we introduce a new measure: "statutory damages." Statutory damages are estimated using an approach that more closely aligns with approaches used by plaintiffs in the current securities class action litigation environment. For example, when estimating the number of shares eligible for damages, the new statutory damages approach adjusts for short interest positions. Statutory damages are calculated using data through the settlement hearing date.

9 As noted in prior reports, the March 2018 U.S. Supreme Court decision in *Cyan Inc. v. Beaver County Employees Retirement Fund* (*Cyan*) held that '33 Act claim securities class actions could be brought in state court. While '33 Act claim cases had often been brought in state courts before *Cyan*, filing rates in state courts increased substantially following this ruling. This trend reversed, however, following the March 2020 Delaware Supreme Court decision in *Salzberg v. Sciabacucchi* which upheld the validity of federal forum-selection provisions in corporate charters. See, for example, *Securities Class Action Filings—2021 Year in Review*, Cornerstone Research (2022).

10 The two subcategories of accounting issues analyzed in this report are (1) restatements—cases involving a restatement (or announcement of a restatement) of financial statements, and (2) accounting irregularities—cases in which the defendant has reported the occurrence of accounting irregularities (intentional misstatements or omissions) in its financial statements.

11 *Accounting Class Action Filings and Settlements—2024 Review and Analysis*, Cornerstone Research, forthcoming in spring 2025.

12 To be considered an accompanying (or parallel) derivative action, the derivative action must have underlying allegations that are similar or related to the underlying allegations of the securities class action and either be active or settling at the same time as the securities class action.

13 *Parallel Derivative Action Settlement Outcomes—2023 Review and Analysis*, Cornerstone Research (2024).

14 See, for example, *Securities Class Action Settlements—2006 Review and Analysis*, Cornerstone Research (2007); Michael A. Perino, "Have Institutional Fiduciaries Improved Securities Class Actions? A Review of the Empirical Literature on the PSLRA's Lead Plaintiff Provision," St. John's Legal Studies Research Paper No. 12-0021 (2013).

Endnotes (continued)

[15] Available on a subscription basis. For further details, see https://www.issgovernance.com/securities-class-action-services/.

[16] Movements of partial settlements between years can cause differences in amounts reported for prior years from those presented in earlier reports.

[17] This categorization is based on the timing of the settlement hearing date. If a new partial settlement equals or exceeds 50% of the then-current settlement fund amount, the entirety of the settlement amount is recategorized to reflect the settlement hearing date of the most recent partial settlement. If a subsequent partial settlement is less than 50% of the then-current total, the partial settlement is added to the total settlement amount and the settlement hearing date is left unchanged.

Appendices

Appendix 1: Settlement Percentiles
(Dollars in millions)

Year	Average	10th	25th	Median	75th	90th
2015	$54.2	$1.8	$2.8	$8.9	$22.2	$131.0
2016	$87.7	$2.5	$5.4	$11.1	$39.9	$165.4
2017	$24.1	$1.9	$3.4	$7.3	$20.2	$47.6
2018	$81.1	$1.9	$4.5	$14.1	$30.9	$61.4
2019	$34.6	$1.8	$6.9	$13.5	$24.5	$61.4
2020	$66.8	$1.7	$3.9	$11.9	$24.5	$64.6
2021	$23.9	$2.0	$3.6	$9.1	$20.9	$68.6
2022	$39.0	$2.1	$5.4	$13.9	$37.5	$77.0
2023	$48.7	$3.1	$5.1	$15.4	$34.2	$104.0
2024	**$42.4**	**$2.8**	**$4.5**	**$14.0**	**$36.6**	**$78.4**

Note: Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented.

Appendix 2: Settlements by Select Industry Sectors
2015–2024
(Dollars in millions)

Industry	Number of Settlements	Median Settlement	Median Plaintiff-Style Damages	Median Settlement as a Percentage of Plaintiff-Style Damages
Financial	90	$19.6	$267.2	8.8%
Technology	111	$12.0	$299.7	6.2%
Pharmaceuticals	125	$9.8	$161.5	6.4%
Telecommunications	29	$11.8	$186.5	7.0%
Retail	47	$24.5	$322.7	7.0%
Healthcare	22	$21.0	$232.4	8.3%

Note: Settlement dollars and plaintiff-style damages are adjusted for inflation; 2024 dollar equivalent figures are presented. This analysis is limited to cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

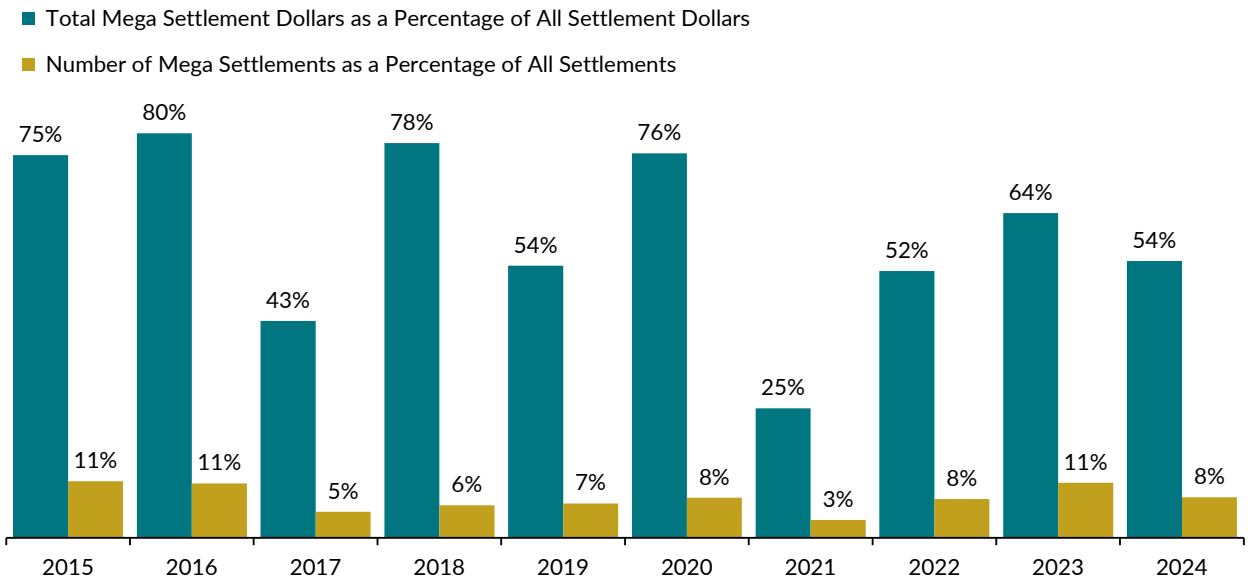
Appendices (continued)

Appendix 3: Settlements by Federal Circuit Court
2015–2024
(Dollars in millions)

Circuit	Number of Settlements	Median Settlement	Median Settlement as a Percentage of Plaintiff-Style Damages
First	22	$19.3	6.2%
Second	211	$9.3	7.0%
Third	87	$8.1	7.4%
Fourth	25	$28.9	4.9%
Fifth	40	$12.7	5.6%
Sixth	33	$17.3	9.8%
Seventh	38	$19.6	6.2%
Eighth	13	$51.3	5.6%
Ninth	198	$10.0	7.5%
Tenth	19	$13.4	9.1%
Eleventh	37	$12.7	8.2%
DC	4	$28.7	4.8%

Note: Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented. This analysis is limited to cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

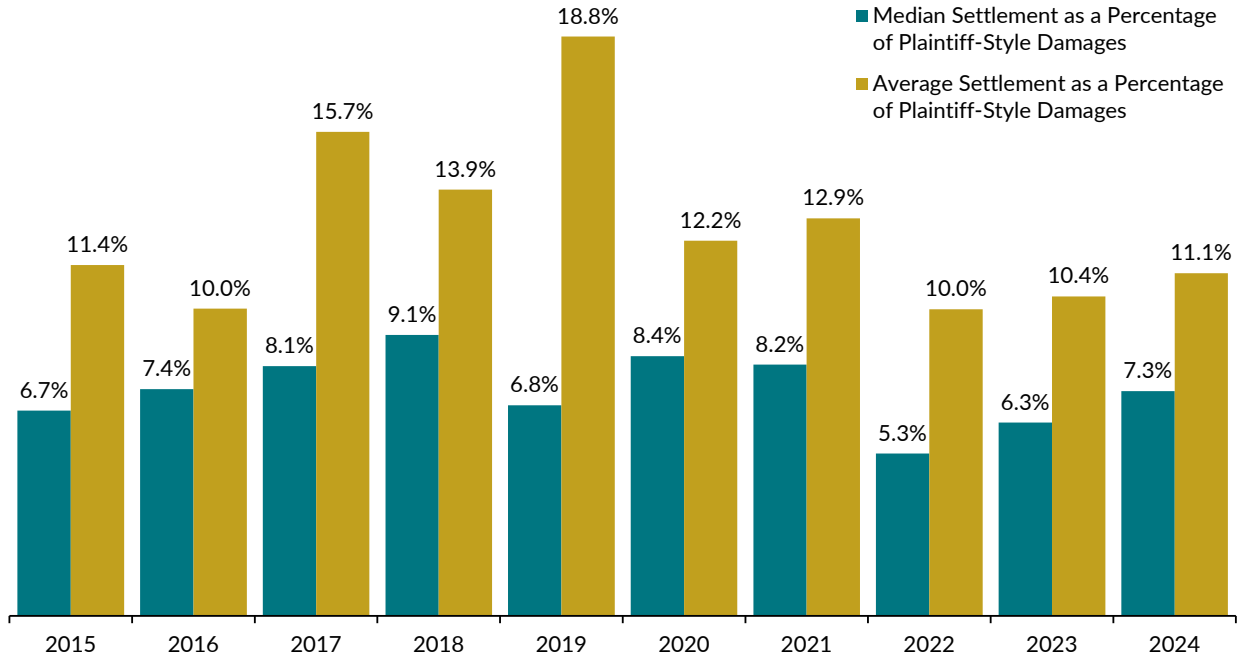
Appendix 4: Mega Settlements
2015–2024



Note: Mega settlements are defined as total settlement funds of $100 million or greater.

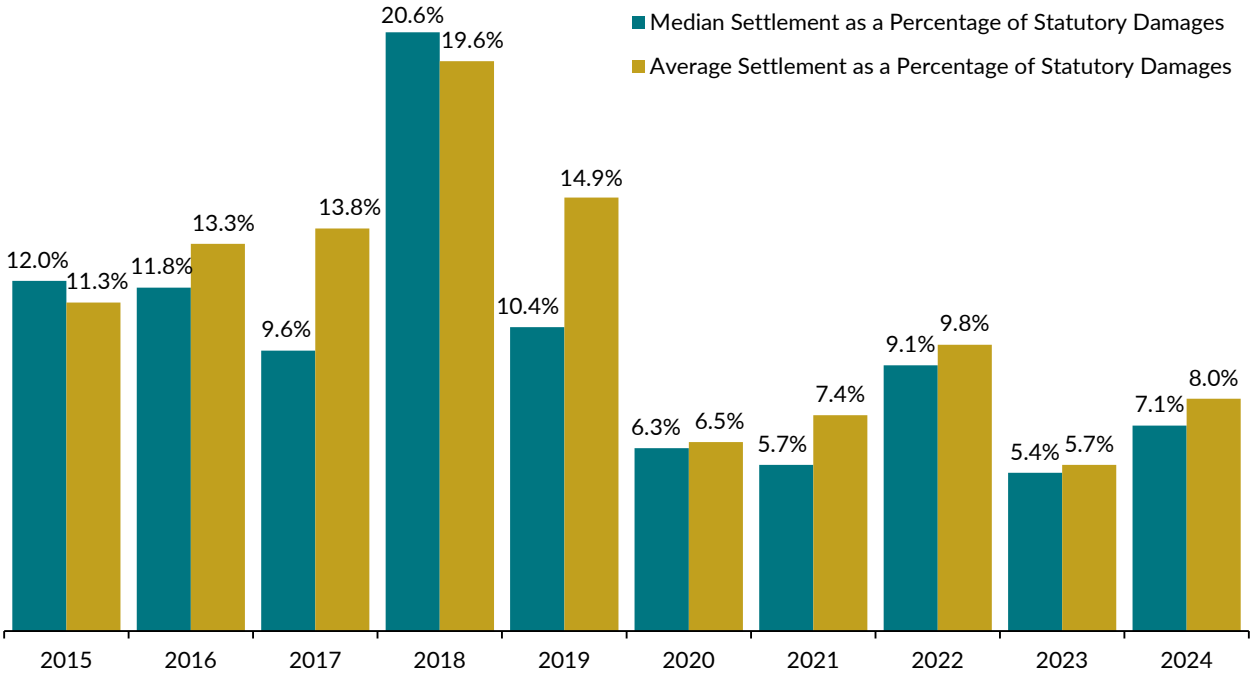
Appendices (continued)

Appendix 5: Median and Average Settlements as a Percentage of Plaintiff-Style Damages
2015–2024



Note: Plaintiff-style damages are calculated for cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

Appendix 6: Median and Average Settlements as a Percentage of Statutory Damages
2015–2024



Note: Statutory damages are calculated for cases alleging Section 11 ('33 Act) claims and no Rule 10b-5 claims.

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Laarni Bulan has over a decade of experience consulting on complex litigation involving economic and financial issues. Dr. Bulan specializes in securities, mergers and acquisitions and other corporate transactions, firm valuation, risk management, executive compensation, and corporate governance matters.

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Mr. Tam has extensive expertise with securities litigation involving alleged misrepresentations under Section 10(b) of the Exchange Act and Sections 11 and 12 of the Securities Act. He also addresses allegations of market manipulation under Sections 9 and 10(b) of the Exchange Act and claims under Section 14(a) of the Exchange Act.

Mr. Tam has analyzed class certification issues (market efficiency, price impact, and evaluation of damages methodologies in the context of *Comcast* standards), as well as loss causation, damages, and materiality in numerous securities class actions.

The views expressed herein are solely those of the authors and do not necessarily represent the views of Cornerstone Research.

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