

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE BAXTER INTERNATIONAL INC.
SECURITIES LITIGATION

Case No. 1:19-cv-07786

District Judge Sara L. Ellis

Magistrate Judge Jeffrey I. Cummings

**JOINT DECLARATION OF JAMES A. HARROD AND SHARAN NIRMUL IN
SUPPORT OF (I) LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF
SETTLEMENT AND PLAN OF ALLOCATION AND (II) LEAD COUNSEL'S
MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

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GLOSSARY OF TERMS

All capitalized terms used in this declaration and the accompanying memoranda of law that are not otherwise defined have the meanings set forth in the Stipulation and Agreement of Settlement dated April 1, 2021, previously filed with the Court (ECF No. 57-1). For the Court's convenience, some of the most frequently used terms are set forth here.

Almeida	José Almeida, Baxter's Chief Executive Officer
Baxter or the Company	Baxter International Inc.
Class Period	The period from February 21, 2019 through October 23, 2019, inclusive
Complaint	Lead Plaintiffs' Class Action Complaint and Demand for Jury Trial (ECF No. 34), filed June 25, 2020
FX	Foreign exchange
Individual Defendants	José Almeida and James Saccaro
Lead Counsel	Bernstein Litowitz Berger & Grossmann LLP and Kessler Topaz Meltzer & Check, LLP
Lead Plaintiffs	Court-appointed Lead Plaintiffs LAMPERS and Varma
LAMPERS	Lead Plaintiff Louisiana Municipal Police Employees' Retirement System
MTD Order	The Court's January 12, 2021 Opinion and Order granting Defendants' motion to dismiss
Saccaro	James Saccaro, Baxter's Chief Financial Officer
Settlement Class	All persons and entities who, during the Class Period, purchased or otherwise acquired Baxter common stock, and were damaged thereby. Excluded from the Settlement Class are Defendants, any person who was an executive officer or director of Baxter during the Class Period, their Immediate Family members, any affiliates of Baxter, and any persons or entities who or which exclude themselves by submitting a timely and valid request for exclusion that is accepted by the Court.
Stipulation	Stipulation and Agreement of Settlement dated April 1, 2021 (ECF No. 57-1)

Varma	Lead Plaintiff Varma Mutual Pension Insurance Company
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JAMES A. HARROD and SHARAN NIRMUL declare as follows:

I. INTRODUCTION

1. I, James A. Harrod, am a member of the bars of the State of New York, the U.S. District Courts for the Southern and Eastern Districts of New York, and the U.S. Courts of Appeals for the Second, Third, Sixth, and Seventh Circuits. I am a partner in the law firm of Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”), one of the Court-appointed Lead Counsel in the above-captioned action (the “Action”). BLB&G represents one of the Court-appointed Lead Plaintiffs, Louisiana Municipal Police Employees’ Retirement System (“LAMPERS”).

2. I, Sharan Nirmul, am a member of the bars of Pennsylvania, New Jersey, New York, and Delaware, the U.S. District Courts of the Eastern District of Pennsylvania, Southern District of New York, District of New Jersey, and District of Delaware, and the U.S. Courts of Appeals for the Second, Third, and Seventh Circuits. I am a partner in the law firm of Kessler Topaz Meltzer & Check, LLP (“KTMC”), one of the Court-appointed Lead Counsel in the Action. KTMC represents one of the Court-appointed Lead Plaintiffs, Varma Mutual Pension Insurance Company (“Varma”). LAMPERS and Varma are collectively referred to herein as “Lead Plaintiffs” and BLB&G and KTMC are collectively referred to as “Lead Counsel.”

3. We have personal knowledge of the matters stated in this declaration based on our active supervision of and participation in the prosecution and settlement of the Action. We respectfully submit this declaration in support of Lead Plaintiffs’ motion, under Rule 23(e)(2) of the Federal Rules of Civil Procedure, for final approval of the proposed settlement of the Action with Defendant Baxter International Inc. (“Baxter” or the “Company”), and Defendants José E. Almeida and James K. Saccaro (the “Individual Defendants,” and together with Baxter, “Defendants”), for \$16 million in cash (the “Settlement”). The Court preliminarily approved the Settlement in its Minute Order dated April 20, 2021, and set August 10, 2021 as the date for the

hearing on final approval of the Settlement. *See* ECF No. 58; *see also* ECF No. 59 (entering the Parties' agreed-upon order preliminarily approving the Settlement).

4. We also respectfully submit this declaration in support of: (i) Lead Plaintiffs' motion for approval of the proposed plan for allocating the proceeds of the Net Settlement Fund to eligible Settlement Class Members (the "Plan of Allocation" or "Plan") and (ii) Lead Counsel's motion for an award of attorneys' fees in the amount of 22% of the Settlement Fund; payment of litigation expenses incurred by Lead Counsel in the amount of \$96,538.37; and payment of \$6,648.75 in reimbursement for the costs of Lead Plaintiffs directly related to their representation of the Settlement Class (the "Fee and Expense Application").¹

5. The proposed Settlement provides for the resolution of all claims in the Action in exchange for a cash payment of \$16 million for the benefit of the Settlement Class. This beneficial Settlement was achieved as a direct result of Lead Plaintiffs' and Lead Counsel's efforts to diligently investigate, prosecute, and negotiate a settlement of the Action against highly skilled opposing counsel. As discussed in more detail below, Lead Counsel's efforts in the Action included, among other things: (a) conducting a wide-ranging investigation concerning the allegedly fraudulent misrepresentations and omissions made by Defendants, including performing an extensive review and analysis of public filings, transcripts of Baxter's earnings calls and industry conferences, Company presentations, media reports, and financial analyst research reports concerning the Company, conducting numerous interviews with former Baxter employees, and consulting with experts regarding key accounting and financial issues in the Action, as well as the

¹ In conjunction with this declaration, Lead Plaintiffs and Lead Counsel are submitting the Memorandum of Law in Support of Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation (the "Settlement Memorandum") and the Memorandum of Law in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses (the "Fee Memorandum").

issues of loss causation and damages; (b) drafting and filing the initial complaint and the detailed amended complaint filed on June 25, 2020 (ECF No. 34) (the “Complaint”); (c) briefing and opposing Defendants’ motion to dismiss the Complaint; (d) conducting additional investigation, research, and analysis in connection with preparing a second amended complaint that would have been filed absent the Settlement; (e) engaging in intensive, arm’s-length settlement negotiations with Defendants, including preparing and submitting a detailed mediation statement concerning liability and damages and participating in a full-day mediation session before Gregory P. Lindstrom, Esq. of Phillips ADR (“Mr. Lindstrom” or the “Mediator”), an experienced mediator of class actions and other complex litigation; (f) negotiating for and conducting significant due diligence discovery to confirm the reasonableness of the proposed Settlement, including reviewing and analyzing more than 10,000 pages of highly relevant documents produced by Defendants and interviewing the Chairman of Baxter’s Audit Committee on subjects relevant to the Action (the “Due Diligence Discovery”); and (g) drafting and negotiating the Stipulation and related settlement documentation.

6. The Settlement was reached after the aforementioned full-day mediation session before Mr. Lindstrom on February 17, 2021 and was made subject to the successful completion of Due Diligence Discovery. Stipulation ¶¶ 4-8.

7. Lead Plaintiffs and Lead Counsel believe that the proposed Settlement represents a very favorable result for the Settlement Class, considering the significant risks in the Action and the amount of the potential recovery. While Lead Plaintiffs and Lead Counsel believe their claims against Defendants are meritorious, they also recognize that, in the absence of settlement, they faced significant risks that continued litigation might have resulted in no recovery. At the time the Settlement was reached, Lead Plaintiffs’ Complaint had been dismissed in its entirety. If Lead

Plaintiffs had been unable to sufficiently address the issues identified in the Court's order dismissing the Complaint and overcome a second motion to dismiss, the Action would have been dismissed with prejudice and the Settlement Class would have recovered nothing. Moreover, even if Lead Plaintiffs were able to survive the pleading stage, there would be considerable further challenges in proving that the accounting misstatements at issue regarding Baxter's foreign exchange ("FX") transactions were the product of intentional manipulation of Baxter's financial results and that Baxter's senior management was aware of that manipulation.

8. Lead Plaintiffs would also have faced difficulties in proving that the decline in the price of Baxter common stock on October 24, 2019, following the announcement of the internal investigation into its FX accounting, was caused by the revelation of the alleged misstatements. In their motion-to-dismiss briefing, Defendants argued that later disclosures, in which Baxter actually restated its historical FX accounting, caused the price of the stock to rebound, and that the restated transactions totaled less than 1% of Baxter's total net income over the period at issue. Lead Plaintiffs expect that Defendants would make this same argument at later stages in the case, including at class certification and summary judgment. In sum, these significant risks, and the substantial additional time and expenses that would be necessary to secure a judgment through litigation, strongly support the reasonableness of the Settlement.

9. The close attention paid and oversight provided by the Lead Plaintiffs throughout this case is another factor in favor of the reasonableness of the Settlement. In enacting the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), Congress expressly intended to give control over securities class actions to sophisticated investors, and noted that increasing the role of institutional investors in class actions would ultimately benefit shareholders and assist courts by improving the quality of representation in this type of case. H.R. Conf. Rep. No. 104-369, at

*34 (1995), *reprinted in* 1995 U.S.C.C.A.N. 730, 733. Here, Lead Plaintiffs were actively involved in overseeing the litigation and settlement negotiations and have endorsed the Settlement as fair and reasonable. *See* Declaration of Ben Huxen, Executive Director and General Counsel for LAMPERS (“Huxen Decl.”), attached as Exhibit 1; Declaration of Esa-Ville Ylätupa, Chief Legal Counsel for Varma (“Ylätupa Decl.”), attached as Exhibit 2.

10. In addition to seeking final approval of the Settlement, Lead Plaintiffs seek approval of the proposed Plan of Allocation as fair and reasonable. The Plan of Allocation, which was developed in consultation with Lead Plaintiffs’ damages consultant, provides for the distribution of the Net Settlement Fund on a *pro rata* basis to Settlement Class Members who submit Claim Forms that are approved for payment by the Court. Each Claimant’s share of the Net Settlement Fund will be calculated based on his, her, or its losses attributable to the alleged fraud.

11. Lead Counsel worked diligently and efficiently to achieve the proposed Settlement in the face of significant risks. Lead Counsel prosecuted this case on a fully contingent basis, incurred significant litigation expenses, and bore all the risk of an unfavorable result. For their efforts in prosecuting the case and negotiating the Settlement, Lead Counsel are applying for an award of attorneys’ fees in the amount of 22% of the Settlement Fund (or \$3,520,000, plus interest earned at the same rate as the Settlement Amount). The 22% fee request is based on retainer agreements entered into with Lead Plaintiffs at the outset of the Action and, as discussed in the Fee Memorandum, the 22% fee request is well within the range of fees that courts in this Circuit and elsewhere have awarded in securities and other complex class actions with comparable recoveries. Moreover, the requested fee represents a multiplier of approximately 1.5 on Lead Counsel’s total lodestar, which is well within the range of multipliers typically awarded in class actions with

significant contingency risks such as this one, and thus, the lodestar cross-check also supports the reasonableness of the requested fee.

12. Lead Counsel's Fee and Expense Application also seeks payment of litigation expenses incurred by Lead Counsel in connection with the institution, prosecution, and settlement of the Action totaling \$96,538.37, plus reimbursement of \$6,648.75 to Lead Plaintiffs for their costs directly related to their representation of the Settlement Class, as authorized by the PSLRA.

13. For all of the reasons discussed in this declaration and in the accompanying supporting memoranda and declarations, including the result obtained and the significant litigation risks discussed fully below, Lead Plaintiffs and Lead Counsel respectfully submit that the Settlement and the Plan of Allocation are fair, reasonable, and adequate in all respects, and that the Court should approve them under Federal Rule of Civil Procedure 23(e)(2). For similar reasons, and for the additional reasons discussed below, we respectfully submit that Lead Counsel's Fee and Expense Application is also fair and reasonable and should be approved.

II. PROSECUTION OF THE ACTION

A. Background

14. Baxter is an Illinois-based corporation that provides a broad range of healthcare products to hospitals, kidney dialysis centers, nursing homes, rehabilitation centers, doctors' offices, and patients throughout the world. This securities class action asserts claims on behalf of all persons and entities who, during the period from February 21, 2019 through October 23, 2019, inclusive (the "Class Period"), purchased or otherwise acquired Baxter common stock, and were damaged thereby (the "Settlement Class").²

² Excluded from the Settlement Class are Defendants, any person who was an executive officer or director of Baxter during the Class Period, their Immediate Family members, any affiliates of

15. Baxter operates its business through more than 50 subsidiaries in over twenty counties and sells its products in over 100 countries. As a result of its global footprint, a substantial portion of Baxter’s transactions are denominated in currencies other than U.S. dollars, which must be converted to U.S. dollars for purposes of Baxter’s financial reporting.

16. On October 24, 2019, Baxter announced that it had recently begun an internal investigation into certain intra-Company transactions that had been undertaken to generate FX gains or losses. Complaint ¶ 7. The Company announced that these transactions “used a foreign exchange rate convention historically applied by” Baxter that “was not in accordance with generally accepted accounting principles” and that enabled the transactions “to be undertaken after the related exchange rates were already known.” *Id.* These transactions, Baxter announced, “resulted in certain misstatements in [its] previously reported non-operating income related to net foreign exchange gains.” *Id.* ¶ 82. Baxter’s share price fell by 10% on the date of that announcement. *Id.* ¶ 85.

17. Specifically, in converting non-U.S. dollar transactions to be booked in U.S. dollars, Baxter was obligated under generally accepted accounting principles (“GAAP”) to use the FX rates that were *current* as of the day of the measurement. Complaint ¶ 9. Instead, Baxter had routinely applied a stale FX rate—from the middle of the previous month—and had then engaged in certain FX transactions with its own subsidiaries, once that FX rate was already known, solely in order to generate FX gains or avoid FX losses. *Id.* ¶¶ 10-13.

18. Baxter ultimately admitted that “certain intra-company transactions were undertaken, after the related exchange rates were already known, *solely for the purpose of*

Baxter, and any persons or entities who or which exclude themselves by submitting a timely and valid request for exclusion that is accepted by the Court.

generating non-operating foreign exchange gains or avoiding foreign-exchange losses.” Id.

¶ 49. Baxter issued a restatement of its previously released financial results for fiscal years 2017 and 2018, and for the first half of 2019, which indicated that the FX transactions conducted in violation of GAAP had inflated Baxter’s income from 2017 through the second quarter of 2019 by nearly \$200 million. *Id.* ¶ 8.

B. Appointment of Lead Plaintiffs and Lead Counsel

19. On November 25, 2019, BLB&G and KTMC filed an initial complaint against Baxter, José E. Almeida, and James K. Saccaro, among others, on behalf of plaintiff Ethan E. Silverman. ECF No. 1. The initial complaint alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), and Rule 10b-5 promulgated thereunder.

20. On January 24, 2020, LAMPERS and Varma filed a motion for appointment as Lead Plaintiffs and appointment of BLB&G and KTMC as Lead Counsel, along with supporting papers. ECF Nos. 13-16.

21. On January 29, 2020, the Court appointed LAMPERS and Varma as Lead Plaintiffs, and BLB&G and KTMC as Lead Counsel. ECF No. 18.

C. Lead Plaintiffs’ Investigation, Preparation and Filing of the Complaint

22. In preparing the Complaint, Lead Counsel conducted a comprehensive factual investigation and detailed analysis of the potential claims that could be asserted on behalf of investors in Baxter securities related to its disclosures concerning the accounting for its FX transactions. This investigation included, among other things, a detailed review and analysis of information relating to Baxter, including (a) Baxter’s public SEC filings; (b) research reports by securities and financial analysts; (c) transcripts of Baxter’s earnings conference calls and industry conferences; (d) other publicly available material, such as news articles and Baxter’s historical stock price information, as well as similar information concerning Baxter’s competitors and the

market as a whole; and (e) economic analyses of Baxter's stock trading and pricing data.

23. In addition to undertaking this extensive review and analysis of documents, Lead Counsel engaged subject-matter experts to consult on certain key issues in the case, including the application of GAAP for the FX transactions at issue, loss causation, and damages.

24. Throughout the course of the investigation, Lead Counsel and their in-house investigators also located and contacted more than 135 individuals believed to potentially have information about the claims at issue in the Action, including former Baxter employees, and ultimately interviewed 69 of these individuals.

25. On June 25, 2020, Lead Plaintiffs filed the 72-page Complaint, alleging claims under Section 10(b) of the Exchange Act against all Defendants and under Section 20(a) against the Individual Defendants. ECF No. 34. These claims arose from Lead Plaintiffs' allegations that Defendants made materially false and misleading statements and omissions with scienter concerning: (i) Baxter's income related to FX fluctuations, as well as other financial metrics reflecting that income item; (ii) Baxter's compliance with GAAP; and (iii) Baxter's internal controls over financial reporting. The Complaint further alleged that the price of Baxter common stock was artificially inflated during the Class Period as a result of Defendants' allegedly false and misleading statements, and declined when the truth was revealed on October 24, 2019.

D. Defendants' Motion to Dismiss the Complaint, the Court's MTD Order, and Lead Plaintiffs' Preparation of a Second Amended Complaint

26. On August 24, 2020, Defendants filed and served their motion to dismiss the Complaint and accompanying declaration, which attached exhibits totaling over 1,100 pages. ECF Nos. 39-41.

27. In their motion, Defendants argued principally that the Court should dismiss the Complaint because Lead Plaintiffs failed to allege facts establishing a strong inference of scienter.

In particular, Defendants argued (among other things) that Lead Plaintiffs did not allege any specific facts showing that Individual Defendants Almeida and Saccaro knew (or were reckless in not knowing) about the errors in accounting for the FX transactions at issue. To this end, Defendants argued that Lead Plaintiffs had not adequately alleged that the Individual Defendants knew: (i) that the intra-Company transactions at issue had occurred; (ii) the allegedly manipulative purpose of the transactions; (iii) how Baxter was calculating the FX gains or losses on the transactions; or (iv) the appropriate accounting treatment under GAAP for those transactions.

28. Defendants further argued that Lead Plaintiffs could not establish a strong inference of scienter based on allegations about the Individual Defendants' potential access to information about the accounting for the FX transactions, their positions at the Company, the importance of the transactions to Baxter's financial performance, or the departure of Baxter's Treasurer during the Class Period, and that allegations concerning Almeida's and Saccaro's motives to inflate Baxter's performance in order to meet Wall Street estimates and secure larger bonuses and stock awards were generic and unpersuasive.

29. In addition to arguing for dismissal on scienter grounds, Defendants argued that Lead Plaintiffs failed to adequately allege that Defendants' statements about Baxter's compliance with GAAP and its internal controls over financial reporting were materially false or misleading, and that Lead Plaintiffs failed to adequately plead control-person liability under Section 20(a) because the Complaint failed to plead a primary violation of Section 10(b).

30. On October 8, 2020, Lead Plaintiffs filed and served their opposition to Defendants' motion to dismiss. ECF No. 43. Lead Plaintiffs' opposition primarily argued that the Complaint adequately alleged scienter as to Individual Defendants Almeida and Saccaro because it included sufficient allegations of fact that the GAAP violations were blatant, widespread, and materially

overstated key financial results, and that the Individual Defendants were closely familiar with the topic at issue—including because the Treasurer (who oversaw the department primarily responsible for the improper accounting) reported to Almeida and Saccaro and that position was previously filled by Saccaro during the period in which Baxter was violating GAAP.

31. In addition, Lead Plaintiffs argued that an inference of scienter was supported by the magnitude and duration of the accounting misconduct and the nearly uniform FX gains that resulted from the accounting manipulation. Lead Plaintiffs also argued that the Individual Defendants' motivation to meet earnings-per-share targets so that Almeida and Saccaro would be eligible for enhanced compensation supported a strong inference of scienter. Lead Plaintiffs further argued that Baxter's corporate scienter was established both through the Individual Defendants' scienter and through the knowledge of other senior management, including former Treasurer Scott Bohaboy.

32. In their opposition brief, Lead Plaintiffs also argued that the Complaint adequately alleged that Defendants misled investors by falsely representing that Baxter prepared its financial statements in conformity with GAAP, and that Defendants' representations about the quality of Baxter's internal controls over its financial reporting were misstatements of fact, not opinions.

33. On November 9, 2020, Defendants filed and served their reply in further support of their motion to dismiss the Complaint. ECF No. 44. Defendants' reply reiterated the arguments made in their motion to dismiss and responded to the arguments in Lead Plaintiffs' opposition brief.

34. On January 12, 2021, the Court issued an Opinion and Order granting Defendants' motion to dismiss ("MTD Order"). ECF No. 47. In the MTD Order, the Court concluded that Lead Plaintiffs had not adequately alleged facts establishing a strong inference of scienter, because

they had not adequately established that Almeida and Saccaro knew (or had recklessly disregarded) (i) that Baxter's method of accounting for FX transactions violated GAAP or (ii) that individuals at Baxter were using its FX accounting convention to execute transactions, once the exchange rates to be applied were already known, solely for the purpose of generating FX gains or avoiding FX losses.

35. In the MTD Order, the Court provided Lead Plaintiffs twenty-one (21) days to amend the Complaint. The Court subsequently extended this deadline to February 26, 2021. ECF No. 49.

36. Following the Court's issuance of its MTD Order in January 2021, Lead Counsel spent substantial time and resources evaluating the perceived pleading deficiencies that the Court discussed in the MTD Order and potential ways in which Lead Plaintiffs could cure those deficiencies. This included reopening their investigation, conducting additional interviews with former Baxter employees, extensive discussions with consultants retained by Lead Plaintiffs, and further analysis of publicly available and relevant materials, particularly as they related to the accounting aspects of this case and the restatement. Lead Counsel had substantially prepared a second amended complaint based on this further investigation and analysis, which they would have submitted to the Court if the Settlement had not been reached.

III. MEDIATION AND SETTLEMENT

37. After the Court issued its MTD Order on January 12, 2021, the Parties subsequently discussed whether to conduct a mediation session, and agreed to do so before Mr. Lindstrom on February 17, 2021. In advance of the mediation, the Parties prepared and exchanged detailed mediation statements addressing liability and damages, which were submitted to the Mediator. In preparing for the mediation and discussing their claims in private sessions with Mr. Lindstrom, Lead Plaintiffs also consulted with their retained consultant on damages and loss causation.

38. The February 17, 2021 mediation, which was conducted using the Zoom videoconferencing platform, was attended by Lead Counsel, representatives of each of the Lead Plaintiffs, Defendants' Counsel, and representatives of Defendants' insurance carriers. The mediation began at 10 a.m. Eastern time and concluded at approximately 8 p.m. After a full-day session of intensive arm's-length negotiations, the Parties reached an agreement in principle to settle the Action at the Mediator's recommendation of \$16 million, subject to successful completion of the Due Diligence Discovery described below.

39. The Parties' agreement was memorialized in a Term Sheet executed on February 25, 2021. The Term Sheet set forth the Parties' agreement to settle and release all claims against Defendants in return for a cash payment of \$16 million to be paid or caused to be paid by Baxter, on behalf of all Defendants, for the benefit of the Settlement Class.³ The Term Sheet expressly stated that the Settlement was subject to the completion of certain discovery by Lead Plaintiffs (including both document discovery and a witness interview) for the purpose of assessing the reasonableness and adequacy of the Settlement, as well as other terms and conditions, including the execution of a formal stipulation and agreement of settlement and related papers.

40. The Parties informed the Court on February 25, 2021 that they had reached an agreement in principle to settle the Action and requested a stay of all case filing deadlines pending the filing of the motion for preliminary approval of the Settlement. ECF No. 52. On March 1,

³ The Parties have stipulated, for purposes of the Settlement, to a Settlement Class consisting of all persons and entities who purchased or otherwise acquired Baxter common stock during the Class Period, and were damaged thereby. *See* Stipulation ¶ 1(ss). Excluded from the Settlement Class are Defendants, any person who was an executive officer or director of Baxter during the Class Period, their Immediate Family members, any affiliates of Baxter, and any persons or entities who or which exclude themselves by submitting a timely and valid request for exclusion that is accepted by the Court.

2021, the Court granted the stay and scheduled a hearing on the motion for preliminary approval of the Settlement for April 20, 2021. ECF No. 53.

41. After the Parties reached their agreement in principle to settle the Action on February 25, 2021, they negotiated the final terms of the Settlement, including the Stipulation (and the exhibits thereto) as well as a confidential supplemental agreement regarding requests for exclusion (“Supplemental Agreement”),⁴ and exchanged multiple drafts of these documents.

42. During this same time, Lead Counsel requested and reviewed detailed bids obtained from several organizations specializing in class action notice and claims administration, and conducted follow-up communications with certain of these organizations. As a result of this bidding process, Lead Counsel selected Epiq Class Action & Claims Solutions, Inc. (“Epiq”) to serve as the Claims Administrator for the Settlement. Lead Counsel also worked closely with Lead Plaintiffs’ damages consultant to develop the proposed Plan of Allocation. *See infra* Section VIII.

43. On April 1, 2021, the Parties executed the Stipulation and Supplemental Agreement setting forth their binding agreement to settle the Action.

44. Thereafter, on April 1, 2021, Lead Plaintiffs filed their Unopposed Motion for Preliminary Approval of Settlement and Authorization to Disseminate Notice of Settlement (ECF Nos. 54-57), which included a copy of the Stipulation (ECF No. 57-1) and a memorandum in support (ECF No. 56).

⁴ The Supplemental Agreement sets forth the conditions under which Baxter can exercise a right to withdraw from the Settlement in the event that requests for exclusion from the Settlement Class exceed certain agreed-upon conditions. Pursuant to its terms, the Supplemental Agreement is not being made public but may be submitted to the Court *in camera* or under seal.

45. On April 20, 2021, the Parties appeared before the Court on Lead Plaintiffs' motion for preliminary approval of the Settlement. During that hearing, the Court approved Lead Plaintiffs' motion for preliminary approval of the Settlement, and set August 10, 2021 as the date for the final approval hearing. ECF No. 58. On April 21, 2020, the Court entered a Minute Order reflecting the same.

46. On May 12, 2021, the Court entered the Parties' agreed-upon order preliminarily approving the Settlement and establishing a schedule for events related to the Settlement. ECF No. 59.⁵ On or about May 4, 2021, the \$16 million Settlement Amount was deposited into an escrow account.

IV. LEAD COUNSEL CONDUCT DISCOVERY

47. As mentioned above, in negotiating the proposed Settlement, Lead Plaintiffs insisted on the right to conduct meaningful Due Diligence Discovery, along with the right to withdraw from the proposed Settlement prior to filing final approval papers if the Due Diligence Discovery revealed that the proposed Settlement was unfair, unreasonable, or inadequate.

48. In accordance with these provisions, Lead Counsel undertook extensive Due Diligence Discovery, including negotiating for, obtaining and reviewing more than 10,000 pages of relevant documents from Defendants, including documents concerning Baxter's FX transactions, the Company's policies and procedures relating to FX transactions, and the restatement; documents that Baxter previously produced to the SEC related to the FX transactions, including from the custodial files of Individual Defendants Almeida and Saccaro, as well as former

⁵ The Court's April 20, 2021 Minute Order (ECF No. 58) and the Order Preliminarily Approving Settlement and Providing for Notice entered May 12, 2021 (ECF No. 59) are collectively referred to herein as the "Preliminary Approval Order."

Baxter Treasurer Bohaboy; and documents concerning the internal investigation into the Company's FX accounting. Following the completion of their review of these documents, Lead Counsel conducted an extensive interview with the Chair of Baxter's Audit Committee at the time of the internal investigation. These efforts confirmed that the Settlement is fair, reasonable, and adequate for the Settlement Class.

49. We describe in greater detail below: (A) why this Due Diligence Discovery was necessary; and (B) the Due Diligence Discovery that Lead Counsel conducted.

A. The Need for Due Diligence Discovery

50. Beginning from the start of the mediation, Lead Plaintiffs and Lead Counsel insisted that no settlement could be achieved without meaningful Due Diligence Discovery. Lead Plaintiffs demanded the right to discovery as part of the terms of the proposed Settlement in order to ensure that the Settlement reached was fair and reasonable before seeking final approval of the Settlement.

51. In Lead Counsel's professional judgment, the circumstances of the Action made Due Diligence Discovery particularly necessary in order to fully evaluate the Settlement. Among the key questions in the Action was whether the Individual Defendants had acted with scienter, including based on the connections that existed between the termination of Baxter's Class Period Treasurer Bohaboy, the alleged fraud, and the Individual Defendants' knowledge. The Company had published a number of disclosures, including the restatement and subsequent disclosures—including in the third quarter of 2020—that revealed a complete overhaul of the Company's controller functions with respect to FX and also indicated internal control weaknesses. In addition, the Company is subject to an ongoing SEC investigation, the results of which are not public.

52. While Lead Plaintiffs had conducted an extensive investigation into the claims prior to filing the Complaint and thereafter in preparation for a second amended complaint, there had

been no formal discovery conducted in the Action, and Lead Plaintiffs did not have access to Baxter's internal documents. Lead Counsel believed that obtaining information and internal Baxter documents sufficient to place investors agreeing to the Settlement on the same or similar informational footing as the SEC and the Company's board of directors was critical to evaluating whether a settlement of this size was fair and reasonable relative to the strengths and weaknesses of the claims at issue.

B. The Due Diligence Discovery Conducted by Lead Counsel

53. Accordingly, in connection with their agreement to settle the Action, the Parties negotiated and agreed on the scope of the Due Diligence Discovery that Defendants would provide to Lead Plaintiffs. To this end, Lead Counsel engaged in vigorous negotiations with Defendants over the scope of documents to be produced in the Due Diligence Discovery, which process included numerous meet and confers. Lead Counsel returned to Defendants several times to discuss the productions to date and to seek additional documents that Lead Counsel believed were necessary to their evaluation of the Settlement's fairness, adequacy, and reasonableness, including email files from Individual Defendants Almeida and Saccaro. Similarly, Lead Counsel pushed for Defendants to produce (and ultimately obtained) documents that were sent to or from Bohaboy—not only the Individual Defendants. And Lead Counsel demanded an interview with a member of the Board who had been involved in the internal investigation into Baxter's FX accounting, and negotiated the extensive topics and certain specific, relevant questions for that interview with Defendants based on the document review conducted.

54. Defendants began producing documents on March 15, 2021, prior to the execution of the Stipulation, and continued to produce documents on a rolling basis through June 2021. In total, Defendants produced more than 10,000 pages of documents to Lead Plaintiffs, including: (a) documents concerning matters described in the restatement Baxter filed with the SEC;

(b) Baxter's policies and procedures relating to FX transactions, and documents concerning and reflecting those transactions; (c) documents that Baxter previously produced to the SEC, including documents sent or received by Almeida, Saccaro, or Bohaboy during the period from January 2017 through October 2019; and (d) Board-level documents concerning the internal investigation into Baxter's historical FX accounting. Defendants represented that the documents produced to the SEC and subsequently provided to Lead Plaintiffs in connection with Due Diligence Discovery were selected through a thorough manual review that identified the most relevant documents.

55. Lead Plaintiffs immediately set out to efficiently and thoroughly review this discovery record. To do so, Lead Counsel assigned a team of attorneys to undertake the time-sensitive and critical tasks of reviewing and analyzing the documents that Baxter produced. The reviewing attorneys escalated to the principal litigation team the key documents produced for further review and analysis. Lead Counsel made use of industry-standard technological tools to expedite the review of the documents produced.

56. As Lead Counsel reviewed the document production, they negotiated on a parallel track the topics they intended to explore during the witness interview. This process included preparing a detailed list of topics and sample questions for defense counsel to consider and utilize in determining the appropriate witness, as well as ensuring that Lead Plaintiffs could ascertain relevant information through the interview rather than be prevented from doing so by claims that key information was protected from disclosure as privileged.

57. Following several discussions with Defendants, Lead Counsel conducted an interview with Albert Stroucken, who is the Company's current Lead Director and was Chairman of the Company's Audit Committee, including at the time of Baxter's internal investigation into its FX accounting. Over the course of the approximately four-hour interview, Lead Counsel

questioned Mr. Stroucken about Baxter's FX policies and procedures; the FX transactions at issue; the investigation, its findings, and the support for those findings; and the Company's subsequent disclosures and remedial measures relating to the investigation and underlying relevant facts. These lines of questioning covered evidence about the knowledge, if any, of the Individual Defendants into the accounting violations at issue, and whether the Baxter Board of Directors had made any determinations with respect to any willful misconduct on the part of any Baxter employee.

58. In Lead Counsel's view, the Due Diligence Discovery confirmed that the Settlement Class would face significant obstacles to a recovery in excess of the Settlement Amount. Those risks are summarized in more detail below. Having considered these risks, and based on all proceedings and discovery performed in the Action, it is the informed judgment of Lead Plaintiffs and Lead Counsel that the proposed Settlement is fair, reasonable, and adequate and in the best interest of the Settlement Class.

V. RISKS OF CONTINUED LITIGATION

59. With the Court having dismissed the Complaint, the Settlement came at a moment of substantial uncertainty in the Action. Although Lead Plaintiffs believe they could amend the Complaint to address the Court's concerns and ultimately withstand a second motion to dismiss, there was a serious risk that the Court would have ruled in Defendants' favor again, dismissing the Action with prejudice and eliminating any recovery for the Settlement Class.

60. Even if Lead Plaintiffs survived a second motion to dismiss, they would face significant further challenges from Defendants at class certification, summary judgment, and trial. In particular, Defendants would continue to vigorously argue that the Individual Defendants did not know (and were not reckless in not knowing) of the intra-Company transactions at issue in the

Action, the purpose of the transactions, the accounting treatment for the transactions, or that the accounting treatment deviated from GAAP at the time of the alleged misstatements. And, even if liability could be established, Defendants would also assert substantial challenges to loss causation and damages.

A. The Risks of Prosecuting Securities Actions in General

61. In recent years, securities class actions have become riskier and more difficult to prove, given changes in the law, including numerous United States Supreme Court decisions. For example, data from Cornerstone Research shows that, in each year between 2011 and 2017, approximately half of all securities class actions filed were dismissed, and the percentage of dismissals was as high as 57% in 2013. *See* CORNERSTONE RESEARCH, SECURITIES CLASS ACTION FILINGS: 2020 YEAR IN REVIEW (2021), attached hereto as Exhibit 6, at 18.

62. Even when they have survived motions to dismiss, securities class actions can be defeated in connection with *Daubert* motions or at summary judgment. For example, multiple securities class actions also recently have been dismissed at the summary judgment stage. *See, e.g., In re Barclays Bank PLC Sec. Litig.*, No. 09-01989 (S.D.N.Y.) (summary judgment granted on September 13, 2017 after eight years of litigation); *In re Omnicom Grp., Inc. Sec. Litig.*, 541 F. Supp. 2d 546, 554-55 (S.D.N.Y. 2008), *aff'd* 597 F.3d 501 (2d Cir. 2010) (summary judgment granted after six years of litigation and millions of dollars spent by plaintiffs' counsel); *see also In re Xerox Corp. Sec. Litig.*, 935 F. Supp. 2d 448, 496 (D. Conn. 2013), *aff'd* 766 F.3d 172 (2d Cir. 2014); *Fosbre v. Las Vegas Sands Corp.*, 2017 WL 55878 (D. Nev. Jan. 3, 2017), *aff'd sub nom., Pompano Beach Police & Firefighters' Ret. Sys. v. Las Vegas Sands Corp.*, 732 F. App'x 543 (9th Cir. 2018); *Perrin v. Sw. Water Co.*, 2014 WL 10979865 (C.D. Cal. July 2, 2014); *In re Novatel Wireless Sec. Litig.*, 830 F. Supp. 2d 996, 1015 (S.D. Cal. 2011); *In re Oracle Corp. Sec. Litig.*,

2009 WL 1709050 (N.D. Cal. June 19, 2009), *aff'd*, 627 F.3d 376 (9th Cir. 2010); *In re REMEC Inc. Sec. Litig.*, 702 F. Supp. 2d 1202, 1211 (S.D. Cal. 2010). And even cases that have survived summary judgment have been dismissed prior to trial in connection with *Daubert* motions. *See, e.g., Bricklayers and Trowel Trades Int'l Pension Fund v. Credit Suisse First Boston*, 853 F. Supp. 2d 181 (D. Mass. 2012), *aff'd*, 752 F.3d 82 (1st Cir. 2014) (granting summary judgment *sua sponte* in favor of defendants after finding that plaintiffs' expert was unreliable).

63. Even when securities class action plaintiffs are successful in certifying a class, prevailing at summary judgment, and overcoming *Daubert* motions, and have gone to trial, there are still real risks that there will be no recovery or substantially less recovery for class members. For example, in *In re BankAtlantic Bancorp, Inc. Securities Litigation*, a jury rendered a verdict in plaintiffs' favor on liability in 2010. 2011 WL 1585605, at *6 (S.D. Fla. Apr. 25, 2011). In 2011, the district court granted defendants' motion for judgment as a matter of law and entered judgment in favor of the defendants on all claims. *Id.* at *38. In 2012, the Eleventh Circuit affirmed the district court's ruling, finding that there was insufficient evidence to support a finding of loss causation. *See Hubbard v. BankAtlantic Bancorp, Inc.*, 688 F.3d 713, 725 (11th Cir. 2012).

64. There is also the risk that an intervening change in the law can result in the dismissal of a case even after significant effort has been expended. The Supreme Court has heard several securities cases in recent years, often announcing holdings that dramatically changed the law in the midst of long-running cases. *See Omnicare, Inc. v. Laborers Dist. Council Constr. Indus. Pension Fund*, 135 S. Ct. 1318 (2015); *Halliburton Co. v. Erica P. John Fund, Inc.*, 573 U.S. 258 (2014); *Comcast Corp. v. Behrend*, 569 U.S. 27 (2013); *Janus Capital Group, Inc. v. First Derivative Traders*, 564 U.S. 135 (2011); *Morrison v. Nat'l Austl. Bank Ltd.*, 561 U.S. 247 (2010). As a result, many cases have been lost after thousands of hours have been invested in briefing and

discovery. For example, in *In re Vivendi Universal, S.A. Securities Litigation*, after a verdict for class plaintiffs based on the determination that defendants acted recklessly with respect to 57 statements, the district court granted judgment for defendants following a change in the law announced in *Morrison*. See 765 F. Supp. 2d 512, 524, 533 (S.D.N.Y. 2011).

65. In sum, securities class actions face serious risks of dismissal and non-recovery at all stages of the litigation.

B. The Court's Dismissal of the Complaint

66. The current posture of this case highlights the significant risks to achieving a substantial, or any, recovery in the Action. The Court had dismissed the Complaint in its entirety based on its finding that Lead Plaintiffs did not set forth sufficient facts establishing a strong inference that the Individual Defendants acted with scienter and, in doing so, rejected inferences based on the nature, magnitude, and duration of the accounting misconduct (including that the misconduct was admittedly done to intentionally manipulate Baxter's financial results), which the Lead Plaintiffs had believed would adequately support an inference of scienter.

67. While the Court granted Lead Plaintiffs leave to replead—and Lead Plaintiffs were prepared to do so—Lead Plaintiffs faced a significant risk that the Court would once again dismiss the forthcoming second amended complaint and find that the amended allegations did not sufficiently address the purported issues identified in the MTD Order. While Lead Plaintiffs believe that the additional allegations that would have been incorporated—including more information concerning the types of data and information that Almeida and Saccaro had access to, and the inferences they believe arise from the Company's admission that it improperly engaged in transactions solely to boost the bottom line—would be sufficient to address the Court's reasons for dismissing the Complaint, it is very possible that the Court might have concluded the second amended complaint fails to adequately allege scienter for the same reasons as the initial Complaint.

68. Further, the Court could also potentially dismiss the case in whole or part on other grounds that were not addressed in its prior MTD Order, including based on arguments that some or all of Defendants' challenged statements were not materially false or misleading.

69. If the Court had dismissed the second amended complaint with prejudice, Lead Plaintiffs' only recourse would be to appeal that decision to the U.S. Court of Appeals for the Seventh Circuit. While Lead Plaintiffs disagree with the Court's legal determination in the MTD Order and believe that they had properly alleged scienter (and would do so in the second amended complaint), it is far from clear that Lead Plaintiffs would be able to secure a reversal on appeal, especially in light of the fact that the MTD Order is lengthy, detailed, and engages thoroughly with key factual allegations in the Complaint. Moreover, Defendants' motion to dismiss had relied on a number of Seventh Circuit cases that found scienter insufficiently established because of the lack of direct allegations that the named executive defendants had specific knowledge of the alleged fraud (such as through reviewing specific documents or attending meetings where the matter was discussed). While Lead Plaintiffs believed these cases were distinguishable from the allegations and underlying facts in this Action, it was far from certain that a panel of the Seventh Circuit would agree.

C. The Substantial Risks of Proving Defendants' Liability and Damages in This Case

70. While Lead Plaintiffs and Lead Counsel believe they had advanced meritorious claims, Defendants vigorously contested their liability with respect to nearly every element of Lead Plaintiffs' claims. Thus, even if Lead Plaintiffs had successfully addressed the deficiencies the Court identified in its MTD Order or achieved a reversal on appeal, Lead Plaintiffs would still have continued to face substantial risks at later stages in the case, including at class certification,

summary judgment, trial, or on appeal—thereby threatening to reduce or eliminate any recovery for the Settlement Class.

1. Risks of Proving Scienter

71. At all stages of the litigation, Lead Plaintiffs faced substantial challenges in gathering admissible evidence of the Individual Defendants' knowledge of the FX accounting transactions at issue sufficient to prove the element of scienter at trial. Lead Plaintiffs were not aware of any witnesses who would provide testimony as to the Individual Defendants' direct knowledge, and it was unlikely that any "smoking gun" document existed.

72. To the contrary, Due Diligence Discovery, including documents sent or received by Almeida, Saccaro or Bohaboy, did not reveal evidence showing conclusively that the Individual Defendants were aware that the FX convention used by Baxter (which set FX rates for the entire month based on rates established at the middle of the prior month) violated GAAP, or that Baxter had engaged in intra-Company transactions solely for the purposes of creating FX gains or avoiding losses, in order to manipulate its earnings. Moreover, because the alleged fraud arose from accounting violations and the purported misuse of accounting mechanisms that Defendants argued are complex and accordingly allow reasonable estimation rather than demanding exactitude, Lead Plaintiffs faced significant hurdles in establishing the scienter of the senior-most executives at Baxter through evidence of recklessness.

2. Risks of Proving Loss Causation and Damages

73. Even assuming that Lead Plaintiffs overcame each of the above-described risks and successfully established scienter, they would still have faced substantial further risks in proving loss causation and damages.

74. While the price of Baxter common stock responded immediately to the announcement of the internal investigation on October 24, 2019, Defendants still had potentially

meritorious arguments that Lead Plaintiffs would not be able to prove that the price decline that followed on October 24 and 25, 2019 was caused by the revelation of the FX accounting errors. Defendants would argue that the disclosure on October 24, 2019 revealed only the existence of an investigation and, when the results of that investigation were released and Baxter's financial statements were actually restated, the price of Baxter's common stock went up.

75. Lead Plaintiffs would have also faced challenges in proving the amount of damages, given the fact that the price of Baxter common stock rebounded shortly after the October 24, 2019 disclosure.

76. Defendants would also have argued that any damages to the Settlement Class must be offset by (or netted against) gains that Settlement Class Members received by selling pre-Class Period shares during the period when the price of the stock was allegedly inflated. If that argument was accepted, it would have substantially lowered the total damages that could be established for the Settlement Class.

3. Risks of Proving Falsity and Materiality

77. Had this case moved beyond the pleading stage, Lead Plaintiffs would also have faced significant risks with proving the falsity and materiality of alleged misrepresentations and omissions at issue.

78. With respect to materiality, Defendants would likely argue that the foreign-exchange transactions at issue were not material to investors, because the amounts that Baxter ultimately restated were not quantitatively material relative to Baxter's overall balance sheet. Specifically, Defendants could point to the fact that the amount of FX transactions ultimately restated by Baxter ultimately totaled approximately \$200 million for 2017, 2018, and the first two quarters of 2019, which represented less than 1% of Baxter's total net income over that period. Based on those facts, Defendants would contend, including to a jury at trial, that the restatement

was not material. Defendants could point to the fact that, following the restatement (which quantified the effect of the alleged fraud on Baxter's income), there was no negative reaction in the price of Baxter common stock.

79. Moreover, it is likely that Defendants would have continued to challenge the falsity of alleged misstatements relating to Baxter's conformity with GAAP and certifications of Baxter's internal controls over financial reporting. Defendants would also likely contend that these challenged statements were not actionable because the statements about Baxter's financial statements' compliance with GAAP and the quality of Baxter's internal controls were statements of opinion, not fact, or were too general to form the basis for a securities fraud claim.

4. Risks After Trial

80. Had Lead Plaintiffs prevailed at summary judgment and at trial, Defendants would likely have appealed the judgment—leading to many additional months, if not years, of further litigation. On appeal, Defendants would have renewed their host of arguments as to why Lead Plaintiffs had failed to establish liability, loss causation, and damages, thereby exposing Lead Plaintiffs to the risk of having any favorable judgment reversed or reduced below the Settlement Amount after years of litigation.

81. The risk that even a successful trial verdict could be overturned by a later appeal is very real in securities fraud class actions. There are numerous instances across the country where jury verdicts for plaintiffs in securities class actions were overturned after appeal. *See, e.g., Glickenhous & Co. v. Household Int'l, Inc.*, 787 F.3d 408 (7th Cir. 2015) (reversing and remanding jury verdict of \$2.46 billion after 13 years of litigation); *In re Oracle Corp. Sec. Litig.*, 2009 WL 1709050 (N.D. Cal. June 16, 2009), *aff'd*, *In re Oracle Corp. Sec. Litig.*, 627 F.3d 376 (9th Cir. 2010) (granting summary judgment to defendants after eight years of litigation); *Robbins v. Koger Props., Inc.*, 116 F.3d 1441 (11th Cir. 1997) (reversing \$81 million jury verdict after 19-day trial

and dismissing case with prejudice); *Anixter v. Home-Stake Prod. Co.*, 77 F.3d 1215 (10th Cir. 1996) (overturning plaintiffs’ verdict obtained after two decades of litigation); *In re Apple Comp. Sec. Litig.*, No. C-84-20148, 1991 U.S. Dist. LEXIS 15608 (N.D. Cal. Sept. 6, 1991) (\$100 million jury verdict vacated on post-trial motions).

82. Moreover, even if a judgment in Lead Plaintiffs’ favor was affirmed on appeal, Defendants could then have challenged reliance and damages as to each class member, including Lead Plaintiffs, in an extended series of individual proceedings. That process could have taken multiple additional years, and could have severely reduced any recovery to the Settlement Class as Defendants “picked off” class members. For example, in *In re Vivendi Universal SA Securities Litigation*, 765 F. Supp. 2d 520 (S.D.N.Y. 2011), the district court acknowledged that in any post-trial proceedings, “Vivendi is entitled to rebut the presumption of reliance on an individual basis,” and that “any attempt to rebut the presumption of reliance on such grounds would call for separate inquiries into the individual circumstances of particular class members.” 765 F. Supp. 2d at 583-584. Over the course of several years, Vivendi indeed successfully challenged several class members’ damages in individual proceedings.

83. Thus, even if Lead Plaintiffs and the Settlement Class were to have prevailed at trial, the subsequent processes of an appeal and challenges to individual class members could have severely limited, or even eliminated, any recovery—and, at minimum, could have added several years of further delay.

* * * * *

84. Based on all the factors summarized above, Lead Plaintiffs and Lead Counsel respectfully submit that it was in the best interest of the Settlement Class to accept the immediate and substantial benefit conferred by the \$16 million Settlement (as recommended by the Mediator),

instead of incurring the significant risk that the Settlement Class would recover a lesser amount, or nothing at all, after several additional years of arduous litigation. Indeed, there were serious risks that Lead Plaintiffs would not prevail in the Action through amendment of the Complaint (or on appeal from the Court's order dismissing the Complaint), or assuming the Action proceeded, at class certification, summary judgment, or trial. If Defendants had succeeded on any of their substantial defenses, Lead Plaintiffs and the Settlement Class would have recovered nothing at all or, at best, could have recovered less than the Settlement Amount.

VI. THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE IN LIGHT OF THE POTENTIAL RECOVERY IN THE ACTION

85. The Settlement is also reasonable when considered in relation to the range of potential recoveries that might be obtained if Lead Plaintiffs prevailed at trial, which was far from certain for all the reasons noted above. Lead Plaintiffs' damages consultant has estimated the Settlement Class's maximum aggregate damages in this Action to be approximately \$208 million. Accordingly, the \$16,000,000 Settlement represents approximately 8% of the *maximum* damages that could be established for the Settlement Class. This is significantly more than the median recovery obtained in recent securities class actions in which a similar damages amount was at issue. *See* CORNERSTONE RESEARCH, SECURITIES CLASS ACTION SETTLEMENTS: 2020 REVIEW AND ANALYSIS, at 6 Fig. 5 (2021) (attached hereto as Exhibit 7) (the median settlement for securities cases from 2011 through 2019 with estimated damages between \$150 and \$249 million was 3.9% of estimated damages). Accordingly, the recovery obtained here would be a good recovery in any securities action, but is particularly favorable in the context of this case and considering the Court's dismissal of the Complaint.

86. Moreover, proving that level of damages assumes that Lead Plaintiffs would have prevailed on all their merits arguments about falsity, materiality, and scienter, which was far from

certain. In addition, the calculation of loss causation and damages would be subject to substantial risk at trial, as they would be subject to a “battle of the experts.” Even if Lead Plaintiffs prevailed at trial, the amount of damages could have been substantially reduced based on arguments about the substance of the disclosure that purportedly dissipated the artificial inflation in the price of Baxter common stock; the extent to which the regression analysis Lead Plaintiffs’ expert would present accurately captured the amount of dissipation in Baxter’s share price on the alleged corrective disclosure date that declined in connection with the truth being revealed; and the need to offset class members’ gains from their sales of pre-Class Period shares.

87. For all these reasons, Lead Plaintiffs and Lead Counsel respectfully submit that the Settlement is fair, reasonable, and adequate, and that it is in the best interests of the Settlement Class to accept the immediate and substantial benefit conferred by the Settlement, instead of incurring the significant risk that the Settlement Class might recover a lesser amount, or nothing at all, after additional protracted and arduous litigation.

VII. ISSUANCE OF NOTICE OF THE SETTLEMENT TO THE SETTLEMENT CLASS AND THE REACTION OF THE SETTLEMENT CLASS TO DATE

88. The Parties have stipulated to certification of the Settlement Class, for purposes of the Settlement only, consisting of “all persons or entities who purchased or otherwise acquired Baxter common stock during the Class Period, and were damaged thereby.” Stipulation ¶¶ 1(ss), 2.⁶ In its Preliminary Approval Order, the Court found, pursuant to Rule 23(e)(1)(B)(ii) of the Federal Rules of Civil Procedure, that it “will likely be able to certify the Settlement Class for

⁶ “Excluded from the Settlement Class are Defendants, any person who was an executive officer or director of Baxter during the Class Period, their Immediate Family members, any affiliates of Baxter, and any persons or entities who or which exclude themselves by submitting a timely and valid request for exclusion that is accepted by the Court.” Stipulation ¶ 1(ss).

purposes of the proposed Settlement” and “will likely be able to certify Lead Plaintiffs as Class Representatives for the Settlement Class and appoint Lead Counsel as Class Counsel for the Settlement Class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.” ECF No. 59, at ¶¶ 2-3. In connection with final approval of the Settlement, the Court will be asked to finally certify the Settlement Class and finally approve the appointment of Lead Plaintiffs LAMPERS and Varma as Class Representatives for the Settlement Class and the appointment of BLB&G and KTMC as Class Counsel for the Settlement Class.⁷

89. The Court’s Preliminary Approval Order directed that notice of the Settlement be provided to the Settlement Class, including mailing of the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys’ Fees and Litigation Expenses (the “Notice”) and Proof of Claim and Release Form (“Claim Form”). The Preliminary Approval Order set July 20, 2021 as the deadline for Settlement Class Members to submit objections to the Settlement, the Plan of Allocation and/or the Fee and Expense Application or to request exclusion from the Settlement Class, and set the final approval hearing for August 10, 2021.

90. Pursuant to the Preliminary Approval Order, Lead Counsel instructed Epiq, the Claims Administrator, to begin disseminating copies of the Notice and Claim Form (together, the

⁷ Attached hereto as Exhibit 8 is a copy of an order in an unrelated action in which BLB&G served as Lead Counsel for a different client, SEB Investment Management AB, and as Class Counsel for the certified Class. *See SEB Inv. Mgmt. AB v. Symantec Corp.*, 2021 WL 1540996 (N.D. Cal. Apr. 20, 2021). As reflected in the order, counsel for a competing lead plaintiff movant (which was not appointed) raised questions about BLB&G’s hiring of a former employee of the lead plaintiff (SEB). Following discovery and extensive briefing, the court found that the evidence did not establish any *quid pro quo*, and allowed BLB&G to continue as Class Counsel. *See id.* at *1-2. The court in *Symantec* nevertheless ordered BLB&G to bring its order to the attention of any court in which BLB&G seeks appointment as class counsel, *see id.* at *2, so we are submitting the order to Your Honor’s attention.

“Notice Packet”) by mail. The Notice contains, among other things, descriptions of the Action, the Settlement, the proposed Plan of Allocation and Settlement Class Members’ rights to participate in the Settlement, object to the Settlement, the Plan of Allocation, and/or the Fee and Expense Application, or exclude themselves from the Settlement Class. The Notice also informs Settlement Class Members of Lead Counsel’s intent to apply for an award of attorneys’ fees in an amount not to exceed 22% of the Settlement Fund and for payment of Litigation Expenses incurred in connection with the institution, prosecution, and resolution of the Action in an amount not to exceed \$200,000, which amount may include the reasonable costs and expenses incurred directly by Lead Plaintiffs related to their representation of the Settlement Class. To disseminate the Notice, Epiq obtained information from Baxter and from banks, brokers, and other nominees regarding the names and addresses of potential Settlement Class Members. *See* Declaration of Owen F. Sullivan Regarding: (A) Mailing of the Notice and Claim Form; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion Received to Date (“Sullivan Decl.”), attached hereto as Exhibit 3, at ¶¶ 3-9.

91. Epiq began mailing copies of the Notice Packet to potential Settlement Class Members and nominees on May 19, 2021. *See* Sullivan Decl. ¶¶ 4-6. Through July 2, 2021, Epiq had disseminated a total of 183,254 Notice Packets to potential Settlement Class Members and nominees. *Id.* ¶ 9.⁸

92. In addition to mailed notice, Epiq caused the Summary Notice to be published in *The Wall Street Journal* and to be transmitted over the *PR Newswire* on June 1, 2021. *See id.* ¶ 10.

⁸ In accordance with the Stipulation, Defendants issued notice of the Settlement pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715, on April 12, 2021.

93. Lead Counsel also caused Epiq to establish a dedicated website for the Settlement, www.BaxterSecuritiesLitigation.com, to provide potential Settlement Class Members with information concerning the Settlement, including important dates and deadlines in connection therewith, and access to downloadable copies of the Notice and Claim Form, as well as copies of the Stipulation and other relevant documents. *See id.* ¶ 14.⁹ That website became operational on May 19, 2021. Additionally, Epiq maintains a toll-free telephone number and interactive voice-response system to respond to inquiries regarding the Settlement. *See id.* ¶¶ 11-13. Settlement Class Members can also contact Epiq by sending an e-mail to info@BaxterSecuritiesLitigation.com.

94. As set forth above, the deadline for Settlement Class Members to file objections to the Settlement, the Plan of Allocation and/or the Fee and Expense Application, or to request exclusion from the Settlement Class is July 20, 2021. To date, no objections and only eight requests for exclusion have been received. *See Sullivan Decl.* ¶ 15. Lead Counsel will file reply papers on August 3, 2021, after the deadline for submitting requests for exclusion and objections has passed, which will address any objections and all requests for exclusion received.

VIII. PROPOSED ALLOCATION OF THE PROCEEDS OF THE SETTLEMENT

95. Pursuant to the Preliminary Approval Order, and as set forth in the Notice, all Settlement Class Members who want to participate in the distribution of the Net Settlement Amount (*i.e.*, the Settlement Fund less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court; (d) any attorneys' fees awarded by the Court; and (e) any other costs or fees approved by the Court) must submit a valid Claim Form with all

⁹ Lead Counsel have also made copies of the Notice and Claim Form available on their own websites, www.blbglaw.com and www.ktmc.com.

required information postmarked (if mailed), or online through the Settlement website, no later than September 16, 2021. As set forth in the Notice, the Net Settlement Amount will be distributed among Settlement Class Members according to the plan of allocation approved by the Court.

96. Lead Counsel consulted with Lead Plaintiffs' damages consultant in developing the Plan of Allocation (the "Plan"). Lead Counsel believe that the Plan provides a fair and reasonable method to equitably allocate the Net Settlement Amount among Settlement Class Members.

97. The Plan is set forth at pages 13 to 16 of the Notice. *See* Sullivan Decl. Ex. A at pp. 13-16. As described in the Notice, calculations under the Plan are not intended to be estimates of the amounts that Settlement Class Members might have been able to recover at trial or the amounts that will be paid to Authorized Claimants pursuant to the Settlement. Plan ¶ 3. Instead, the calculations under the Plan are only a method to weigh the claims of Settlement Class Members against one another for the purposes of making an equitable allocation of the Net Settlement Amount. *Id.*

98. In developing the Plan, Lead Plaintiffs' damages consultant calculated the estimated amount of artificial inflation in the per-share price of Baxter common stock over the course of the Class Period that was allegedly proximately caused by Defendants' alleged materially false and misleading misrepresentations and omissions, as opposed to economic losses caused by market or industry factors or Company-specific factors unrelated thereto. Plan ¶ 2.

99. Under the Plan, a "Recognized Loss Amount" will be calculated for each purchase or other acquisition of Baxter common stock during the Class Period that is listed in the Claim Form and for which adequate documentation is provided. The calculation of Recognized Loss

Amounts will depend upon several factors, including (a) when the Baxter common stock was purchased or otherwise acquired, and at what price; and (b) whether the Baxter common stock was sold or held through the end of the Class Period and, if the stock was sold, when and for what amounts. Plan ¶¶ 6-7. In general, the Recognized Loss Amount calculated will be the difference between the estimated artificial inflation on the date of purchase and the estimated artificial inflation on the date of sale, or the difference between the actual purchase price and sale price of the stock, whichever is less. Plan ¶ 7.

100. Claimants who purchased and sold all their Baxter common stock before the alleged corrective disclosure on October 24, 2019, will have no Recognized Loss Amount under the Plan of Allocation with respect to those transactions because the level of artificial inflation is the same on the date of purchase and sale, and any loss suffered on those sales would not be the result of the alleged misstatements in the Action. Plan ¶ 7(a).

101. In accordance with the PSLRA, Recognized Loss Amounts for shares purchased during the Class Period and sold from October 24, 2019 through January 21, 2020 (known as the “90-day Look-Back Period”) are further limited to the difference between the purchase price and the average closing price of the stock from October 24, 2019 to the date of sale. Plan ¶¶ 7(b)(ii), 7(c)(ii). For shares of Baxter common stock purchased or otherwise acquired during the Class Period that are still held as of the close of trading on January 21, 2020, the Recognized Loss Amount shall be the lesser of: (i) \$10.81 per share, the amount of artificial inflation on the date of purchase; or (ii) the purchase price *minus* \$82.65 (the average closing price during the 90-day Look-Back Period). Plan ¶ 7(d).

102. The sum of a Claimant’s Recognized Loss Amounts for all of his, her, or its purchases/acquisitions of Baxter common stock during the Class Period is the Claimant’s

“Recognized Claim.” Plan ¶ 6. The Net Settlement Fund will be allocated to eligible Claimants on a *pro rata* basis, based on the relative size of their Recognized Claims. Plan ¶ 13.

103. In sum, the Plan of Allocation was designed to fairly and rationally allocate the proceeds of the Net Settlement Amount among Settlement Class Members based on the losses they suffered on transactions in Baxter common stock that were attributable to Defendants’ alleged misconduct. Accordingly, Lead Counsel respectfully submit that the Plan of Allocation is fair and reasonable and should be approved by the Court.

104. As noted above, through July 2, 2021, more than 183,000 copies of the Notice, which contains the Plan of Allocation, and advises Settlement Class Members of their right to object to the proposed Plan of Allocation, had been sent to potential Settlement Class Members and nominees. *See* Sullivan Decl. ¶ 9. To date, no objections to the proposed Plan of Allocation have been received.

IX. THE FEE AND LITIGATION EXPENSE APPLICATION

105. In addition to seeking final approval of the Settlement and Plan of Allocation, Lead Counsel are applying to the Court for an award of attorneys’ fees in the amount of 22% of the Settlement Fund, including any interest earned (the “Fee Application”). Lead Counsel also request payment for expenses that they incurred in connection with the prosecution of the Action from the Settlement Fund in the amount of \$96,538.37 and reimbursement to Lead Plaintiffs in the aggregate amount of \$6,648.75 for costs that LAMPERS and Varma incurred directly related to their representation of the Settlement Class, in accordance with the PSLRA, 15 U.S.C. § 78u-4(a)(4).

106. The legal authorities supporting the requested fee and expenses are set forth in Lead Counsel’s Fee Memorandum. The primary factual bases for the requested fee and expenses

are summarized below.

A. The Fee Application

107. For their efforts on behalf of the Settlement Class, Lead Counsel are applying for a fee award to be paid from the Settlement Fund on a percentage basis. As set forth in the accompanying Fee Memorandum, the percentage method is the appropriate method of fee recovery because it aligns the lawyers' interest in being paid a fair fee with the interest of the Settlement Class in achieving the maximum recovery in the shortest amount of time required under the circumstances, and has been recognized as appropriate by the U.S. Supreme Court and the Seventh Circuit Court of Appeals for cases of this nature.

108. Based on the quality of the result achieved, the extent and quality of the work performed, the significant risks of the litigation, and the fully contingent nature of the representation, Lead Counsel respectfully submit that the requested fee award is reasonable and should be approved. As discussed in the Fee Memorandum, a 22% fee award is fair and reasonable for attorneys' fees in common fund cases such as this, particularly given the facts and circumstances of this case, as well as within the range of percentages awarded in securities class actions in this Circuit with comparable settlements.

1. Lead Plaintiffs Have Authorized and Support the Fee Application

109. Lead Plaintiffs LAMPERS and Varma are sophisticated institutional investors that have closely supervised, monitored, and actively participated in the prosecution and settlement of the Action. *See* Huxen Decl. ¶¶ 2-5; Ylätüpa Decl. ¶¶ 2-5.

110. Lead Plaintiffs have evaluated the Fee Application and fully support the fee requested. Huxen Decl. ¶ 7; Ylätüpa Decl. ¶ 7. Both Lead Plaintiffs entered into retainer agreements with one of the Lead Counsel firms at the outset of the litigation, and the 22% fee

requested is consistent with or lower than the permissible rate under these two retainer agreements.

111. Moreover, after reaching the Settlement, Lead Plaintiffs again reviewed and approved the requested fee and believe it is fair and reasonable in light of the result obtained for the Settlement Class, the substantial risks in the litigation, and the work performed by Lead Counsel. Huxen Decl. ¶ 7; Ylätura Decl. ¶ 7. Lead Plaintiffs' endorsement of Lead Counsel's fee request further demonstrates its reasonableness and should be given weight in the Court's consideration of the fee award.

2. The Time and Labor Devoted to the Action by Lead Counsel

112. Lead Counsel devoted substantial time to the prosecution of the Action. As described above in greater detail, the work that Lead Counsel performed in this Action included: (i) conducting an extensive investigation into the alleged fraud, which included a detailed review of publicly available documents such as SEC filings, analyst reports, conference call transcripts, press releases, Company presentations, and media reports, and interviews with 69 individuals, including former employees of Baxter and others believed to be knowledgeable about the facts alleged in the Complaint; (ii) drafting and filing an initial complaint and a detailed consolidated complaint based on this investigation; (iii) fully briefing and opposing Defendants' motion to dismiss; (iv) conducting additional investigation, research, and analysis in connection with preparing a second amended complaint that would have been filed absent the Settlement; (v) undertaking substantial due diligence discovery, which included negotiating for, obtaining and analyzing more than 10,000 pages of key documents produced by Defendants and conducting an interview with the chair of Baxter's audit committee; (vi) consulting extensively throughout the litigation with experts in accounting and financial economics; and (vii) engaging in extensive

arm's-length settlement negotiations to achieve the Settlement.

113. Throughout the litigation, Lead Counsel maintained an appropriate level of staffing that avoided unnecessary duplication of effort and ensured the efficient prosecution of this Action. As the lead partners on the case, we personally monitored and maintained control of the work performed by other lawyers at BLB&G and KTMC throughout the litigation. Other experienced attorneys at Lead Counsel were also involved in the drafting of pleadings, motion papers, and in the settlement negotiations. More junior attorneys and paralegals worked on matters appropriate to their skill and experience level.

114. Attached hereto as Exhibits 4A and 4B are declarations on behalf of BLB&G and KTMC in support of Lead Counsel's motion for an award of attorneys' fees and litigation expenses (the "Fee and Expense Declarations"). Each of the Fee and Expense Declarations includes a schedule summarizing the lodestar of the firm and the litigation expenses it incurred. The Fee and Expense Declarations indicate the amount of time spent on the Action by the attorneys and professional support staff of each firm and the lodestar calculations based on their current hourly rates. The Fee and Expense Declarations were prepared from contemporaneous daily time records regularly maintained and prepared by the respective firms, which are available at the request of the Court. The first page of Exhibit 4 is a chart that summarizes the information set forth in the Fee and Expense Declarations, listing the total hours expended, lodestar amounts, and litigation expenses for each Lead Counsel firm, and gives totals for the numbers provided.

115. As set forth in Exhibit 4, Lead Counsel collectively expended a total of 3,931.85 hours in the investigation and prosecution of the Action from its inception through June 30, 2021. The resulting lodestar is \$2,302,494.50.

116. The requested fee of 22% of the Settlement Fund is \$3,520,000, plus interest accrued at the same rate as the Settlement Fund, and therefore represents a multiplier of approximately 1.5 on Lead Counsel's lodestar. As discussed in further detail in the Fee Memorandum, the requested multiplier cross-check is within the range of fee multipliers typically awarded in comparable securities class actions and in other class actions involving significant contingency fee risk, in this Circuit and elsewhere.

3. The Experience and Standing of Lead Counsel

117. As demonstrated by the firm resumes included as Exhibits 4A-3 and 4B-3 hereto, BLB&G and KTMC are among the most experienced and skilled law firms in the securities litigation field, with a long and successful track record representing investors in such cases, and are consistently ranked among the top plaintiffs' firms in the country. We believe our firms' extensive experience in the field and the ability of our attorneys added valuable leverage during the settlement negotiations.

4. The Standing and Caliber of Defendants' Counsel

118. The quality of the work performed by Lead Counsel in attaining the Settlement should also be evaluated in light of the quality of the opposition. Here, Defendants were represented by experienced and extremely able counsel from Latham & Watkins LLP, which vigorously represented its clients. In the face of this skillful and well-financed opposition, Lead Counsel were nonetheless able to negotiate with Defendants to settle the case on terms that are favorable to the Settlement Class.

5. The Risks of the Litigation and the Need to Ensure the Availability of Competent Counsel in High-Risk Contingent Securities Cases

119. This prosecution was undertaken by Lead Counsel on an entirely contingent basis. The risks assumed by Lead Counsel in prosecuting these claims to a successful conclusion are

described above. Those risks are also relevant to an award of attorneys' fees.

120. From the outset of their retention, Lead Counsel understood that they were embarking on a complex, expensive, and lengthy litigation with no guarantee of ever being compensated for the substantial investment of time and money the case would require. In undertaking that responsibility, Lead Counsel were obligated to ensure that sufficient resources were dedicated to the prosecution of the Action, and that funds were available to compensate staff and to cover the considerable litigation costs that a case such as this Action requires. With an average lag time of several years for such cases to conclude, the financial burden on contingent-fee counsel is far greater than on a firm that is paid on an ongoing basis. Indeed, Lead Counsel received no compensation during the course of the Action and have collectively incurred over \$96,000 in litigation expenses in prosecuting the Action for the benefit of the Settlement Class.

121. Lead Counsel also bore the risk that no recovery would be achieved. Despite the most vigorous and competent of efforts, success in contingent-fee litigation, such as this, is never assured. As discussed herein, from the outset, this case presented multiple risks and uncertainties that could have resulted in no recovery whatsoever. Indeed, at the time of the Settlement, the Action was dismissed.

122. Lead Counsel know from experience that the commencement and ongoing prosecution of a class action does not guarantee a settlement. To the contrary, it takes hard work and diligence by skilled counsel to develop the facts and legal arguments that are needed to sustain a complaint or win at class certification, summary judgment and trial, or on appeal, or to cause sophisticated defendants to engage in serious settlement negotiations at meaningful levels.

123. Moreover, courts have repeatedly recognized that it is in the public interest to have experienced and able counsel enforce the securities laws and regulations pertaining to the duties

of officers and directors of public companies. As recognized by Congress through the passage of the PSLRA, vigorous private enforcement of the federal securities laws can occur only if private investors, particularly institutional investors, take an active role in protecting the interests of shareholders. If this important public policy is to be carried out, the courts should award fees that adequately compensate plaintiffs' counsel, taking into account the risks undertaken in prosecuting a securities class action.

124. Lead Counsel's extensive and persistent efforts in the face of substantial risks and uncertainties have resulted in a significant recovery for the benefit of the Settlement Class. In circumstances such as these, and in consideration of the hard work and the excellent result achieved, we believe the requested fee is reasonable and should be approved.

6. The Reaction of the Settlement Class to the Fee Application

125. As stated above, through July 2, 2021, 183,254 Notice Packets had been mailed to potential Settlement Class Members advising them that Lead Counsel would apply for an award of attorneys' fees in an amount not to exceed 22% of the Settlement Fund. *See* Sullivan Decl. ¶ 9. In addition, the Court-approved Summary Notice was published in *The Wall Street Journal* and transmitted over the *PR Newswire* on June 1, 2021. *Id.* ¶ 10. To date, no objections to the request for attorneys' fees has been received. Any objections received will be addressed in Lead Counsel's reply papers to be filed on August 3, 2021, after the deadline for submitting objections has passed.

126. In sum, Lead Counsel accepted this case on a contingency basis, committed significant resources to it, and prosecuted it without any compensation or guarantee of success. Based on the favorable result obtained, the quality of the work performed, the risks of the Action, and the fully contingent nature of the representation, Lead Counsel respectfully submit that a fee

award of 22%, resulting in a multiplier of 1.5, is fair and reasonable, and is consistent with and supported by the fee awards that courts have granted in other comparable cases.

B. The Litigation Expense Application

127. Lead Counsel also seek payment from the Settlement Fund of \$96,538.37 in litigation expenses that were reasonably incurred by Lead Counsel in connection with commencing, litigating, and settling the claims asserted in the Action.

128. From the outset of the Action, Lead Counsel were aware that they might not recover any of their expenses and, even in the event of a recovery, would not recover any of their out-of-pocket expenditures until such time as the Action might be successfully resolved. Lead Counsel also understood that, even assuming that the case was ultimately successful, a subsequent award of expenses would not compensate them for the lost use of the funds advanced by them to prosecute the Action. Accordingly, Lead Counsel were motivated to and did take appropriate steps to avoid incurring unnecessary expenses and to minimize costs without compromising the vigorous and efficient prosecution of the case.

129. Lead Counsel have incurred a total of \$96,538.37 in litigation expenses in connection with the prosecution of the Action. These expenses are summarized in Exhibit 5, which identifies each category of expense, *e.g.*, expert/consultant fees, mediation costs, and on-line research, and the amount incurred for each category. These expense items are billed separately by Lead Counsel, and such charges are not duplicated in Lead Counsel's hourly rates.

130. The largest expense, \$48,907.50, or approximately 51%, was expended for the retention of experts and consultants. As noted above, Lead Counsel consulted with experts in the fields of accounting, loss causation, and damages during their investigation and the preparation of the Complaint, in preparation for mediation, and in connection with the development of the

proposed Plan of Allocation.

131. Another large component of Lead Counsel's litigation expenses was for online legal and factual research, which was necessary to conduct the factual investigation and identify potential witnesses, prepare the Complaint, research the law pertaining to the claims asserted in the Action, oppose Defendants' motion to dismiss, and prepare Lead Plaintiffs' mediation submissions. The charges for on-line research amounted to \$34,464.54, or 36% of the total amount of Lead Counsel's expenses. Lead Counsel also incurred \$10,000.00, or 10% of their total expenses, for their share of the cost of mediation with Mr. Lindstrom.

132. The other expenses for which Lead Counsel seek payment are the types of expenses that are necessarily incurred in litigation and routinely charged to clients billed by the hour. These expenses include, among others, court fees, telephone costs, copying, and postage and delivery expenses.

133. All of the litigation expenses incurred by Lead Counsel were reasonable and necessary to the successful litigation of the Action, and have been approved by Lead Plaintiffs. *See* Huxen Decl. ¶ 8; Ylätura Decl. ¶ 8.

134. In addition, Lead Plaintiffs seek reimbursement of the reasonable costs that they incurred directly in connection with their representation of the Settlement Class. Such payments are expressly authorized and anticipated by the PSLRA, as more fully discussed in the Fee Memorandum at 14-15. Lead Plaintiff LAMPERS seeks reimbursement of \$4,050 for 45 hours expended in connection with the Action by its Executive Director and General Counsel, Ben Huxen, who spent time communicating with Lead Counsel and reviewing pleadings and motion papers. *See* Huxen Decl. ¶¶ 9-11. Lead Plaintiff Varma also seeks reimbursement of \$2,598.75 for 35 hours expended in connection with the Action by its employees. *See* Ylätura Decl. ¶¶ 9-

11.

135. The Notice informs potential Settlement Class Members that Lead Counsel would be seeking reimbursement of Litigation Expenses in an amount not to exceed \$200,000. The total amount requested, \$103,187.12 (\$96,538.37 for Lead Counsel's expenses and \$6,648.75 for Lead Plaintiffs' expenses), is significantly below the \$200,000 that Settlement Class Members were advised could be sought. To date, no objections to the request for Litigation Expenses have been received.

136. In sum, the expenses incurred by Lead Counsel and Lead Plaintiffs were reasonable and necessary to represent the Settlement Class and achieve the Settlement. Accordingly, Lead Counsel respectfully submit that the application for payment of these expenses should be approved.

137. Attached hereto are true and correct copies of the following documents previously cited in this Declaration:

- Exhibit 1: Declaration of Ben Huxen, Executive Director and General Counsel of the Louisiana Municipal Police Employee Retirement System, in Support of: (A) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation; and (B) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- Exhibit 2: Declaration of Esa-Ville Ylätopa, Chief Legal Counsel for Varma Mutual Pension Insurance Company, in Support of: (A) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation; and (B) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- Exhibit 3: Declaration of Owen F. Sullivan Regarding: (A) Mailing of the Notice and Claim Form; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion Received to Date
- Exhibit 4: Summary of Lead Counsel's Lodestar and Expenses
- Exhibit 4A: Declaration of James A. Harrod in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses, Filed on Behalf of Bernstein Litowitz Berger & Grossmann LLP

- Exhibit 4B: Declaration of Sharan Nirmul in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses, Filed on Behalf of Kessler Topaz Meltzer & Check, LLP
- Exhibit 5 Breakdown of Lead Counsel's Expenses by Category
- Exhibit 6: CORNERSTONE RESEARCH, SECURITIES CLASS ACTION FILINGS: 2020 YEAR IN REVIEW (2021)
- Exhibit 7 CORNERSTONE RESEARCH, SECURITIES CLASS ACTION SETTLEMENTS: 2020 REVIEW AND ANALYSIS (2021)
- Exhibit 8 *SEB Inv. Mgmt. AB v. Symantec Corp.*, 2021 WL 1540996 (N.D. Cal. Apr. 20, 2021)

Also attached hereto are true and correct copies of the following documents cited in the Fee

Memorandum:

- Exhibit 9: *Ronge v. Camping World Holdings, Inc.*, No. 1:18-cv-07030, slip op. (N.D. Ill. Aug. 5, 2020), ECF No. 158
- Exhibit 10: *Sokolow v. LJM Funds Mgm't, Ltd.*, No. 1:18-cv-01039, slip op. (N.D. Ill. Dec. 18, 2019), ECF No. 216
- Exhibit 11: *Pension Trust Fund for Operating Eng'rs v. DeVry Educ. Grp., Inc.*, No. 1:16-cv-05198, slip op. (N.D. Ill. Dec. 6, 2019), ECF No. 162
- Exhibit 12: *Rubinstein v. Gonzalez*, No. 1:14-cv-09465, slip op. (N.D. Ill. Oct. 22, 2019), ECF No. 296, and related brief excerpt
- Exhibit 13: *In re Impinj, Inc. Sec. Litig.*, No. 3:18-cv-05704-RSL, slip op. (W.D. Wash. Nov. 20, 2020), ECF No. 106
- Exhibit 14: *Palazzolo v. Fiat Chrysler Automobiles N.V.*, No. 4:16-cv-12803-LVP-SDD, slip op. (E.D. Mich. June 5, 2019), ECF No. 76
- Exhibit 15: *In re Quality Sys., Inc. Sec. Litig.*, No. 13-cv-01818-CJC-JPR, slip op. (C.D. Cal. Nov. 19, 2018), ECF No. 120
- Exhibit 16: *In re Novatel Wireless Sec. Litig.*, No. 08-cv-01689-AJB (RBB), slip op. (S.D. Cal. June 23, 2014), ECF No. 520, and related brief excerpt
- Exhibit 17: *Duncan v. Joy Global Inc., et al.*, No. 16-cv-1229-pp, slip op. (E.D. Wis. Dec. 27, 2018), ECF No. 79

X. CONCLUSION

138. For all the reasons set forth above, Lead Plaintiffs and Lead Counsel respectfully submit that the Settlement and the Plan of Allocation should be approved as fair, reasonable and adequate. Lead Counsel further submit that the requested fee in the amount of 22% of the Settlement Fund should be approved as fair and reasonable, and the request for Lead Counsel's Litigation Expenses in the amount of \$96,538.37 and Lead Plaintiffs' costs, in the amount of \$6,648.75, should also be approved.

We declare, under penalty of perjury, that the foregoing is true and correct.

Dated: July 6, 2021

Respectfully submitted,

/s/ James A. Harrod
James A. Harrod

/s/ Sharan Nirmul
Sharan Nirmul

Exhibit 1

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE BAXTER INTERNATIONAL INC.
SECURITIES LITIGATION

Case No. 1:19-cv-07786

District Judge Sara L. Ellis

Magistrate Judge Jeffrey I. Cummings

DECLARATION OF BEN HUXEN, EXECUTIVE DIRECTOR AND GENERAL COUNSEL OF LOUISIANA MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM, IN SUPPORT OF: (I) LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF SETTLEMENT AND PLAN OF ALLOCATION; AND (II) LEAD COUNSEL'S MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES

I, Ben Huxen, hereby declare under penalty of perjury as follows:

1. I am the Executive Director and General Counsel of Louisiana Municipal Police Employees' Retirement System ("LAMPERS"), one of the Court-appointed Lead Plaintiffs in this securities class action (the "Action").¹ I submit this declaration in support of (i) Lead Plaintiffs' motion for final approval of the proposed Settlement and approval of the proposed Plan of Allocation; and (ii) Lead Counsel's motion for attorneys' fees and Litigation Expenses. I have personal knowledge of the matters set forth in this Declaration and, if called upon, I could and would testify competently thereto.

2. LAMPERS is a public pension fund system organized for the benefit of the current and retired police employees of the State of Louisiana and is located in Baton Rouge, Louisiana. As of June 30, 2020, LAMPERS had total assets of more than \$2.2 billion under management for approximately 10,000 active and retired police department workers throughout Louisiana.

¹ Unless otherwise defined in this Declaration, all capitalized terms have the meanings set out in the Stipulation and Agreement of Settlement dated April 21, 2021 (ECF No. 57-1).

I. LAMPERS' Oversight of the Action

3. I am aware of and understand the requirements and responsibilities of a lead plaintiff in a securities class action, including those set forth in the Private Securities Litigation Reform Act of 1995 ("PSLRA").

4. On January 31, 2020, the Court appointed LAMPERS as one of the two Leads Plaintiff in the Action pursuant to the PSLRA, and approved its selection of Bernstein Litowitz Berger & Grossmann LLP ("BLB&G") as co-Lead Counsel for the class.

5. LAMPERS, through my active and continuous involvement, closely supervised, carefully monitored, and was actively involved in all material aspects of the prosecution and resolution of the Action. LAMPERS received periodic status reports from BLB&G on case developments and participated in regular discussions with attorneys from BLB&G concerning the prosecution of the Action, the strengths of and risks to the claims, and potential settlement. In particular, throughout the course of this Action, I: (a) communicated with BLB&G by email and telephone calls regarding the posture and progress of the case; (b) reviewed all significant pleadings and briefs filed in the Action; (c) was advised of and participated in the mediation process and consulted with BLB&G concerning the settlement negotiations as they progressed; and (d) evaluated and approved the proposed Settlement.

II. LAMPERS Strongly Endorses Approval of the Settlement

6. Based on its involvement throughout the prosecution and resolution of the claims asserted in the Action, LAMPERS believes that the proposed Settlement is fair, reasonable, and adequate to the Settlement Class. LAMPERS believes that the Settlement represents a favorable recovery for the Settlement Class, particularly in light of the substantial risks of continuing to prosecute the claims in this case and in recovering a judgment larger than the proposed Settlement. Therefore, LAMPERS strongly endorses approval of the Settlement by the Court.

**III. LAMPERS Supports Lead Counsel's Motion
for Attorneys' Fees and Litigation Expenses**

7. While it is understood that the ultimate determination of Lead Counsel's request for attorneys' fees and expenses rests with the Court, LAMPERS believes that Lead Counsel's request for an award of attorneys' fees in the amount of 22% of the Settlement Fund is reasonable in light of the result achieved in the Action, the risks undertaken, and the quality of the work performed by Lead Counsel on behalf of Lead Plaintiffs and the Settlement Class. The fee requested is below the fee that could be sought pursuant to a retainer agreement entered into between LAMPERS and Lead Counsel at the outset of the litigation. After the agreement to settle the Action was reached, LAMPERS evaluated the fee request by considering the recovery obtained for the Settlement Class in this Action, the risks of the Action, and its observations of the high-quality work performed by Lead Counsel throughout the litigation, and has authorized this fee request to the Court for its ultimate determination.

8. LAMPERS further believes that Lead Counsel's Litigation Expenses are reasonable and represent costs and expenses necessary for the prosecution and resolution of the claims in the Action. Based on the foregoing, and consistent with its obligation to the class to obtain the best result at the most efficient cost, LAMPERS fully supports Lead Counsel's motion for attorneys' fees and Litigation Expenses.

9. LAMPERS understands that reimbursement of a class representative's reasonable costs and expenses is authorized under the PSLRA. For this reason, in connection with Lead Counsel's request for reimbursement of Litigation Expenses, LAMPERS seeks reimbursement for the costs and expenses that it incurred directly relating to its representation of the Settlement Class in the Action.

10. My responsibility as LAMPERS' Executive Director and General Counsel Chairperson includes monitoring litigation matters related to the investment portfolio.

11. The time that I devoted to the representation of the Settlement Class in this Action was time that I otherwise would have expected to spend on other work for LAMPERS and, thus, represented a cost to LAMPERS. LAMPERS seeks reimbursement in the amount of \$4,050.00 (45 hours at \$90 per hour) for the time I devoted to supervising and participating in the Action.²

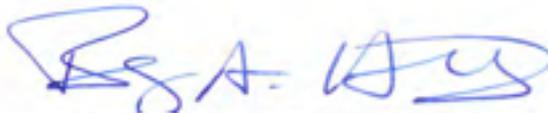
IV. Conclusion

12. In conclusion, LAMPERS, a Court-appointed Lead Plaintiff and Class Representative for the Settlement Class, which was closely involved throughout the prosecution and settlement of the Action, strongly endorses the Settlement as fair, reasonable, and adequate, and believes it represents a favorable recovery for the Settlement Class in light of the risks of continued litigation. LAMPERS further supports Lead Counsel's motion for attorneys' fees and payment of Litigation Expenses and believes that it represents fair and reasonable compensation for counsel in light of the recovery obtained for the Settlement Class, the substantial work conducted, and the litigation risks. And finally, LAMPERS requests reimbursement for its expenses under the PSLRA as set forth above. Accordingly, LAMPERS respectfully requests that the Court approve (i) Lead Plaintiffs' motion for final approval of the proposed Settlement and Plan of Allocation; and (ii) Lead Counsel's motion for attorneys' fees and Litigation Expenses.

I declare under penalty of perjury that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of LAMPERS.

² My hourly rate used for purposes of this request is generally based on my annual compensation. On behalf of LAMPERS, I devoted a significant amount of time to this Action, and our request for reimbursement of costs is based on a very conservative estimate of the amount of time I spent on this litigation.

Executed this 25th day of June, 2021.



Ben Huxen
Executive Director and General Counsel
Louisiana Municipal Police Employees'
Retirement System

#3029342

Exhibit 2

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE BAXTER INTERNATIONAL INC.
SECURITIES LITIGATION

Case No. 1:19-cv-07786

District Judge Sara L. Ellis

Magistrate Judge Jeffrey I. Cummings

**DECLARATION OF ESA-VILLE YLÄTUPA, CHIEF LEGAL COUNSEL FOR VARMA
MUTUAL PENSION INSURANCE COMPANY, IN SUPPORT OF: (I) LEAD
PLAINTIFFS' MOTION FOR FINAL APPROVAL OF SETTLEMENT AND PLAN OF
ALLOCATION; AND (II) LEAD COUNSEL'S MOTION FOR ATTORNEYS' FEES
AND LITIGATION EXPENSES**

I, Esa-Ville Ylätopa, hereby declare under penalty of perjury as follows:

1. I am the Chief Legal Counsel for Varma Mutual Pension Insurance Company (“Varma”), one of the Court-appointed Lead Plaintiffs in this securities class action (the “Action”).¹ I submit this Declaration in support of (i) Lead Plaintiffs’ motion for final approval of Settlement and Plan of Allocation; and (ii) Lead Counsel’s motion for attorneys’ fees and Litigation Expenses. I have personal knowledge of the matters set forth in this Declaration and, if called upon, I could and would testify competently thereto.

2. Based in Helsinki, Finland, Varma provides pension insurance services. Varma manages the pension savings for approximately 900,000 Finns and, as of March 31, 2021, Varma had roughly EUR 52 billion (approximately USD \$62 billion) in assets under management.

¹ Unless otherwise defined in this Declaration, all capitalized terms have the meanings set out in the Stipulation and Agreement of Settlement dated April 21, 2021 (ECF No. 57-1).

I. Varma's Oversight of the Action

3. I am aware of and understand the requirements and responsibilities of a lead plaintiff in a securities class action, including those set forth in the Private Securities Litigation Reform Act of 1995 ("PSLRA").

4. By Order dated January 31, 2020, the Court appointed Varma, along with Louisiana Municipal Police Employees' Retirement System, as Lead Plaintiffs in the Action pursuant to the PSLRA. By the same Order, the Court approved Varma's selection of Kessler Topaz Meltzer & Check, LLP ("KTMC") as co-Lead Counsel for the class.

5. Varma, through the active and continuous involvement of myself and my colleague Elli Sistonen, Legal Counsel for Varma, closely supervised, carefully monitored, and was actively involved in all material aspects of the prosecution and resolution of the Action. Varma received periodic status reports from KTMC on case developments and participated in regular discussions with attorneys from KTMC concerning the prosecution of the Action, the strengths of and risks to the claims asserted against Defendants, and potential settlement. In particular, throughout the course of this Action, I: (a) communicated with KTMC by email, telephone calls, and written correspondence regarding the posture and progress of the case; (b) reviewed all significant pleadings and briefs filed in the Action; (c) reviewed and approved the mediation statement prepared in advance of the February 17, 2021 mediation with Gregory Lindstrom, Esq. of Phillips ADR (the "Mediation"); (d) attended the Mediation (which was held remotely) and recommended the approval of the mediator's recommendation to resolve the litigation for \$16 million; (e) was updated on the status of settlement discussions concerning the term sheet and confirmatory discovery; and (f) reviewed and approved the final settlement papers submitted with this Declaration.

II. Varma Strongly Endorses Approval of the Settlement

6. Based on its involvement throughout the prosecution and resolution of the claims asserted in the Action, Varma believes that the proposed Settlement is fair, reasonable, and adequate to the Settlement Class. Varma believes that the Settlement represents a favorable recovery for the Settlement Class, particularly in light of the substantial risks of continuing to prosecute the claims in this case and in recovering a judgment larger than the proposed Settlement. Therefore, Varma strongly endorses approval of the Settlement by the Court.

III. Varma Supports Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses

7. While it is understood that the ultimate determination of Lead Counsel's request for attorneys' fees and expenses rests with the Court, Varma believes that Lead Counsel's request for an award of attorneys' fees in the amount of 22% of the Settlement Fund is reasonable in light of the result achieved in the Action, the risks undertaken, and the quality of the work performed by Lead Counsel on behalf of Lead Plaintiffs and the Settlement Class. Lead Counsel's fee request is made in accordance with a retainer agreement entered into between Varma and Lead Counsel at the outset of the litigation. After the agreement to settle the Action was reached, Varma evaluated the fee request by considering the recovery obtained for the Settlement Class in the Action, the risks of the Action and the obstacles to continued litigation and obtaining a larger recovery for the Settlement Class, and its observations of the high-quality work performed by Lead Counsel throughout the litigation, and has authorized this fee request to the Court for its ultimate determination.

8. Varma further believes that Lead Counsel's Litigation Expenses are reasonable and represent costs and expenses necessary for the prosecution and resolution of the claims in the Action. Based on the foregoing, and consistent with its obligation to the class to obtain the best

result at the most efficient cost, Varma fully supports Lead Counsel's motion for attorneys' fees and Litigation Expenses.

9. Varma understands that reimbursement of a class representative's reasonable costs and expenses is authorized under the PSLRA. For this reason, in connection with Lead Counsel's request for reimbursement of Litigation Expenses, Varma seeks reimbursement for the costs and expenses that it incurred directly relating to its representation of the Settlement Class in the Action.

10. My responsibility as Varma's Chief Legal Counsel includes monitoring litigation matters related to the investment portfolio. Additionally, during the course of the Action, I was assisted by Elli Sistonen, Legal Counsel for Varma.

11. The time that Ms. Sistonen and I devoted to the representation of the Settlement Class in this Action was time that we otherwise would have expected to spend on other work for Varma and, thus, represented a cost to Varma. Varma seeks reimbursement in the amount of \$2,598.75 for the time of the following Varma personnel:

Personnel	Hours	Rate²	Total
Esa-Ville Ylätopa	10	\$87.00	\$870.00
Elli Sistonen	25	\$69.15	\$1,728.75
TOTAL:	35		\$2,598.75

IV. Conclusion

12. In conclusion, Varma, one of the Court-appointed Lead Plaintiffs for the Settlement Class, was closely involved throughout the prosecution and settlement of the Action, strongly

² The hourly rates used for purposes of this request are based on the annual compensation of the respective personnel who worked on this Action. All dollar figures are based on a U.S. dollar/Euro exchange rate of 1 USD / 0.84 Euro.

endorses the Settlement as fair, reasonable, and adequate, and believes it represents a favorable recovery for the Settlement Class in light of the risks of continued litigation. Varma further supports Lead Counsel's motion for attorneys' fees and payment of Litigation Expenses and believes that it represents fair and reasonable compensation for counsel in light of the recovery obtained for the Settlement Class, the substantial work conducted, and the litigation risks. And finally, Varma requests reimbursement for its expenses under the PSLRA as set forth above. Accordingly, Varma respectfully requests that the Court approve (i) Lead Plaintiffs' motion for final approval of Settlement and Plan of Allocation; and (ii) Lead Counsel's motion for attorneys' fees and Litigation Expenses.

I declare under penalty of perjury that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of Varma.

Executed this 30 th day of June, 2021.

DocuSigned by:

88F807E8AC5A477

Esa-Ville Ylä-tupa
Chief Legal Counsel
Varma Mutual Pension Insurance Company

Exhibit 3

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE BAXTER INTERNATIONAL INC.
SECURITIES LITIGATION

Case No. 1:19-cv-07786

District Judge Sara L. Ellis

Magistrate Judge Jeffrey I. Cummings

**DECLARATION OF OWEN F. SULLIVAN REGARDING: (A) MAILING OF THE
NOTICE AND CLAIM FORM; (B) PUBLICATION OF THE SUMMARY NOTICE;
AND (C) REPORT ON REQUESTS FOR EXCLUSION RECEIVED TO DATE**

I, Owen F. Sullivan, declare and state as follows:

1. I am a Project Manager employed by Epiq Class Action & Claims Solutions, Inc. (“Epiq”). Pursuant to the Court’s April 21, 2021 Minute Order approving Lead Plaintiffs’ motion for preliminary approval of Settlement (ECF No. 58) and its May 12, 2021 Order Preliminarily Approving Settlement and Providing for Notice (ECF No. 59) (collectively, the “Preliminary Approval Order”), Epiq was authorized to act as the Claims Administrator in connection with the Settlement of the above-captioned class action.¹ The following statements are based on my personal knowledge and information provided by other Epiq employees working under my supervision and, if called on to do so, I could and would testify competently thereto.

DISSEMINATION OF THE NOTICE PACKET

2. Pursuant to the Preliminary Approval Order, Epiq was responsible for mailing the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and

¹ Unless otherwise defined herein, all capitalized terms shall have the same meaning as set forth in the Stipulation and Agreement of Settlement dated as of April 1, 2021 (ECF No. 57-1) (the “Stipulation”).

(III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice") and the Proof of Claim and Release Form (the "Claim Form") (collectively, the Notice and Claim Form are referred to as the "Notice Packet"), to potential Settlement Class Members. A copy of the Notice Packet is attached hereto as Exhibit A.

3. On April 26, 2021, Epiq received an Excel file from Lead Counsel, which Lead Counsel had received from Defendants, containing the names and addresses of persons and entities who were identified as potential Settlement Class Members. Epiq extracted these records from the file and, after clean-up and de-duplication, there remained 13,825 unique names and addresses.

4. Epiq formatted the Notice Packet, and caused it to be printed, personalized with the name and address of each potential Settlement Class Member posted for first-class mail, postage prepaid, and mailed to the 13,825 potential Settlement Class Members on May 19, 2021

5. As in most class actions of this nature, the large majority of potential Settlement Class Members are beneficial purchasers whose securities are held in "street name" – *i.e.*, the securities are purchased by brokerage firms, banks, institutions and other third-party nominees in the name of the nominee, on behalf of the beneficial purchasers. Epiq maintains and updates an internal list of the largest and most common banks, brokers and other nominees. At the time of the initial mailing, Epiq's internal broker list contained 1,139 mailing records. On May 19, 2021, Epiq caused Notice Packets to be mailed to the 1,139 mailing records contained in its internal broker list.

6. In total, 14,964 copies of the Notice Packet were disseminated to potential Settlement Class Members and nominees on May 19, 2021.

7. The Notice also directed those who purchased or otherwise acquired Baxter International Inc. common stock during the Class Period for the beneficial interest of a person or

entity other than themselves to either: (i) request, within seven (7) calendar days of receipt of the Notice, additional copies of the Notice Packet from the Claims Administrator, and send a copy of the Notice Packet to such beneficial owners, no later than seven (7) calendar days after receipt of the copies of the Notice Packet; or (ii) provide Epiq with the names, addresses, and email addresses (if available) of such beneficial owners no later than seven (7) calendar days after such nominees' receipt of the Notice.

8. Through July 2, 2021, Epiq mailed 57,628 Notice Packets to potential members of the Settlement Class whose names and addresses were received from individuals, entities, or nominees requesting that Notice Packets be mailed to such persons and entities, and mailed another 110,662 Notice Packets in bulk to nominees who requested Notice Packets to forward to their customers. Each of the requests was responded to in a timely manner, and Epiq will continue to timely respond to any additional requests received.

9. Through July 2, 2021, an aggregate of 183,254 Notice Packets have been disseminated to potential Settlement Class Members and nominees.

PUBLICATION OF THE SUMMARY NOTICE

10. In accordance with paragraph 5(d) of the Preliminary Approval Order, Epiq caused the Summary Notice of (I) Pendency of Class Action and Proposed Settlement, (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Summary Notice") to be published once in *The Wall Street Journal* and to be transmitted over the *PR Newswire* on June 1, 2021. Attached as Exhibit B is a Confirmation of Publication attesting to the publication of the Summary Notice in *The Wall Street Journal* and a screen shot attesting to the transmittal of the Summary Notice over the *PR Newswire*.

CALL CENTER SERVICES

11. Epiq reserved a toll-free phone number for the Settlement, 1-855-654-0873, which was set forth in the Notice, the Claim Form, the published Summary Notice, and on the Settlement website.

12. The toll-free number connects callers with an Interactive Voice Recording (“IVR”). The IVR provides callers with pre-recorded information, including a brief summary about the Action and the option to request a copy of the Notice. The toll-free telephone line with pre-recorded information is available 24 hours a day, 7 days a week. Callers can request to speak with a live representative from 8:00 a.m. to 8:00 p.m. Central time, except for weekends and holidays. During other hours, callers may leave a message for an agent to call them back.

13. Epiq made the toll-free phone number and IVR available on May 19, 2021, the same date Epiq began mailing the Notice Packets.

WEBSITE

14. Epiq established and currently maintains a website dedicated to this Settlement (www.BaxterSecuritiesLitigation.com) to provide additional information to Settlement Class Members. Users of the website can download copies of the Notice, the Claim Form, the Stipulation, the Preliminary Approval Order, and the Complaint, among other relevant documents. The website address was set forth in the published Summary Notice, the Notice, and the Claim Form. The website was operational beginning on May 19, 2021, and is accessible 24 hours a day, 7 days a week. Epiq will continue operating, maintaining and, as appropriate, updating the website until the conclusion of this administration.

EXCLUSION REQUESTS RECEIVED TO DATE

15. Pursuant to the Preliminary Approval Order, Settlement Class Members who wish to be excluded from the Settlement Class are required to request exclusion in writing so that the request is received by July 20, 2021. This deadline has not yet passed. Through July 2, 2021, Epiq has received 8 requests for exclusion. Epiq will submit a supplemental declaration after the July 20, 2021 deadline for requesting exclusion that will address all requests for exclusion received.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.

Executed on July 6, 2021, at Beaverton, Oregon.

Owen F Sullivan

Owen F. Sullivan

Exhibit A

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

IN RE BAXTER INTERNATIONAL INC.
SECURITIES LITIGATION

Case No. 1:19-cv-07786

District Judge Sara L. Ellis

Magistrate Judge Jeffrey I. Cummings

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT;
(II) SETTLEMENT HEARING; AND (III) MOTION FOR ATTORNEYS' FEES
AND LITIGATION EXPENSES**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action ("Action") pending in the United States District Court for the Northern District of Illinois ("Court") if, during the period from February 21, 2019 through October 23, 2019, inclusive ("Class Period"), you purchased or otherwise acquired Baxter International Inc. ("Baxter") common stock, and were damaged thereby.¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiffs Louisiana Municipal Police Employees' Retirement System and Varma Mutual Pension Insurance Company (together "Lead Plaintiffs"), on behalf of themselves and the Settlement Class (as defined in ¶ 22 below), have reached a proposed settlement of the Action with defendants Baxter, José E. Almeida, and James K. Saccaro (collectively, "Defendants") for \$16,000,000 in cash that, if approved, will resolve all claims in the Action ("Settlement").

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

If you have questions about this Notice, the Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, the Clerk's Office, Defendants, or Defendants' Counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 66 below).

**Additional information about the Settlement is available on the website,
www.BaxterSecuritiesLitigation.com.**

1. **Description of the Action and the Settlement Class:** This Notice relates to the proposed Settlement of claims in a pending putative securities class action brought by Baxter investors alleging, among other things, that Defendants violated the federal securities laws by making false and misleading statements and omissions concerning Baxter's financials. A more detailed description of the Action is set forth in ¶¶ 11-21 below. The Settlement, if approved by the Court, will settle the claims of the Settlement Class, as defined in ¶ 22 below.

2. **Statement of the Settlement Class's Recovery:** Subject to Court approval, Lead Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle the Action in exchange for a settlement payment of \$16,000,000 in cash ("Settlement Amount") to be deposited into an escrow account. The Net Settlement Fund (i.e., the Settlement Amount plus any and all interest earned thereon ("Settlement Fund") less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys' fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed in accordance with a plan of allocation approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation ("Plan of Allocation") is attached hereto as Appendix A.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated April 1, 2021 ("Stipulation"), which is available at www.BaxterSecuritiesLitigation.com.

**Questions? Visit www.BaxterSecuritiesLitigation.com
or call 1-855-654-0873.**

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiffs' damages consultant's estimate of the number of shares of Baxter common stock purchased or otherwise acquired during the Class Period that may have been affected by the alleged conduct at issue in the Action, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery per eligible share of Baxter common stock (before the deduction of any Court-approved fees, expenses, and costs as described herein) is approximately \$0.33. **Settlement Class Members should note, however, that the foregoing average recovery per eligible share is only an estimate.** Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors: (i) when and the price at which they purchased/acquired shares of Baxter common stock; (ii) whether they sold their shares of Baxter common stock and, if so, when; (iii) the total number and value of valid Claims submitted to participate in the Settlement; (iv) the amount of Notice and Administration Costs; and (v) the amount of attorneys' fees and Litigation Expenses awarded by the Court. Distributions to Settlement Class Members will be made based on the Plan of Allocation attached hereto as Appendix A or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the amount of damages per share of Baxter common stock that would be recoverable if Lead Plaintiffs were to prevail in the Action. Among other things, Defendants do not agree that they violated the federal securities laws or that, even if liability could be established, any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys' Fees and Expenses Sought:** Lead Counsel have not received any payment of attorneys' fees for their representation of the Settlement Class in the Action and have advanced the funds to pay expenses incurred to prosecute this Action with the expectation that if they were successful in recovering money for the Settlement Class, they would receive fees and be paid for their expenses from the Settlement Fund, as is customary in this type of litigation. Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP and Kessler Topaz Meltzer & Check, LLP, will apply to the Court for an award of attorneys' fees in an amount not to exceed 22% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement or payment of Litigation Expenses incurred by Lead Counsel in connection with the institution, prosecution, and resolution of the claims against Defendants, in an amount not to exceed \$200,000, plus interest, which amount may include a request for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class in accordance with 15 U.S.C. § 78u-4(a)(4). Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. The estimated average cost per eligible share of Baxter common stock, if the Court approves Lead Counsel's fee and expense application, is approximately \$0.08 per share. **Please note that this amount is only an estimate.**

6. **Identification of Attorneys' Representatives:** Lead Plaintiffs and the Settlement Class are represented by James A. Harrod, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, New York, NY 10020, 1-800-380-8496, settlements@blbglaw.com, www.blbglaw.com and Sharan Nirmul, Esq. of Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, 1-610-667-7706, info@ktmc.com, www.ktmc.com. Further information regarding the Action, the Settlement, and this Notice may be obtained by contacting Lead Counsel or the Claims Administrator at: *Baxter International Inc. Securities Litigation*, c/o Epiq Class Action & Claims Solutions, Inc., P.O. Box 5594, Portland, OR 97228-5594, 1-855-654-0873, info@BaxterSecuritiesLitigation.com, www.BaxterSecuritiesLitigation.com. **Please do not contact the Court regarding this notice.**

7. **Reasons for the Settlement:** Lead Plaintiffs' principal reason for entering into the Settlement is the immediate cash benefit for the Settlement Class without the risk or the delays and costs inherent in further litigation. Moreover, the cash benefit provided under the Settlement must be considered against the risk that a smaller recovery—or, indeed, no recovery at all—might be achieved after a second motion to dismiss, full discovery, contested motions, a trial of the Action, and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, have determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions of the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:

**SUBMIT A CLAIM FORM
POSTMARKED (IF
MAILED), OR ONLINE,
NO LATER THAN
SEPTEMBER 16, 2021.**

This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 31 below) that you have against Defendants and the other Defendants' Releasees (defined in ¶ 32 below), so it is in your interest to submit a Claim Form.

Questions? Visit www.BaxterSecuritiesLitigation.com
or call 1-855-654-0873.

<p>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JULY 20, 2021.</p>	<p>Get no payment. If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that may allow you to ever be part of any other lawsuit against Defendants concerning the claims that were, or could have been, asserted in this Action.</p>
<p>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JULY 20, 2021.</p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, and/or the requested attorneys’ fees and Litigation Expenses, you may object by writing to the Court and explaining why you do not like them. You cannot object unless you are a member of the Settlement Class and do not exclude yourself from the Settlement Class.</p>
<p>ATTEND A HEARING ON AUGUST 10, 2021 AT 10:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JULY 20, 2021.</p>	<p>If you have filed a written objection and wish to appear at the hearing, you must also file a notice of intention to appear by July 20, 2021, which allows you to speak in Court, at the discretion of the Court, about the fairness of the Settlement, the Plan of Allocation, and/or the request for attorneys’ fees and Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing.</p>
<p>DO NOTHING.</p>	<p>If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

These rights and options – and the deadlines to exercise them – are further explained in this Notice. **Please Note:** The date and time of the Settlement Hearing – currently scheduled for August 10, 2021 at 10:00 a.m. – is subject to change without further notice to the Settlement Class. It is also within the Court’s discretion to hold the hearing in person or telephonically. If you plan to attend the hearing, you should check the Settlement website, www.BaxterSecuritiesLitigation.com, or with Lead Counsel as set forth above to confirm that no change to the date and/or time of the hearing has been made.

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Questions? Visit www.BaxterSecuritiesLitigation.com or call 1-855-654-0873.

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WHY DID I GET THIS NOTICE?

8. The Court authorized that this Notice be sent to you because you or someone in your family or an investment account for which you serve as custodian may have purchased or otherwise acquired shares of Baxter common stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Lead Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you (if you are a Settlement Class Member) might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and Lead Counsel’s motion for an award of attorneys’ fees and Litigation Expenses (“Settlement Hearing”). See ¶¶ 56-57 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time.

WHAT IS THIS CASE ABOUT?

11. This is a securities class action against Baxter and certain of its executive officers. Lead Plaintiffs allege that, during the Class Period, Defendants made materially false and misleading statements and omissions concerning: (i) Baxter’s income related to foreign exchange fluctuations, as well as other financial metrics reflecting that income item; (ii) Baxter’s compliance with generally accepted accounting principles; and (iii) Baxter’s internal controls over financial reporting. Lead Plaintiffs further allege that the price of Baxter common stock was artificially inflated during the Class Period as a result of Defendants’ allegedly false and misleading statements, and declined when the truth was revealed on October 24, 2019.

12. The Action was commenced on November 25, 2019, with the filing of a putative securities class action complaint in this Court.

13. Pursuant to the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended (“PSLRA”), notice to the public was issued setting forth the deadline by which putative class members could move the Court to be appointed to act as lead plaintiff. By Order dated January 31, 2020, this Court appointed Louisiana Municipal Police Employees’ Retirement System and Varma Mutual Pension Insurance Company as Lead Plaintiffs and approved Lead Plaintiffs’ selection of Bernstein Litowitz Berger & Grossmann LLP and Kessler Topaz Meltzer & Check, LLP as Lead Counsel for the class.

14. Thereafter, on June 25, 2020, Lead Plaintiffs filed a Class Action Complaint and Demand for Jury Trial (“Complaint”). The Complaint asserted claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder against Defendants.

15. On August 24, 2020, Defendants moved to dismiss the Complaint. On October 8, 2020, Lead Plaintiffs opposed Defendants’ motion to dismiss, and on November 9, 2020, Defendants filed their reply in support of their motion.

16. On January 12, 2021, the Court issued an Opinion and Order granting Defendants’ motion to dismiss the Complaint (“MTD Order”). By the MTD Order, the Court provided Lead Plaintiffs twenty-one (21) days to amend the Complaint. The Court subsequently extended this deadline to February 26, 2021.

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or call 1-855-654-0873.**

17. Beginning in December 2020, the Parties discussed the possibility of resolving the Action through settlement and agreed to mediate before Greg Lindstrom of Phillips ADR. A mediation session with Mr. Lindstrom was scheduled for February 17, 2021. In advance of the mediation, the Parties exchanged detailed mediation statements addressing liability and damages issues.

18. The Parties reached an agreement in principle to settle the Action at the February 17, 2021 mediation and memorialized their agreement in a term sheet executed on February 25, 2021. Lead Plaintiffs and Defendants ultimately agreed, subject to the Due Diligence Discovery described below and the other terms and conditions to be set forth in the Stipulation, to settle and release all claims asserted against Defendants in the Action for \$16,000,000.

19. On February 25, 2021, the Parties filed the Joint Motion Requesting a Stay of Deadlines Pending Motion for Preliminary Approval of Settlement, which the Court granted on March 1, 2021.

20. After additional weeks of negotiations regarding the specific terms of their agreement, the Parties entered into the Stipulation on April 1, 2021. The Stipulation can be viewed at www.BaxterSecuritiesLitigation.com. The Stipulation sets forth the final terms and conditions of the Settlement, including the condition that the Settlement is not final until the completion of Due Diligence Discovery to the satisfaction of Lead Plaintiffs and Lead Counsel. In connection with the Due Diligence Discovery, Defendants are producing documents and information regarding the allegations and claims asserted in the Complaint, and have agreed to make an individual knowledgeable concerning the subjects of Lead Plaintiffs' allegations available for an interview. Pursuant to the Stipulation, if at any time prior to filing their motion in support of final approval of the Settlement, Lead Plaintiffs believe that the documents and information produced during Due Diligence Discovery render the proposed Settlement inadequate, they shall submit their concerns to the mediator, Mr. Lindstrom. Pursuant to the Stipulation, Defendants shall have the opportunity to respond to those concerns and the Parties shall use their best efforts to resolve any disagreements. If, following these discussions, Lead Plaintiffs continue to believe the proposed Settlement is inadequate, they shall have the right to withdraw from and terminate the Settlement.

21. On April 20, 2021, the Court preliminarily approved the Settlement, authorized notice of the Settlement to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT? WHO IS INCLUDED IN THE SETTLEMENT CLASS?

22. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded from the Settlement Class. The Settlement Class certified by the Court for purposes of effectuating the Settlement consists of:

All persons and entities who purchased or otherwise acquired Baxter common stock during the period from February 21, 2019 through October 23, 2019, inclusive, and were damaged thereby.

Excluded from the Settlement Class are Defendants, any person who was an executive officer or director of Baxter during the Class Period, their Immediate Family members, any affiliates of Baxter, and any persons or entities who or which exclude themselves by submitting a timely and valid request for exclusion that is accepted by the Court. *See* "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?," on page 9 below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.

IF YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION POSTMARKED (IF MAILED), OR ONLINE, NO LATER THAN SEPTEMBER 16, 2021.

WHAT ARE LEAD PLAINTIFFS' REASONS FOR THE SETTLEMENT?

23. Lead Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of the continued proceedings that would be necessary to pursue their claims against Defendants through a second motion to dismiss, full discovery, certification of the class, summary judgment, trial, and appeals, as well as the substantial risks they would face in establishing liability and

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damages. As noted above, Lead Plaintiffs' Complaint was dismissed in its entirety. Even if Lead Plaintiffs amended their Complaint to address the deficiencies identified in the Court's MTD Order and were able to successfully defeat a second motion to dismiss, Lead Plaintiffs would still face challenges to proving, at summary judgment and trial, that Defendants made material misrepresentations and omissions to the market during the Class Period and that Defendants Almeida and Saccaro knew or recklessly disregarded material facts undermining their alleged misrepresentations at the time they made such statements. There were also risks related to proving that Defendants' alleged misrepresentations and omissions caused the alleged losses suffered by Lead Plaintiffs and the Settlement Class, and in establishing damages. Thus, there were very significant risks attendant to the continued prosecution of the Action, including the risk of zero recovery. The Settlement eliminates these risks.

24. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Settlement Class, and subject to the satisfactory completion of Due Diligence Discovery, Lead Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Lead Plaintiffs and Lead Counsel believe that the Settlement provides a favorable result for the Settlement Class, namely \$16,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no, recovery after a second motion to dismiss, full discovery, summary judgment, trial, and appeals, possibly years in the future.

25. Defendants have denied and continue to deny the claims and allegations asserted against them in the Action, including that: they made false and misleading statements, they knew or recklessly disregarded material facts undermining their statements at the time they made them, and Lead Plaintiffs or Settlement Class Members suffered any damages or harm by the conduct alleged in the Action. Defendants have nonetheless agreed to the Settlement solely to eliminate the uncertainty, burden, and expense of continued litigation. The Settlement may not be construed as an admission of any wrongdoing by Defendants in this or any other action or proceeding.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

26. If there were no Settlement, Lead Plaintiffs would have amended the Complaint and faced a second motion to dismiss. If Lead Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Lead Plaintiffs nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in establishing any of their defenses on a second motion to dismiss, at summary judgment, at trial, or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

27. As a Settlement Class Member, you are represented by Lead Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice and at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 10 below.

28. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you must exclude yourself from the Settlement Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?," on page 9 below.

29. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, and/or Lead Counsel's application for attorneys' fees and Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 10 below.

30. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment ("Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiffs and each of the other Settlement Class Members and Plaintiffs' Releasees shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim (as defined in ¶ 31 below) against Defendants and the other Defendants' Releasees (as defined in ¶ 32 below), and shall permanently and forever be barred and enjoined from prosecuting, attempting to prosecute, or assisting others in the prosecution of any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees.

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or call 1-855-654-0873.**

31. “Released Plaintiffs’ Claims” means all claims, rights, remedies, demands, liabilities, and causes of action of every nature and description, whether known or Unknown Claims, whether arising under federal, state, common, or foreign law, that Lead Plaintiffs or any other member of the Settlement Class (a) asserted in the Complaint, or (b) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters, or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and that relate to the purchase or acquisition of Baxter common stock during the Class Period. For the avoidance of doubt, Released Plaintiffs’ Claims include any claims under the Securities Act of 1933 or the Securities Exchange Act of 1934, or the securities laws of any state or territory. The following claims are not included as Released Plaintiffs’ Claims: (i) any claims relating to the enforcement of the Settlement; and (ii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

32. “Defendants’ Releasees” means Defendants and all of their respective past, present and future parent companies, subsidiaries, affiliates, divisions, joint ventures, subcontractors, agents, assigns, auditors, accountants, attorneys, financial or investment advisors or consultants, banks or investment bankers, insurers, subrogates, co-insurers, and reinsurers, and all of their respective past, present and future officers, directors, fiduciaries, employees, members, partners, principals, shareholders, and owners, in their capacities as such; any entity in which a Defendant has a controlling interest; and any member of an Individual Defendant’s Immediate Family, or any trust of which any Individual Defendant is a settlor or which is for the benefit of any Defendant and/or member(s) of his or her Immediate Family, and each of the heirs, executors, administrators, predecessors, successors, and assigns of the foregoing, in their capacities as such.

33. “Unknown Claims” means any Released Plaintiffs’ Claims which any Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims that any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her, or it, might have materially affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiffs and Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

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

Lead Plaintiffs, other Settlement Class Members, or Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiffs and Defendants shall expressly, fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Settlement Class Member shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Claims as applicable, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

34. Pursuant to the Judgment (or the Alternate Judgment, if applicable), without further action by anyone, upon the Effective Date of the Settlement, Defendants and Defendants’ Releasees shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants’ Claim (as defined in ¶ 35 below) against Lead Plaintiffs and the other Plaintiffs’ Releasees (as defined in ¶ 36 below), and shall permanently and forever be barred and enjoined from prosecuting, attempting to prosecute, or assisting others in the prosecution of any or all of the Released Defendants’ Claims against any of the Plaintiffs’ Releasees. This release shall not apply to any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

35. “Released Defendants’ Claims” means all claims and causes of action of every nature and description, whether known or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants. Released Defendants’ Claims do not include: (i) any claims relating to the enforcement of the Settlement; or (ii) any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

36. “Plaintiffs’ Releasees” means (i) Lead Plaintiffs, their attorneys, and all other Settlement Class Members; (ii) the current and former parents, affiliates, subsidiaries, successors, predecessors, assigns, and assignees of each of the foregoing in (i); and (iii) the current and former officers, directors, Immediate Family members, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, agents, affiliates, insurers, reinsurers, predecessors, successors, assigns, and advisors of each of the persons or entities listed in (i) and (ii), in their capacities as such.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

37. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation *postmarked (if mailed), or submitted online at www.BaxterSecuritiesLitigation.com, no later than September 16, 2021*. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator, www.BaxterSecuritiesLitigation.com, or on Lead Counsel’s websites, www.blbglaw.com and www.ktmc.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-855-654-0873, or by emailing the Claims Administrator at info@BaxterSecuritiesLitigation.com. **Please retain all records of your ownership of and transactions in Baxter common stock, as they may be needed to document your Claim.** If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

38. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

39. Pursuant to the Settlement, Defendants shall pay or cause to be paid \$16,000,000 in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the Net Settlement Fund will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

40. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a Plan of Allocation and that decision is affirmed on appeal (if any) and/or the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

41. Neither Defendants, Defendants’ Releasees, nor any other person or entity (including Defendants’ insurance carriers) who or which paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or Judgment approving the Settlement becomes Final. Defendants and the other Defendants’ Releasees shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the Plan of Allocation.

42. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked (if mailed), or online, on or before September 16, 2021 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the Releases given. This means that each Settlement Class Member releases the Released Plaintiffs’ Claims (as defined in ¶ 31 above) against the Defendants’ Releasees (as defined in ¶ 32 above) and will be enjoined and prohibited from prosecuting any of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees whether or not such Settlement Class Member submits a Claim Form.

43. Participants in and beneficiaries of any employee retirement and/or benefit plan (“Employee Plan”) should NOT include any information relating to shares of Baxter common stock purchased/acquired through an Employee Plan in any Claim Form they submit in this Action. They should include ONLY those eligible shares of Baxter common stock purchased/acquired during the Class Period outside of an Employee Plan. Claims based on any Employee Plan(s)’ purchases/acquisitions of eligible Baxter(s) common stock during the Class Period may be made by the Employee Plan(s)’ trustees.

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or call 1-855-654-0873.**

44. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

45. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

46. Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities who are excluded from the Settlement Class by definition or who exclude themselves from the Settlement Class pursuant to an exclusion request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

47. **Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Settlement Fund among Authorized Claimants, as proposed by Lead Plaintiffs. At the Settlement Hearing, Lead Counsel will request the Court approve the Plan of Allocation. The Court may modify the Plan of Allocation, or approve a different plan of allocation, without further notice to the Settlement Class.**

WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

48. Lead Counsel will apply to the Court for an award of attorneys' fees and reimbursement or payment of Litigation Expenses. Lead Counsel's motion for attorneys' fees will not exceed 22% of the Settlement Fund and their motion for Litigation Expenses will not exceed \$200,000 in expenses incurred in connection with the prosecution and resolution of this Action. Lead Counsel's motion for attorneys' fees and Litigation Expenses, which may include a request for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class in accordance with 15 U.S.C. § 78u-4(a)(4), will be filed by July 6, 2021, and the Court will consider Lead Counsel's motion at the Settlement Hearing. A copy of Lead Counsel's motion for attorneys' fees and Litigation Expenses will be available for review at www.BaxterSecuritiesLitigation.com once it is filed. Any award of attorneys' fees and reimbursement or payment of Litigation Expenses, including any reimbursement of costs and expenses to Lead Plaintiffs, will be paid from the Settlement Fund prior to allocation and payment to Authorized Claimants. ***Settlement Class Members are not personally liable for any such attorneys' fees or expenses.***

WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS? HOW DO I EXCLUDE MYSELF?

49. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written request for exclusion addressed to: *Baxter International Inc. Securities Litigation*, EXCLUSIONS, c/o Epiq Class Action & Claims Solutions, Inc., P.O. Box 5594, Portland, OR 97228-5594. The request for exclusion must be **received no later than July 20, 2021**. You will not be able to exclude yourself from the Settlement Class after that date.

50. Each request for exclusion must: (i) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (ii) state that such person or entity "requests exclusion from the Settlement Class in *In re Baxter International Inc. Securities Litigation*, Case No. 1:19-cv-07786 (N.D. Ill.)"; (iii) state the number of shares of Baxter common stock that the person or entity requesting exclusion (A) owned as of the opening of trading on February 21, 2019 and (B) purchased/acquired and/or sold during the Class Period (from February 21, 2019 through October 23, 2019, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative.

51. A request for exclusion shall not be valid and effective unless it provides all the information called for in ¶ 50 and is received within the time stated above, or is otherwise accepted by the Court.

52. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendants' Releasees. Excluding yourself from the Settlement Class is the only option that allows you to be part of any other current or future lawsuit against Defendants or any of the other Defendants' Releasees concerning the Released Plaintiffs' Claims. **Please note:** If you decide to exclude yourself from the Settlement Class, Defendants and the other Defendants' Releasees will have the right to assert any and all defenses they may have to any claims that you may seek to assert.

53. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

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or call 1-855-654-0873.**

54. Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiffs and Defendants.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?
DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING
IF I DON'T LIKE THE SETTLEMENT?**

55. Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.

56. Please Note: The date and time of the Settlement Hearing may change without further written notice to the Settlement Class. In addition, the COVID-19 pandemic is a fluid situation that creates the possibility that the Court may decide to conduct the Settlement Hearing by video or telephonic conference, or otherwise allow Settlement Class Members to appear at the hearing by phone, without further written notice to the Settlement Class. **In order to determine whether the date and time of the Settlement Hearing have changed, or whether Settlement Class Members must or may participate by phone or video, it is important that you monitor the Court's docket and the Settlement website, www.BaxterSecuritiesLitigation.com, before making any plans to attend the Settlement Hearing. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing or updates regarding in-person or telephonic appearances at the hearing, will be posted to the Settlement website, www.BaxterSecuritiesLitigation.com. Also, if the Court requires or allows Settlement Class Members to participate in the Settlement Hearing by telephone, the phone number for accessing the telephonic conference will be posted to the Settlement website, www.BaxterSecuritiesLitigation.com.**

57. The Settlement Hearing will be held on **August 10, 2021 at 10:00 a.m.**, before the Honorable Sara L. Ellis either in person at the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604, Courtroom 1403, or by telephone or videoconference (in the discretion of the Court). The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

58. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Northern District of Illinois at the address set forth below as well as serve copies on Lead Counsel and Defendants' Counsel at the addresses set forth below **on or before July 20, 2021**.

<u>Clerk's Office</u>	<u>Lead Counsel</u>	<u>Defendants' Counsel</u>
United States District Court Northern District of Illinois Everett McKinley Dirksen United States Courthouse 219 South Dearborn Street Chicago, IL 60604	James A. Harrod, Esq. Bernstein Litowitz Berger & Grossmann LLP 1251 Avenue of the Americas New York, NY 10020 Sharan Nirmul, Esq. Kessler Topaz Meltzer & Check, LLP 280 King of Prussia Road Radnor, PA 19087	Sean M. Berkowitz, Esq. Latham & Watkins LLP 330 North Wabash Avenue Suite 2800 Chicago, IL 60611

59. Any objections, filings, and other submissions by the objecting Settlement Class Member: (a) must identify the case name and docket number, *In re Baxter International Inc. Sec. Litig.*, Case No. 1:19-cv-07786 (N.D. Ill.); (b) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (c) must state with specificity the grounds for the Settlement Class Member's objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention and whether the objection applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class; and (d) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Baxter common stock that the objecting Settlement Class Member (A) owned as of the opening of trading on February 21, 2019 and (B) purchased/acquired and/or sold during the Class Period (from February 21, 2019 through

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or call 1-855-654-0873.**

October 23, 2019, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale. The objecting Settlement Class Member shall provide documentation establishing membership in the Settlement Class through copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement.

60. You may not object to the Settlement, Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

61. You may submit an objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless (1) you first submit a written objection in accordance with the procedures described above, (2) you first submit your notice of appearance in accordance with the procedures described below, or (3) the Court orders otherwise.

62. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses, and if you timely submit a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 58 above so that it is **received on or before July 20, 2021**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

63. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 58 above so that the notice is **received on or before July 20, 2021**.

64. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

**WHAT IF I BOUGHT SHARES OF BAXTER COMMON STOCK
ON SOMEONE ELSE'S BEHALF?**

65. If you purchased or otherwise acquired Baxter common stock during the period from February 21, 2019 through October 23, 2019, inclusive, for the beneficial interest of a person or entity other than yourself, you must either (i) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form ("Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, provide a list of the names, mailing addresses, and, if available, email addresses, of all such beneficial owners to *Baxter International Inc. Securities Litigation*, c/o Epiq Class Action & Claims Solutions, Inc., P.O. Box 5594, Portland, OR 97228-5594. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may be obtained from the Settlement website, www.BaxterSecuritiesLitigation.com, or from Lead Counsel's websites, www.blbglaw.com and www.ktmc.com, by calling the Claims Administrator toll-free at 1-855-654-0873, or by emailing the Claims Administrator at info@BaxterSecuritiesLitigation.com.

**CAN I SEE THE COURT FILE?
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

66. This Notice contains only a summary of the terms of the Settlement. For the full terms and conditions of the Settlement, please see the Stipulation available at www.BaxterSecuritiesLitigation.com. More detailed information about the matters involved in this Action can be obtained by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.ilnd.uscourts.gov>, or by visiting, during regular office hours, the Office of the Clerk, United States District Court for the Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604.

**Questions? Visit www.BaxterSecuritiesLitigation.com
or call 1-855-654-0873.**

Additionally, copies of any related orders entered by the Court and certain other filings in this Action will be posted on the Settlement website, www.BaxterSecuritiesLitigation.com.

All inquiries concerning this Notice and the Claim Form should be directed to:

Baxter International Inc. Securities Litigation
c/o Epiq Class Action & Claims Solutions, Inc.
P.O. Box 5594
Portland, OR 97228-5594
1-855-654-0873
info@BaxterSecuritiesLitigation.com
www.BaxterSecuritiesLitigation.com

and/or

James A. Harrod, Esq.
Bernstein Litowitz Berger & Grossmann LLP
1251 Avenue of the Americas
New York, NY 10020

Sharan Nirmul, Esq.
Kessler Topaz Meltzer & Check, LLP
280 King of Prussia Road
Radnor, PA 19087

**PLEASE DO NOT CALL OR WRITE THE COURT, THE CLERK'S OFFICE,
DEFENDANTS, OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE.**

Dated: May 19, 2021

By Order of the Court
United States District Court
Northern District of Illinois

**Questions? Visit www.BaxterSecuritiesLitigation.com
or call 1-855-654-0873.**

APPENDIX A

Proposed Plan of Allocation of Net Settlement Fund Among Authorized Claimants

1. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for approval by Lead Plaintiffs after consultation with their damages consultant. The Court may approve the Plan of Allocation with or without modification, or approve another plan of allocation, without further notice to the Settlement Class. Any Orders regarding a modification to the Plan of Allocation will be posted on the website www.BaxterSecuritiesLitigation.com. Defendants have had, and will have, no involvement or responsibility for the terms or application of the Plan of Allocation.

2. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among those Settlement Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws set forth in the Class Action Complaint and Demand for Jury Trial filed on June 25, 2020, as opposed to economic losses caused by market or industry factors or company-specific factors unrelated thereto. To that end, Lead Plaintiffs' damages consultant calculated the estimated amount of alleged artificial inflation in the per share price of Baxter common stock over the course of the Class Period that was allegedly proximately caused by Defendants' alleged materially false and misleading misrepresentations and omissions.

3. Calculations made pursuant to the Plan of Allocation do not represent a formal damages analysis that has been adjudicated in the Action and are not intended to measure the amounts that Settlement Class Members would recover after a trial. Nor are these calculations intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

4. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. Accordingly, to have a "Recognized Loss Amount" pursuant to the Plan of Allocation, a person or entity must have purchased or otherwise acquired Baxter common stock during the Class Period (*i.e.*, from February 21, 2019 through October 23, 2019, inclusive) and ***held such Baxter common stock through*** the alleged corrective disclosure on October 24, 2019 that removed the alleged artificial inflation related to that information.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

5. For purposes of calculating a Claimant's "Recognized Claim" under the Plan of Allocation, purchases, acquisitions, and sales of Baxter common stock will first be matched on a First In, First Out ("FIFO") basis as set forth in ¶ 9 below.

6. A "Recognized Loss Amount" will be calculated as set forth below for each share of Baxter common stock purchased or otherwise acquired from February 21, 2019 through October 23, 2019, inclusive, that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of a Claimant's Recognized Loss Amount results in a negative number, that number shall be set to zero. The sum of a Claimant's Recognized Loss Amounts for all purchases or acquisitions of Baxter common stock during the Class Period will be the Claimant's "Recognized Claim."

7. A Claimant's Recognized Loss Amount will be calculated as follows:

- a. For each share of Baxter common stock purchased or otherwise acquired during the Class Period and subsequently sold prior to the opening of trading on October 24, 2019 (the date of the alleged corrective disclosure), the Recognized Loss Amount is \$0.
- b. For each share of Baxter common stock purchased or otherwise acquired during the Class Period and subsequently sold after the opening of trading on October 24, 2019, and prior to the opening of trading on October 25, 2019, the Recognized Loss Amount shall be ***the lesser of***:
 - i. \$8.72 per share (the amount of alleged artificial inflation removed from the price of Baxter common stock on October 24, 2019);
 - ii. the actual purchase/acquisition price of each share (excluding taxes, commissions, and fees) ***minus*** \$79.08, the closing price of Baxter common stock on October 24, 2019; or the Out of Pocket Loss, calculated as the actual purchase/acquisition price per share (excluding taxes, commissions, and fees) ***minus*** the actual sale price per share (excluding taxes, commissions, and fees).²

²To the extent that the calculation of an Out of Pocket Loss results in a negative number reflecting a gain on the transaction, that number shall be set to zero.

- c. For each share of Baxter common stock purchased or otherwise acquired during the Class Period and subsequently sold after the opening of trading on October 25, 2019, and before the close of trading on January 21, 2020,³ the Recognized Loss Amount shall be *the lesser of*:
 - i. \$10.81 per share (the amount of alleged artificial inflation removed from the price of Baxter common stock on October 24 and October 25, 2019);
 - ii. the actual purchase/acquisition price of each share (excluding taxes, commissions, and fees) *minus* the 90-day Look-Back Value on the date of the sale as set forth in **Table 1** below; or
 - iii. the Out of Pocket Loss, calculated as the actual purchase/acquisition price per share (excluding taxes, commissions, and fees) *minus* the actual sale price per share (excluding taxes, commissions, and fees).
- d. For each share of Baxter common stock purchased or otherwise acquired during the Class Period and held as of the close of trading on January 21, 2020 (*i.e.*, the last day of the 90-day Look-Back Period), the Recognized Loss Amount shall be *the lesser of*:
 - i. \$10.81 per share (the dollar amount of alleged artificial inflation); or
 - ii. the actual purchase/acquisition price of each share (excluding taxes, commissions, and fees) *minus* \$82.65 (the average closing price of Baxter common stock during the 90-day Look-Back Period, as shown on the last line in **Table 1** below).

ADDITIONAL PROVISIONS

8. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 13 below) is \$10.00 or greater.

9. If a Settlement Class Member has more than one purchase/acquisition or sale of Baxter common stock during the Class Period, all purchases/acquisitions and sales shall be matched on a FIFO basis. Class Period sales will be matched first against any holdings of Baxter common stock at the beginning of the Class Period, and then against purchases/acquisitions of Baxter common stock, in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

10. Purchases/acquisitions and sales of Baxter common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of Baxter common stock during the Class Period, shall not be deemed a purchase, acquisition, or sale of the Baxter common stock for the calculation of an Authorized Claimant’s Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such Baxter common stock unless (i) the donor or decedent purchased or otherwise acquired such Baxter common stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Baxter common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

³ January 21, 2020 represents the last day of the 90-day period following the end of the Class Period, *i.e.*, the period of October 24, 2019 through January 21, 2020 (the “90-day Look-Back Period”). The PSLRA imposes a statutory limitation on recoverable damages using the 90-day Look-Back Period. This limitation is incorporated into the calculation of a Settlement Class Member’s Recognized Loss Amount. Specifically, a Settlement Class Member’s Recognized Loss Amount cannot exceed the difference between the purchase price paid for the Baxter common stock and the average price of Baxter common stock during the 90-day Look-Back Period if the Baxter common stock was held through January 21, 2020, the end of this period. Losses on Baxter common stock purchased/acquired during the period from February 21, 2019 through October 23, 2019, inclusive, and sold during the 90-day Look-Back Period cannot exceed the difference between the purchase price paid for the Baxter common stock and the average price of Baxter common stock during the portion of the 90-day Look-Back Period elapsed as of the date of sale (the “90-day Look-Back Value”), as set forth in **Table 1** below.

11. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Baxter common stock. The date of a “short sale” is deemed to be the date of sale of the Baxter common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has an opening short position in Baxter common stock, the earliest purchases or acquisitions during the Class Period shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

12. Baxter common stock is the only security eligible for recovery under the Plan of Allocation. Option contracts to purchase or sell Baxter common stock also are not securities eligible to participate in the Settlement. With respect to Baxter common stock purchased or sold through the exercise of an option, the purchase/sale date of the Baxter common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option. Any Recognized Loss Amount arising from purchases of Baxter common stock acquired during the Class Period through the exercise of an option on Baxter common stock⁴ shall be computed as provided for other purchases of Baxter common stock in the Plan of Allocation.

13. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

14. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator, no less than seven (7) months after the initial distribution, will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Lead Counsel and approved by the Court.

15. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Claimants. No person shall have any claim against Lead Plaintiffs, Plaintiffs’ Counsel, Lead Plaintiffs’ damages consultant, Defendants, Defendants’ Counsel, or any of the other Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders.

⁴ This includes (1) purchases of Baxter common stock as the result of the exercise of a call option, and (2) purchases of Baxter common stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

Table 1
Baxter Common Stock 90-Day Look-Back Value
by Sale/Disposition Date

Sale Date	90-Day Look-Back Value		Sale Date	90-Day Look-Back Value
10/24/2019	\$79.08		12/6/2019	\$80.14
10/25/2019	\$78.18		12/9/2019	\$80.18
10/28/2019	\$78.07		12/10/2019	\$80.25
10/29/2019	\$78.02		12/11/2019	\$80.33
10/30/2019	\$77.79		12/12/2019	\$80.42
10/31/2019	\$77.61		12/13/2019	\$80.52
11/1/2019	\$77.65		12/16/2019	\$80.61
11/4/2019	\$77.67		12/17/2019	\$80.68
11/5/2019	\$77.65		12/18/2019	\$80.75
11/6/2019	\$77.72		12/19/2019	\$80.79
11/7/2019	\$77.75		12/20/2019	\$80.83
11/8/2019	\$77.81		12/23/2019	\$80.92
11/11/2019	\$77.89		12/24/2019	\$81.01
11/12/2019	\$78.05		12/26/2019	\$81.08
11/13/2019	\$78.24		12/27/2019	\$81.15
11/14/2019	\$78.40		12/30/2019	\$81.20
11/15/2019	\$78.57		12/31/2019	\$81.25
11/18/2019	\$78.72		1/2/2020	\$81.35
11/19/2019	\$78.87		1/3/2020	\$81.43
11/20/2019	\$79.03		1/6/2020	\$81.51
11/21/2019	\$79.18		1/7/2020	\$81.59
11/22/2019	\$79.31		1/8/2020	\$81.68
11/25/2019	\$79.43		1/9/2020	\$81.78
11/26/2019	\$79.54		1/10/2020	\$81.85
11/27/2019	\$79.65		1/13/2020	\$81.99
11/29/2019	\$79.74		1/14/2020	\$82.12
12/2/2019	\$79.82		1/15/2020	\$82.25
12/3/2019	\$79.86		1/16/2020	\$82.38
12/4/2019	\$79.95		1/17/2020	\$82.51
12/5/2019	\$80.04		1/21/2020	\$82.65

**Questions? Visit www.BaxterSecuritiesLitigation.com
or call 1-855-654-0873.**

Baxter International Inc. Securities Litigation
c/o Epiq Class Action & Claims Solutions, Inc.
P.O. Box 5594
Portland, OR 97228-5594

Toll-Free Number: 1-855-654-0873
Email: info@BaxterSecuritiesLitigation.com
Website: www.BaxterSecuritiesLitigation.com

PROOF OF CLAIM AND RELEASE FORM

To be eligible to receive a share of the Net Settlement Fund in connection with the proposed Settlement, you must complete and sign this Proof of Claim and Release Form (“Claim Form”) and mail it by first-class mail to the above address, or submit it online at www.BaxterSecuritiesLitigation.com, **postmarked (or received) no later than September 16, 2021.**

Failure to submit your Claim Form by the date specified will subject your claim to rejection and may preclude you from being eligible to recover any money in connection with the proposed Settlement.

Do not mail or deliver your Claim Form to the Court, the Parties to the Action, or their counsel. Submit your Claim Form only to the Claims Administrator at the address set forth above, or online at www.BaxterSecuritiesLitigation.com.

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PART IV – RELEASE OF CLAIMS AND SIGNATURE	6–7

PART I – GENERAL INSTRUCTIONS

1. It is important that you completely read and understand the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys’ Fees and Litigation Expenses (“Notice”) that accompanies this Claim Form, including the proposed Plan of Allocation set forth in the Notice (“Plan of Allocation”). The Notice describes the proposed Settlement, how Settlement Class Members are affected by the Settlement, and the manner in which the Net Settlement Fund will be distributed if the Settlement and Plan of Allocation are approved by the Court. The Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, you will be certifying that you have read and that you understand the Notice, including the terms of the Releases described therein and provided for herein.

2. This Claim Form is directed to **all persons and entities who purchased or otherwise acquired Baxter International Inc. (“Baxter”) common stock during the Class Period (from February 21, 2019 through October 23, 2019, inclusive), and were damaged thereby (“Settlement Class”)**. Certain persons and entities are excluded from the Settlement Class by definition as set forth in ¶ 22 of the Notice.

3. By submitting this Claim Form, you are making a request to share in the proceeds of the Settlement described in the Notice. **IF YOU ARE NOT A SETTLEMENT CLASS MEMBER (see definition of Settlement Class contained in ¶ 22 of the Notice), OR IF YOU SUBMITTED A REQUEST FOR EXCLUSION FROM THE SETTLEMENT CLASS, DO NOT SUBMIT A CLAIM FORM AS YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT. THUS, IF YOU ARE EXCLUDED FROM THE SETTLEMENT CLASS, ANY CLAIM FORM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED.**

4. **Submission of this Claim Form does not guarantee that you will share in the proceeds of the Settlement. The distribution of the Net Settlement Fund will be governed by the Plan of Allocation set forth in the Notice, if it is approved by the Court, or by such other plan of allocation as the Court approves.**

5. Use the Schedule of Transactions in Part III of this Claim Form to supply all required details of your transaction(s) (including free transfers and deliveries) in and holdings of Baxter common stock. On this schedule, please provide all of the requested information with respect to your holdings, purchases, acquisitions, and sales of Baxter common stock, whether such transactions resulted in a profit or a loss. **Failure to report all transaction and holding information during the requested time period may result in the rejection of your claim.**

6. **Please note:** Only Baxter common stock purchased or otherwise acquired during the Class Period (*i.e.*, from February 21, 2019 through October 23, 2019, inclusive) is eligible under the Settlement. However, pursuant to the “90-day Look-Back Period” (described in the Plan of Allocation set forth in the Notice), your sales of Baxter common stock during the period from October 24, 2019 through and including the close of trading on January 21, 2020 will be used for purposes of calculating loss amounts under the Plan of Allocation. Therefore, in order for the Claims Administrator to be able to balance your claim, the requested purchase information during the 90-day Look-Back Period must also be provided. **Failure to report all transaction and holding information during the requested time periods may result in the rejection of your claim.**

7. You are required to submit genuine and sufficient documentation for all of your transactions in and holdings of Baxter common stock set forth in the Schedule of Transactions in Part III of this Claim Form. Documentation may consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from your broker containing the transactional and holding information found in a broker confirmation slip or account statement. The Parties and the Claims Administrator do not independently have information about your investments in Baxter common stock. **IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OF THE DOCUMENTS OR EQUIVALENT DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN THE REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. Please keep a copy of all documents that you send to the Claims Administrator. Also, do not highlight any portion of the Claim Form or any supporting documents.**

8. All joint beneficial owners must sign this Claim Form and their names must appear as “Claimants” in Part II of this Claim Form. The complete name(s) of the beneficial owner(s) must be entered. If you purchased or otherwise acquired Baxter common stock during the Class Period and held the shares in your name, you are the beneficial owner as well as the record owner. If you purchased or otherwise acquired Baxter common stock during the Class Period and the shares were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner of these shares, but the third party is the record owner. The beneficial owner, not the record owner, must sign this Claim Form.

9. **One Claim should be submitted for each separate legal entity or separately managed account.** Separate Claim Forms should be submitted for each separate legal entity (*e.g.*, an individual should not combine his or her IRA transactions with transactions made solely in the individual's name). Generally, a single Claim Form should be submitted on behalf of one legal entity including all holdings and transactions made by that entity on one Claim Form. However, if a single person or legal entity had multiple accounts that were separately managed, separate Claims may be submitted for each such account. The Claims Administrator reserves the right to request information on all the holdings and transactions in Baxter common stock made on behalf of a single beneficial owner.

10. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:

- (a) expressly state the capacity in which they are acting;
- (b) identify the name, account number, last four digits of the Social Security Number (or Taxpayer Identification Number), address, and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the Baxter common stock; and
- (c) furnish herewith evidence of their authority to bind to the Claim Form the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade securities in another person's accounts.)

11. By submitting a signed Claim Form, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.

12. If the Court approves the Settlement, payments to eligible Authorized Claimants pursuant to the Plan of Allocation (or such other plan of allocation as the Court approves) will be made after any appeals are resolved, and after the completion of all claims processing. The claims process will take substantial time to complete fully and fairly. Please be patient.

13. **PLEASE NOTE:** As set forth in the Plan of Allocation, each Authorized Claimant shall receive his, her, or its pro rata share of the Net Settlement Fund. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

14. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or a copy of the Notice, you may contact the Claims Administrator, Epiq Class Action & Claims Solutions, Inc., at the above address, by email at info@BaxterSecuritiesLitigation.com, or by toll-free phone at 1-855-654-0873, or you can visit the website for the Settlement maintained by the Claims Administrator, www.BaxterSecuritiesLitigation.com, where copies of the Claim Form and Notice are available for downloading.

15. **NOTICE REGARDING ELECTRONIC FILES:** Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. To obtain the **mandatory** electronic filing requirements and file layout, you may visit the website for the Settlement, www.BaxterSecuritiesLitigation.com, or you may email the Claims Administrator's electronic filing department at info@BaxterSecuritiesLitigation.com. **Any file that is not in accordance with the required electronic filing format will be subject to rejection.** No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email to you to that effect. **Do not assume that your file has been received until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the Claims Administrator's electronic filing department at info@BaxterSecuritiesLitigation.com to inquire about your file and confirm it was received.**

IMPORTANT PLEASE NOTE:

YOUR CLAIM IS NOT DEEMED SUBMITTED UNTIL YOU RECEIVE AN ACKNOWLEDGEMENT POSTCARD. THE CLAIMS ADMINISTRATOR WILL ACKNOWLEDGE RECEIPT OF YOUR CLAIM FORM BY MAIL WITHIN 60 DAYS. IF YOU DO NOT RECEIVE AN ACKNOWLEDGEMENT POSTCARD WITHIN 60 DAYS, CALL THE CLAIMS ADMINISTRATOR TOLL FREE AT 1-855-654-0873.

PART II – CLAIMANT IDENTIFICATION

Please complete this PART II in its entirety. The Claims Administrator will use this information for all communications regarding this Claim Form. If this information changes, you MUST notify the Claims Administrator in writing at the address above.

Beneficial Owner's First Name	MI	Beneficial Owner's Last Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

Co-Beneficial Owner's First Name	MI	Co-Beneficial Owner's Last Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

Entity Name (if Beneficial Owner is not an individual)

Representative or Custodian Name (if different from Beneficial Owner[s] listed above)

Address 1 (street name and number)

Address 2 (apartment, unit, or box number)

City	State	ZIP Code
<input type="text"/>	<input type="text"/>	<input type="text"/>

Country

Last four digits of Social Security Number or Taxpayer Identification Number

Telephone Number (home)	Telephone Number (work)
<input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/> - <input type="text"/> - <input type="text"/>

Email Address (Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.)

Account Number (where securities were traded)¹

Claimant Account Type (check appropriate box)

<input type="checkbox"/> Individual (includes joint owner accounts)	<input type="checkbox"/> Pension Plan	<input type="checkbox"/> Trust
<input type="checkbox"/> Corporation	<input type="checkbox"/> Estate	
<input type="checkbox"/> IRA/401(k)	<input type="checkbox"/> Other _____ (please specify)	

¹ If the account number is unknown, you may leave blank. If filing for more than one account for the same legal entity you may write "multiple." Please see ¶ 9 of the General Instructions above for more information on when to file separate Claim Forms for multiple accounts.

**PART III – SCHEDULE OF TRANSACTIONS IN
BAXTER INTERNATIONAL INC COMMON STOCK**

Complete this Part III if and only if you purchased or otherwise acquired Baxter common stock during the period from February 21, 2019 through October 23, 2019, inclusive. Please be sure to include proper documentation with your Claim Form as described in detail in Part I – General Instructions, ¶ 7, above. Do not include information regarding securities other than Baxter common stock.

1. HOLDINGS AS OF FEBRUARY 21, 2019 – State the total number of shares of Baxter common stock held as of the opening of trading on February 21, 2019. (Must be documented.) If none, write “zero” or “0.” <table border="1" style="width:100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td><td style="width:12.5%;"></td> </tr> </table>													Confirm Proof of Holding Position Enclosed <input type="checkbox"/>

2. PURCHASES/ACQUISITIONS FROM FEBRUARY 21, 2019 THROUGH OCTOBER 23, 2019, INCLUSIVE – Separately list each and every purchase/acquisition (including free receipts) of Baxter common stock from after the opening of trading on February 21, 2019 through and including the close of trading on October 23, 2019. (Must be documented.)

Date of Purchase/ Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/ Acquired	Purchase/Acquisition Price Per Share	Total Purchase/ Acquisition Price (excluding taxes, commissions, and fees)	Confirm Proof of Purchases/ Acquisitions Enclosed																																																				
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3. PURCHASES/ACQUISITIONS FROM OCTOBER 24, 2019 THROUGH JANUARY 21, 2020, INCLUSIVE – State the total number of shares of Baxter common stock purchased/acquired (including free receipts) from after the opening of trading on October 24, 2019 through and including the close of trading on January 21, 2020. (Must be documented.) If none, write “zero” or “0.”²

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4. SALES FROM FEBRUARY 21, 2019 THROUGH JANUARY 21, 2020, INCLUSIVE – Separately list each and every sale/disposition (including free deliveries) of Baxter common stock from after the opening of trading on February 21, 2019 through and including the close of trading on January 21, 2020. (Must be documented.)

IF NONE, CHECK HERE

Date of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (not deducting taxes, commissions, and fees)	Confirm Proof of Sales Enclosed																																																				
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5. HOLDINGS AS OF JANUARY 21, 2020 – State the total number of shares of Baxter common stock held as of the close of trading on January 21, 2020. (Must be documented.) If none, write “zero” or “0.” <table border="1" style="width:100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td><td style="width:12.5%;"></td> </tr> </table>													Confirm Proof of Holding Position Enclosed <input type="checkbox"/>

IF YOU REQUIRE ADDITIONAL SPACE FOR THE SCHEDULE ABOVE, ATTACH EXTRA SCHEDULES IN THE SAME FORMAT. PRINT THE BENEFICIAL OWNER’S FULL NAME AND LAST FOUR DIGITS OF SOCIAL SECURITY/TAXPAYER IDENTIFICATION NUMBER ON EACH ADDITIONAL PAGE. IF YOU DO ATTACH EXTRA SCHEDULES, CHECK THIS BOX

² Please note: Information requested with respect to your purchases/acquisitions of Baxter common stock from after the opening of trading on October 24, 2019 through and including the close of trading on January 21, 2020 is needed in order to perform the necessary calculations for your claim; purchases/acquisitions during this period, however, are not eligible transactions and will not be used for purposes of calculating Recognized Loss Amounts pursuant to the Plan of Allocation.

PART IV - RELEASE OF CLAIMS AND SIGNATURE

YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON PAGE 7 OF THIS CLAIM FORM.

I (we) hereby acknowledge that, pursuant to the terms set forth in the Stipulation and Agreement of Settlement dated April 1, 2021, without further action by anyone, upon the Effective Date of the Settlement, I (we), on behalf of myself (ourselves) and my (our) heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim against Defendants and the other Defendants' Releasees, and shall permanently and forever be barred and enjoined from prosecuting, attempting to prosecute, or assisting others in the prosecution of any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees.

CERTIFICATION

By signing and submitting this Claim Form, the claimant(s) or the person(s) who represent(s) the claimant(s) agree(s) to the release above and certifies (certify) as follows:

1. that I (we) have read and understand the contents of the Notice and this Claim Form, including the Releases provided for in the Settlement and the terms of the Plan of Allocation;
2. that the claimant(s) is a (are) member(s) of the Settlement Class, as defined in the Notice, and is (are) not excluded by definition from the Settlement Class as set forth in the Notice;
3. that the claimant(s) has (have) **not** submitted a request for exclusion from the Settlement Class;
4. that I (we) own(ed) the Baxter common stock identified in the Claim Form and have not assigned the claim against Defendants or any of the other Defendants' Releasees to another, or that, in signing and submitting this Claim Form, I (we) have the authority to act on behalf of the owner(s) thereof;
5. that the claimant(s) has (have) not submitted any other claim covering the same purchases/acquisitions of Baxter common stock and knows (know) of no other person having done so on the claimant's (claimants') behalf;
6. that the claimant(s) submit(s) to the jurisdiction of the Court with respect to the claimant's (claimants') claim and for purposes of enforcing the Releases set forth herein;
7. that I (we) agree to furnish such additional information with respect to this Claim Form as Lead Counsel, the Claims Administrator, or the Court may require;
8. that the claimant(s) waive(s) the right to trial by jury, to the extent it exists, agree(s) to the determination by the Court of the validity or amount of this Claim and waives any right of appeal or review with respect to such determination;
9. that I (we) acknowledge that the claimant(s) will be bound by and subject to the terms of any judgment(s) that may be entered in the Action; and
10. that the claimant(s) is (are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (a) the claimant(s) is (are) exempt from backup withholding or (b) the claimant(s) has (have) not been notified by the IRS that he/she/it/they is (are) subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified the claimant(s) that he/she/it/they is (are) no longer subject to backup withholding. **If the IRS has notified the claimant(s) that he/she/it/they is (are) subject to backup withholding, please strike out the language in the preceding sentence indicating that the claim is not subject to backup withholding in the certification above.**

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS CLAIM FORM IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HEREWITH ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

Signature of claimant

Date - -
MM DD YY

Print claimant name here

Signature of joint claimant, if any

Date - -
MM DD YY

Print joint claimant name here

If the claimant is other than an individual, or is not the person completing this form, the following also must be provided:

Signature of person signing on behalf of claimant

Date - -
MM DD YY

Print name of person signing on behalf of claimant here

Capacity of person signing on behalf of claimant, if other than an individual, e.g., executor, president, trustee, custodian, etc. (Must provide evidence of authority to act on behalf of claimant – see ¶ 10 on page 3 of this Claim Form.)

REMINDER CHECKLIST

1. Sign the above release and certification. If this Claim Form is being made on behalf of joint claimants, then both must sign.
2. Attach only **copies** of acceptable supporting documentation as these documents will not be returned to you.
3. Do not highlight any portion of the Claim Form or any supporting documents.
4. Keep copies of the completed Claim Form and any supporting documentation for your own records.
5. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. Your claim is not deemed submitted until you receive an acknowledgement postcard. **If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll-free at 1-855-654-0873.**
6. If your address changes in the future, you must send the Claims Administrator written notification of your new address. If you change your name, inform the Claims Administrator.
7. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the address below, by email at info@BaxterSecuritiesLitigation.com, or by toll-free phone at 1-855-654-0873 or you may visit www.BaxterSecuritiesLitigation.com. **DO NOT** call the Court, Defendants, or Defendants' Counsel with questions regarding your claim.

THIS CLAIM FORM MUST BE MAILED TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, OR SUBMITTED ONLINE AT WWW.BAXTERSECURITIESLITIGATION.COM, POSTMARKED (OR RECEIVED) NO LATER THAN SEPTEMBER 16, 2021. IF MAILED, THE CLAIM FORM SHOULD BE ADDRESSED AS FOLLOWS:

Baxter International Inc. Securities Litigation
c/o Epiq Class Action & Claims Solutions, Inc.
P.O. Box 5594
Portland, OR 97228-5594

If mailed, a Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if a postmark date on or before September 16, 2021, is indicated on the envelope and it is mailed First Class, and addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to fully process all of the Claim Forms. Please be patient and notify the Claims Administrator of any change of address.

Exhibit B

CONFIRMATION OF PUBLICATION

IN THE MATTER OF: *Baxter Securities*

I, Kathleen Komraus, hereby certify that

- (a) I am the Media & Design Manager at Epiq Class Action & Claims Solutions, a noticing administrator, and;
- (b) The Notice of which the annexed is a copy was published in the following publications on the following dates:

6.1.2021 – Wall Street Journal

6.1.2021 – PR Newswire

X *Kathleen Komraus*

(Signature)

Media & Design Manager

(Title)

Bernstein Litowitz Berger & Grossmann LLP and Kessler Topaz Meltzer & Check, LLP Announce Settlement of Class Action Involving Purchasers of Baxter International Inc. Common Stock

NEWS PROVIDED BY

Bernstein Litowitz Berger & Grossmann LLP and Kessler Topaz Meltzer & Check, LLP →

Jun 01, 2021, 08:00 ET

CHICAGO, June 1, 2021 /PRNewswire/ --

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE BAXTER INTERNATIONAL INC. SECURITIES LITIGATION
--

Case No. 1:19-cv-07786

District Judge Sara L. Ellis

Magistrate Judge Jeffrey I. Cummings

**SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT;
(II) SETTLEMENT HEARING;
AND (III) MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

TO: All persons and entities who purchased or otherwise acquired Baxter International Inc. ("Baxter") common stock during the period from February 21, 2019 through October 23, 2019, inclusive, and were damaged thereby ("Settlement Class"). Certain persons and entities are 

excluded from the Settlement Class as set forth in detail in the Stipulation and Agreement of Settlement dated April 1, 2021 ("Stipulation") and the Notice described below.

PLEASE READ THIS NOTICE CAREFULLY; YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of Illinois ("Court"), that the above-captioned action ("Action") has been provisionally certified as a class action for the purposes of settlement only on behalf of the Settlement Class. YOU ARE ALSO NOTIFIED that the parties to the Action have reached a proposed settlement for \$16,000,000 in cash ("Settlement") that, if approved, will resolve all claims in the Action.

A hearing will be held on **August 10, 2021 at 10:00 a.m.**, before the Honorable Sara L. Ellis at the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604, Courtroom 1403, to determine: (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against Defendants, and the releases specified and described in the Stipulation (and in the Notice described below) should be entered; (iii) whether the Settlement Class should be certified for purposes of effectuating the Settlement; (iv) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (v) whether Lead Counsel's motion for attorneys' fees and litigation expenses should be approved.

If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Settlement Fund.

If you have not yet received the detailed Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses ("Notice") and Claim Form, you may obtain copies of these documents by contacting the Claims Administrator at *Baxter International Inc. Securities Litigation*, c/o Epiq Class Action & Claims Solutions, Inc., P.O. Box 5594, Portland, OR 97228-5594, 1-855-654-0873, info@BaxterSecuritiesLitigation.com. Copies of the Notice and Claim Form can also be downloaded from the website for the Settlement, www.BaxterSecuritiesLitigation.com, or from Lead Counsel's websites, www.blbglaw.com and www.ktmc.com.

If you are a member of the Settlement Class, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form **postmarked (if mailed), or online, no later than September 16, 2021**, in accordance with the instructions set forth in the Claim Form. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement but you will nevertheless be bound by any releases, judgments, or orders entered by the Court in the Action.

If you are a member of the Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion such that it is **received no later than July 20, 2021**, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any releases, judgments, or orders entered by the Court in the Action and you will not be eligible to share in the net proceeds of the Settlement. Excluding yourself is the only option that may allow you to be part of any other current or future lawsuit against Defendants or any of the other released parties concerning the claims being resolved by the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and litigation expenses, must be filed with the Court and delivered to Lead Counsel and Defendants' Counsel such that they are **received no later than July 20, 2021**, in accordance with the instructions set forth in the Notice.

PLEASE DO NOT CONTACT THE COURT, THE CLERK'S OFFICE, DEFENDANTS, OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE. All questions about this notice, the Settlement, or your eligibility to participate in the Settlement should be directed to Lead Counsel or the Claims Administrator.

Requests for the Notice and Claim Form should be made to the Claims Administrator:

Baxter International Inc. Securities Litigation

c/o Epiq Class Action & Claims Solutions, Inc.

P.O. Box 5594

Portland, OR 97228-5594

1-855-654-0873

info@BaxterSecuritiesLitigation.com

www.BaxterSecuritiesLitigation.com



All other inquiries should be made to Lead Counsel:

James A. Harrod, Esq.
Bernstein Litowitz Berger & Grossmann LLP
1251 Avenue of the Americas
New York, NY 10020
1-800-380-8496
settlements@blbglaw.com

Sharan Nirmul, Esq.
Kessler Topaz Meltzer & Check, LLP
280 King of Prussia Road
Radnor, PA 19087
1-610-667-7706
info@ktmc.com

DATED: June 1, 2021

BY ORDER OF THE COURT
United States District Court
Northern District of Illinois

SOURCE// Bernstein Litowitz Berger & Grossmann LLP and Kessler Topaz Meltzer & Check, LLP

URL// www.BaxterSecuritiesLitigation.com

SOURCE Bernstein Litowitz Berger & Grossmann LLP and Kessler Topaz Meltzer & Check, LLP

Related Links

<https://www.blbglaw.com/>

Exhibit 4

EXHIBIT 4

In re Baxter International Inc. Securities Litigation,
Case No. 1:19-cv-07786 (N.D. Ill.)

**SUMMARY OF LEAD COUNSEL'S
LODESTAR AND EXPENSES**

Exh.	FIRM	HOURS	LODESTAR	EXPENSES
3A	Bernstein Litowitz Berger & Grossmann LLP	1,742.75	\$1,155,162.50	\$42,921.67
3B	Kessler Topaz Meltzer & Check, LLP	2,189.10	\$1,147,332.00	\$53,616.70
	TOTAL:	3,931.85	\$2,302,494.50	\$96,538.37

Exhibit 4A

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

IN RE BAXTER INTERNATIONAL INC.
SECURITIES LITIGATION

Case No. 1:19-cv-07786

District Judge Sara L. Ellis

Magistrate Judge Jeffrey I. Cummings

**DECLARATION OF JAMES A. HARROD IN SUPPORT OF LEAD COUNSEL'S
MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES, FILED
ON BEHALF OF BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP**

I, James A. Harrod, pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. I am a partner in the law firm of Bernstein Litowitz Berger & Grossman ("BLB&G"), one of the Court-appointed Lead Counsel firms in the above-captioned securities class action ("Action").¹ I submit this Declaration in support of Lead Counsel's motion for an award of attorneys' fees in connection with services rendered by Lead Counsel in the Action, as well as for payment of Litigation Expenses incurred in connection with the Action. I have personal knowledge of the facts set forth herein and, if called upon, could and would testify thereto.

2. My firm, as one of the Court-appointed Lead Counsel firms, was involved in all aspects of the litigation of the Action and its resolution, as described more fully in the accompanying Joint Declaration of James A. Harrod and Sharan Nirmul in Support of (I) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses.

¹ All capitalized terms that are not otherwise defined herein shall have the meanings set forth in the Stipulation and Agreement of Settlement dated April 1, 2021 (ECF No. 57-1).

3. Based on my work in the Action as well as the review of time records reflecting work performed by other attorneys and professional support staff employees at BLB&G in the Action (“Timekeepers”) as reported by the Timekeepers, I directed the preparation of the chart set forth as Exhibit 1 hereto. The chart in Exhibit 1: (i) identifies the names and employment positions (*i.e.*, titles) of the Timekeepers who devoted ten (10) or more hours to the Action; (ii) provides the total number of hours that each Timekeeper expended in connection with work on the Action, from the time when potential claims were being investigated through June 30, 2021; (iii) provides each Timekeeper’s current hourly rate; and (iv) provides the total lodestar of each Timekeeper and the entire firm. This chart was prepared from daily time records regularly prepared and maintained by my firm in the ordinary course of business, which are available at the request of the Court. All time expended in preparing Lead Counsel’s application for attorneys’ fees and expenses has been excluded – as has the time spent by Timekeepers who spent less than ten hours working on the Action.

4. The hourly rates for the Timekeepers, as set forth in Exhibit 1, are their standard rates. My firm’s hourly rates are largely based upon a combination of the title, cost to the firm and the specific years of experience for each attorney and professional support staff employee, as well as comparable market rates for practitioners in the field. These hourly rates are the same as, or comparable to, rates submitted by BLB&G and accepted by courts in other complex class actions for purposes of “cross-checking” lodestar against a proposed fee based on the percentage of the fund method, as well as determining a reasonable fee under the lodestar method.

5. I believe that the number of hours expended and the services performed by the attorneys and professional support staff employees at or on behalf of BLB&G were reasonable and necessary for the effective and efficient prosecution and resolution of the Action. The total number of hours expended by BLB&G in the Action, from inception through June 30, 2021, as reflected

in Exhibit 1, is 1,742.75. The total lodestar for my firm, as reflected in Exhibit 1, is \$1,155,162.50, consisting of \$1,074,768.75 for attorneys' time and \$80,393.75 for professional support staff time.

6. Expense items are being submitted separately and are not duplicated in my firm's hourly rates. As set forth in Exhibit 2 hereto, BLB&G specifically has incurred a total of \$42,921.67 in unreimbursed expenses in connection with the prosecution and resolution of the Action. The expenses incurred by BLB&G in the Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records, and other source materials and are an accurate record of the expenses incurred. Based on my active involvement and supervision of the prosecution of the Action, I believe these expenses were reasonable and expended for the benefit of the Settlement Class in the Action.

7. Below is further information about certain categories of the Litigation Expenses reflected in Exhibit 2:

(a) **On-Line Factual and Legal Research** – Charges reflected are for out-of-pocket payments to the vendors for research done in connection with this Action. On-line research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

(b) **Document Hosting & Management** – BLB&G seeks \$1,004.64 for the costs associated with establishing and maintaining the internal document database that was used to process and review the documents produced by Defendants in connection with the Due Diligence Discovery conducted. BLB&G charges a rate of \$4 per gigabyte of data per month and \$17 per user per month to recover the costs associated with maintaining its document database management system, which includes the costs to BLB&G of necessary software licenses and hardware. BLB&G has conducted a review of market rates charged for the similar services performed by third-party document management vendors and found

that its rate was at least 80% below the market rates charged by these vendors, resulting in a savings to the Settlement Class.

(c) **Experts** – BLB&G incurred \$11,885.00 for the fees and costs of Lead Plaintiffs' financial economics expert, Chad Coffman of Global Economics Group, LLC, and his team, who provided expert analysis of the issues of damages and loss causation. Lead Counsel consulted with Mr. Coffman and his team throughout the Action, including in connection with drafting the Complaint, in preparation for the mediation, and in preparing the Plan of Allocation.

8. With respect to the experience and background of my firm, attached hereto as Exhibit 3 is a firm résumé, which includes information about my firm and biographical information concerning the firm's attorneys.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on July 6, 2021.

/s/ James A. Harrod

James A. Harrod

EXHIBIT 1

In re Baxter International Inc. Securities Litigation,
Case No. 1:19-cv-07786 (N.D. Ill.)

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP**TIME REPORT**

Inception through June 30, 2021

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Michael Blatchley	13.25	\$900	11,925.00
Scott Foglietta	36.00	\$825	29,700.00
Salvatore K. Graziano	21.50	\$1,150	24,725.00
James A. Harrod	240.75	\$1,000	240,750.00
Adam Hollander	449.25	\$825	370,631.25
Avi Josefson	15.50	\$1,000	15,500.00
Senior Counsel			
David L. Duncan	74.75	\$775	57,931.25
Associates			
Catherine Van Kampen	17.50	\$700	12,250.00
Alex Payne	344.75	\$525	180,993.75
Senior Staff Attorney			
Saundra Yaklin	174.50	\$425	74,162.50
Staff Attorney			
Sheela Aiyappasamy	140.50	\$400	56,200.00
Financial Analysts			
Tanjila Sultana	29.75	\$425	12,643.75
Adam Weinschel	19.50	\$550	10,725.00
Investigator			
Jacob Foster	11.00	\$300	3,300.00

Paralegals and Case Managers			
Khristine De Leon	15.75	\$325	5,118.75
Matthew Gluck	92.75	\$350	32,462.50
Matthew Mahady	19.50	\$350	6,825.00
Stephanie Yu	10.50	\$325	3,412.50
Managing Clerk			
Mahiri Buffong	15.75	\$375	5,906.25
TOTALS	1,742.75		\$1,155,162.50

EXHIBIT 2

In re Baxter International Inc. Securities Litigation,
Case No. 1:19-cv-07786 (N.D. Ill.)

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

EXPENSE REPORT

CATEGORY	AMOUNT
Court Fees	850.00
Service of Process	206.25
On-Line Legal Research	15,682.03
On-Line Factual Research	8,143.76
Document Hosting & Management	1,004.64
Telephone	87.13
Postage & Express Mail	62.86
Experts	11,885.00
Mediation Fees	5,000.00
TOTAL EXPENSES:	\$42,921.67

EXHIBIT 3

In re Baxter International Inc. Securities Litigation
Case No. 1:19-cv-07786 (N.D. Ill.)

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

FIRM RESUME



Trusted
Advocacy.
Proven
Results.

Bernstein Litowitz Berger & Grossmann LLP

Attorneys at Law

Firm Resume

New York

1251 Avenue of the Americas
44th Floor
New York, NY 10020
Tel: 212-554-1400
Fax: 212-554-1444

California

2121 Avenue of the Stars
Suite 2575
Los Angeles, CA 90067
Tel: 310-819-3470

Louisiana

2727 Prytania Street
Suite 14
New Orleans, LA 70130
Tel: 504-899-2339
Fax: 504-899-2342

Illinois

875 North Michigan Avenue
Suite 3100
Chicago, IL 60611
Tel: 312-373-3880
Fax: 312-794-7801

Delaware

500 Delaware Avenue
Suite 901
Wilmington, DE 19801
Tel: 302-364-3600



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Since our founding in 1983, Bernstein Litowitz Berger & Grossmann LLP has obtained many of the largest monetary recoveries in history – over \$33 billion on behalf of investors. Unique among our peers, the firm has obtained the largest settlements ever agreed to by public companies related to securities fraud, including three of the ten largest in history. Working with our clients, we have also used the litigation process to achieve precedent-setting reforms which have increased market transparency, held wrongdoers accountable and improved corporate business practices in groundbreaking ways.

FIRM OVERVIEW

Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”), a national law firm with offices located in New York, California, Louisiana, Illinois, and Delaware, prosecutes class and private actions on behalf of individual and institutional clients. The firm’s litigation practice areas include securities class and direct actions in federal and state courts; corporate governance and shareholder rights litigation, including claims for breach of fiduciary duty and proxy violations; mergers and acquisitions and transactional litigation; alternative dispute resolution; distressed debt and bankruptcy; civil rights and employment discrimination; consumer class actions and antitrust. We also handle, on behalf of major institutional clients and lenders, more general complex commercial litigation involving allegations of breach of contract, accountants’ liability, breach of fiduciary duty, fraud, and negligence.

We are the nation’s leading firm in representing institutional investors in securities fraud class action litigation. The firm’s institutional client base includes the New York State Common Retirement Fund; the California Public Employees’ Retirement System (CalPERS); the Ontario Teachers’ Pension Plan Board (the largest public pension funds in North America); the Los Angeles County Employees Retirement Association (LACERA); the Chicago Municipal, Police and Labor Retirement Systems; the Teacher Retirement System of Texas; the Arkansas Teacher Retirement System; Forsta AP-fonden (“AP1”); Fjarde AP-fonden (“AP4”); the Florida State Board of Administration; the Public Employees’ Retirement System of Mississippi; the New York State Teachers’ Retirement System; the Ohio Public Employees Retirement System; the State Teachers Retirement System of Ohio; the Oregon Public Employees Retirement System; the Virginia Retirement System; the Louisiana School, State, Teachers and Municipal Police Retirement Systems; the Public School Teachers’ Pension and Retirement Fund of Chicago; the New Jersey Division of Investment of the Department of the Treasury; TIAA-CREF and other private institutions; as well as numerous other public and Taft-Hartley pension entities.

MORE TOP SECURITIES RECOVERIES

Since its founding in 1983, Bernstein Litowitz Berger & Grossmann LLP has litigated some of the most complex cases in history and has obtained over \$33 billion on behalf of investors. Unique among its peers, the firm has negotiated the largest settlements ever agreed to by public companies related to securities fraud, and obtained many of the largest securities recoveries in history (including 6 of the top 13):



- *In re WorldCom, Inc. Securities Litigation* – \$6.19 billion recovery
- *In re Cendant Corporation Securities Litigation* – \$3.3 billion recovery
- *In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation* – \$2.43 billion recovery
- *In re Nortel Networks Corporation Securities Litigation* (“Nortel II”) – \$1.07 billion recovery
- *In re Merck & Co., Inc. Securities Litigation* – \$1.06 billion recovery
- *In re McKesson HBOC, Inc. Securities Litigation* – \$1.05 billion recovery*

*Source: ISS Securities Class Action Services

For over a decade, ISS Securities Class Action Services has compiled and published data on securities litigation recoveries and the law firms prosecuting the cases. BLB&G has been at or near the top of their rankings every year – often with the highest total recoveries, the highest settlement average, or both.

BLB&G also eclipses all competitors on ISS SCAS’s “Top 100 Settlements of All Time” report, having recovered nearly 40% of all the settlement dollars represented in the report (over \$25 billion), and having prosecuted over a third of all the cases on the list (35 of 100).

GIVING SHAREHOLDERS A VOICE AND CHANGING BUSINESS PRACTICES FOR THE BETTER

BLB&G was among the first law firms ever to obtain meaningful corporate governance reforms through litigation. In courts throughout the country, we prosecute shareholder class and derivative actions, asserting claims for breach of fiduciary duty and proxy violations wherever the conduct of corporate officers and/or directors, as well as M&A transactions, seek to deprive shareholders of fair value, undermine shareholder voting rights, or allow management to profit at the expense of shareholders.

We have prosecuted seminal cases establishing precedents which have increased market transparency, held wrongdoers accountable, addressed issues in the boardroom and executive suite, challenged unfair deals, and improved corporate business practices in groundbreaking ways.

From setting new standards of director independence, to restructuring board practices in the wake of persistent illegal conduct; from challenging the improper use of defensive measures and deal protections for management’s benefit, to confronting stock options backdating abuses and other self-dealing by executives; we have confronted a variety of questionable, unethical and proliferating corporate practices. Seeking to reform faulty management structures and address breaches of fiduciary duty by corporate officers and directors, we have obtained unprecedented victories on behalf of shareholders seeking to improve governance and protect the shareholder franchise.

ADVOCACY FOR VICTIMS OF CORPORATE WRONGDOING

While BLB&G is widely recognized as one of the leading law firms worldwide advising institutional investors on issues related to corporate governance, shareholder rights, and securities litigation, we have also prosecuted some of the most significant employment discrimination, civil rights and consumer protection cases on record. Equally important, the firm has advanced novel and socially beneficial principles by developing important new law in the areas in which we litigate.



The firm served as co-lead counsel on behalf of Texaco's African-American employees in *Roberts v. Texaco Inc.*, which resulted in a recovery of \$176 million, the largest settlement ever in a race discrimination case. The creation of a Task Force to oversee Texaco's human resources activities for five years was unprecedented and served as a model for public companies going forward.

In the consumer field, the firm has gained a nationwide reputation for vigorously protecting the rights of individuals and for achieving exceptional settlements. In several instances, the firm has obtained recoveries for consumer classes that represented the entirety of the class's losses – an extraordinary result in consumer class cases.

PRACTICE AREAS

SECURITIES FRAUD LITIGATION

Securities fraud litigation is the cornerstone of the firm's litigation practice. Since its founding, the firm has had the distinction of having tried and prosecuted many of the most high-profile securities fraud class actions in history, recovering billions of dollars and obtaining unprecedented corporate governance reforms on behalf of our clients. BLB&G continues to play a leading role in major securities litigation pending in federal and state courts, and the firm remains one of the nation's leaders in representing institutional investors in securities fraud class and derivative litigation.

The firm also pursues direct actions in securities fraud cases when appropriate. By selectively opting out of certain securities class actions, we seek to resolve our clients' claims efficiently and for substantial multiples of what they might otherwise recover from related class action settlements.

The attorneys in the securities fraud litigation practice group have extensive experience in the laws that regulate the securities markets and in the disclosure requirements of corporations that issue publicly traded securities. Many of the attorneys in this practice group also have accounting backgrounds. The group has access to state-of-the-art, online financial wire services and databases, which enable it to instantaneously investigate any potential securities fraud action involving a public company's debt and equity securities.

CORPORATE GOVERNANCE AND SHAREHOLDERS' RIGHTS

The Corporate Governance and Shareholders' Rights Practice Group prosecutes derivative actions, claims for breach of fiduciary duty, and proxy violations on behalf of individual and institutional investors in state and federal courts throughout the country. The group has obtained unprecedented victories on behalf of shareholders seeking to improve corporate governance and protect the shareholder franchise, prosecuting actions challenging numerous highly publicized corporate transactions which violated fair process and fair price, and the applicability of the business judgment rule. We have also addressed issues of corporate waste, shareholder voting rights claims, workplace harassment, and executive compensation. As a result of the firm's high-profile and widely recognized capabilities, the corporate governance practice group is increasingly in demand by institutional investors who are exercising a more assertive voice with corporate boards regarding corporate governance issues and the board's accountability to shareholders.

The firm is actively involved in litigating numerous cases in this area of law, an area that has become increasingly important in light of efforts by various market participants to buy companies from their public shareholders "on the cheap."

EMPLOYMENT DISCRIMINATION AND CIVIL RIGHTS

The Employment Discrimination and Civil Rights Practice Group prosecutes class and multi-plaintiff actions, and other high-impact litigation against employers and other societal institutions that violate federal or state employment, anti-discrimination, and civil rights laws. The practice group represents diverse clients on a wide range of issues including Title VII actions: race, gender, sexual orientation and age discrimination suits; sexual harassment, and "glass ceiling" cases in which otherwise qualified employees are passed over for promotions to managerial or executive positions.

Bernstein Litowitz Berger & Grossmann LLP is committed to effecting positive social change in the workplace and in society. The practice group has the necessary financial and human resources to ensure that the class action approach to discrimination and civil rights issues is successful. This



litigation method serves to empower employees and other civil rights victims, who are usually discouraged from pursuing litigation because of personal financial limitations, and offers the potential for effecting the greatest positive change for the greatest number of people affected by discriminatory practice in the workplace.

GENERAL COMMERCIAL LITIGATION AND ALTERNATIVE DISPUTE RESOLUTION

The General Commercial Litigation practice group provides contingency fee representation in complex business litigation and has obtained substantial recoveries on behalf of investors, corporations, bankruptcy trustees, creditor committees and other business entities. We have faced down powerful and well-funded law firms and defendants – and consistently prevailed. However, not every dispute is best resolved through the courts. In such cases, BLB&G Alternative Dispute practitioners offer clients an accomplished team and a creative venue in which to resolve conflicts outside of the litigation process. BLB&G has extensive experience – and a marked record of successes – in ADR practice. For example, in the wake of the credit crisis, we successfully represented numerous former executives of a major financial institution in arbitrations relating to claims for compensation. Our attorneys have led complex business-to-business arbitrations and mediations domestically and abroad representing clients before all the major arbitration tribunals, including the American Arbitration Association (AAA), FINRA, JAMS, International Chamber of Commerce (ICC) and the London Court of International Arbitration.

DISTRESSED DEBT AND BANKRUPTCY CREDITOR NEGOTIATION

The BLB&G Distressed Debt and Bankruptcy Creditor Negotiation Group has obtained billions of dollars through litigation on behalf of bondholders and creditors of distressed and bankrupt companies, as well as through third-party litigation brought by bankruptcy trustees and creditors' committees against auditors, appraisers, lawyers, officers and directors, and other defendants who may have contributed to client losses. As counsel, we advise institutions and individuals nationwide in developing strategies and tactics to recover assets presumed lost as a result of bankruptcy. Our record in this practice area is characterized by extensive trial experience in addition to completion of successful settlements.

CONSUMER ADVOCACY

The Consumer Advocacy Practice Group at Bernstein Litowitz Berger & Grossmann LLP prosecutes cases across the entire spectrum of consumer rights, consumer fraud, and consumer protection issues. The firm represents victimized consumers in state and federal courts nationwide in individual and class action lawsuits that seek to provide consumers and purchasers of defective products with a means to recover their damages. The attorneys in this group are well versed in the vast array of laws and regulations that govern consumer interests and are aggressive, effective, court-tested litigators. The Consumer Practice Advocacy Group has recovered hundreds of millions of dollars for millions of consumers throughout the country. Most notably, in a number of cases, the firm has obtained recoveries for the class that were the entirety of the potential damages suffered by the consumer. For example, in actions against MCI and Empire Blue Cross, the firm recovered all of the damages suffered by the class. The group achieved its successes by advancing innovative claims and theories of liabilities, such as obtaining decisions in Pennsylvania and Illinois appellate courts that adopted a new theory of consumer damages in mass marketing cases. Bernstein Litowitz Berger & Grossmann LLP is, thus, able to lead the way in protecting the rights of consumers.

THE COURTS SPEAK

Throughout the firm's history, many courts have recognized the professional excellence and diligence of the firm and its members. A few examples are set forth below.

IN RE WORLD COM, INC. SECURITIES LITIGATION

THE HONORABLE DENISE COTE OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

"I have the utmost confidence in plaintiffs' counsel...they have been doing a superb job.... The Class is extraordinarily well represented in this litigation."

"The magnitude of this settlement is attributable in significant part to Lead Counsel's advocacy and energy.... The quality of the representation given by Lead Counsel...has been superb...and is unsurpassed in this Court's experience with plaintiffs' counsel in securities litigation."

"Lead Counsel has been energetic and creative. . . . Its negotiations with the Citigroup Defendants have resulted in a settlement of historic proportions."

IN RE CLARENT CORPORATION SECURITIES LITIGATION

THE HONORABLE CHARLES R. BREYER OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

"It was the best tried case I've witnessed in my years on the bench . . ."

"[A]n extraordinarily civilized way of presenting the issues to you [the jury]. . . . We've all been treated to great civility and the highest professional ethics in the presentation of the case...."

"These trial lawyers are some of the best I've ever seen."

LANDRY'S RESTAURANTS, INC. SHAREHOLDER LITIGATION

VICE CHANCELLOR J. TRAVIS LASTER OF THE DELAWARE COURT OF CHANCERY

"I do want to make a comment again about the excellent efforts . . . put into this case. . . . This case, I think, shows precisely the type of benefits that you can achieve for stockholders and how representative litigation can be a very important part of our corporate governance system . . . you hold up this case as an example of what to do."

MCCALL V. SCOTT (COLUMBIA/HCA DERIVATIVE LITIGATION)

THE HONORABLE THOMAS A. HIGGINS OF THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF TENNESSEE

"Counsel's excellent qualifications and reputations are well documented in the record, and they have litigated this complex case adeptly and tenaciously throughout the six years it has been pending. They assumed an enormous risk and have shown great patience by taking this case on a contingent basis, and despite an early setback they have persevered and brought about not only a large cash settlement but sweeping corporate reforms that may be invaluable to the beneficiaries."

RECENT ACTIONS & SIGNIFICANT RECOVERIES

Bernstein Litowitz Berger & Grossmann LLP is counsel in many diverse nationwide class and individual actions and has obtained many of the largest and most significant recoveries in history. Some examples from our practice groups include:

SECURITIES CLASS ACTIONS

- CASE:** *IN RE WORLDCom, INC. SECURITIES LITIGATION*
- COURT:** United States District Court for the Southern District of New York
- HIGHLIGHTS:** \$6.19 billion securities fraud class action recovery – the second largest in history; unprecedented recoveries from Director Defendants.
- CASE SUMMARY:** Investors suffered massive losses in the wake of the financial fraud and subsequent bankruptcy of former telecom giant WorldCom, Inc. This litigation alleged that WorldCom and others disseminated false and misleading statements to the investing public regarding its earnings and financial condition in violation of the federal securities and other laws. It further alleged a nefarious relationship between Citigroup subsidiary Salomon Smith Barney and WorldCom, carried out primarily by Salomon employees involved in providing investment banking services to WorldCom, and by WorldCom’s former CEO and CFO. As Court-appointed Co-Lead Counsel representing Lead Plaintiff the **New York State Common Retirement Fund**, we obtained unprecedented settlements totaling more than \$6 billion from the Investment Bank Defendants who underwrote WorldCom bonds, including a \$2.575 billion cash settlement to settle all claims against the Citigroup Defendants. On the eve of trial, the 13 remaining “Underwriter Defendants,” including J.P. Morgan Chase, Deutsche Bank and Bank of America, agreed to pay settlements totaling nearly \$3.5 billion to resolve all claims against them. Additionally, the day before trial was scheduled to begin, all of the former WorldCom Director Defendants had agreed to pay over \$60 million to settle the claims against them. An unprecedented first for outside directors, \$24.75 million of that amount came out of the pockets of the individuals – 20% of their collective net worth. *The Wall Street Journal*, in its coverage, profiled the settlement as literally having “shaken Wall Street, the audit profession and corporate boardrooms.” After four weeks of trial, Arthur Andersen, WorldCom’s former auditor, settled for \$65 million. Subsequent settlements were reached with the former executives of WorldCom, and then with Andersen, bringing the total obtained for the Class to over \$6.19 billion.
- CASE:** *IN RE CENDANT CORPORATION SECURITIES LITIGATION*
- COURT:** United States District Court for the District of New Jersey
- HIGHLIGHTS:** \$3.3 billion securities fraud class action recovery – the third largest in history; significant corporate governance reforms obtained.
- CASE SUMMARY:** The firm was Co-Lead Counsel in this class action against Cendant Corporation, its officers and directors and Ernst & Young (E&Y), its auditors, for their role in disseminating materially false and misleading financial statements concerning the company’s revenues, earnings and expenses for its 1997 fiscal year. As a result of company-wide accounting irregularities, Cendant restated its financial results for its 1995, 1996 and 1997 fiscal years and all fiscal quarters therein. Cendant agreed to settle the action for \$2.8 billion to adopt some of the most extensive corporate governance changes in history. E&Y settled for \$335 million. These settlements remain the largest sums ever recovered from a public company and a public accounting firm through securities class action litigation. BLB&G represented Lead Plaintiffs **CalPERS – the California Public Employees’ Retirement System**, the **New York State Common Retirement Fund** and the **New York City Pension Funds**, the three largest public pension funds in America, in this action.



CASE: *IN RE BANK OF AMERICA CORP. SECURITIES, DERIVATIVE, AND EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA) LITIGATION*

COURT: **United States District Court for the Southern District of New York**

HIGHLIGHTS: \$2.425 billion in cash; significant corporate governance reforms to resolve all claims. This recovery is by far the largest shareholder recovery related to the subprime meltdown and credit crisis; the single largest securities class action settlement ever resolving a Section 14(a) claim – the federal securities provision designed to protect investors against misstatements in connection with a proxy solicitation; the largest ever funded by a single corporate defendant for violations of the federal securities laws; the single largest settlement of a securities class action in which there was neither a financial restatement involved nor a criminal conviction related to the alleged misconduct; and one of the 10 largest securities class action recoveries in history.

DESCRIPTION: The firm represented Co-Lead Plaintiffs the **State Teachers Retirement System of Ohio**, the **Ohio Public Employees Retirement System**, and the **Teacher Retirement System of Texas** in this securities class action filed on behalf of shareholders of Bank of America Corporation (“BAC”) arising from BAC’s 2009 acquisition of Merrill Lynch & Co., Inc. The action alleges that BAC, Merrill Lynch, and certain of the companies’ current and former officers and directors violated the federal securities laws by making a series of materially false statements and omissions in connection with the acquisition. These violations included the alleged failure to disclose information regarding billions of dollars of losses which Merrill had suffered before the BAC shareholder vote on the proposed acquisition, as well as an undisclosed agreement allowing Merrill to pay billions in bonuses before the acquisition closed despite these losses. Not privy to these material facts, BAC shareholders voted to approve the acquisition.

CASE: *IN RE NORTEL NETWORKS CORPORATION SECURITIES LITIGATION (“NORTEL II”)*

COURT: **United States District Court for the Southern District of New York**

HIGHLIGHTS: Over \$1.07 billion in cash and common stock recovered for the class.

DESCRIPTION: This securities fraud class action charged Nortel Networks Corporation and certain of its officers and directors with violations of the Securities Exchange Act of 1934, alleging that the Defendants knowingly or recklessly made false and misleading statements with respect to Nortel’s financial results during the relevant period. BLB&G clients the **Ontario Teachers’ Pension Plan Board** and the **Treasury of the State of New Jersey and its Division of Investment** were appointed as Co-Lead Plaintiffs for the Class in one of two related actions (Nortel II), and BLB&G was appointed Lead Counsel for the Class. In a historic settlement, Nortel agreed to pay \$2.4 billion in cash and Nortel common stock (all figures in US dollars) to resolve both matters. Nortel later announced that its insurers had agreed to pay \$228.5 million toward the settlement, bringing the total amount of the global settlement to approximately \$2.7 billion, and the total amount of the Nortel II settlement to over \$1.07 billion.

CASE: *IN RE MERCK & Co., INC. SECURITIES LITIGATION*

COURT: **United States District Court, District of New Jersey**

HIGHLIGHTS: \$1.06 billion recovery for the class.

DESCRIPTION: This case arises out of misrepresentations and omissions concerning life-threatening risks posed by the “blockbuster” Cox-2 painkiller Vioxx, which Merck withdrew from the market in 2004. In January 2016, BLB&G achieved a \$1.062 billion settlement on the eve of trial after more than 12 years of hard-fought litigation that included a successful decision at the United States Supreme Court. This settlement is the second largest recovery ever obtained in the Third Circuit, one of the top 11 securities recoveries of all time, and the largest securities recovery ever achieved against a pharmaceutical company. BLB&G represented Lead Plaintiff the **Public Employees’ Retirement System of Mississippi**.



CASE: *IN RE MCKESSON HBOC, INC. SECURITIES LITIGATION*

COURT: United States District Court for the Northern District of California

HIGHLIGHTS: \$1.05 billion recovery for the class.

DESCRIPTION: This securities fraud litigation was filed on behalf of purchasers of HBOC, McKesson and McKesson HBOC securities, alleging that Defendants misled the investing public concerning HBOC's and McKesson HBOC's financial results. On behalf of Lead Plaintiff the **New York State Common Retirement Fund**, BLB&G obtained a \$960 million settlement from the company; \$72.5 million in cash from Arthur Andersen; and, on the eve of trial, a \$10 million settlement from Bear Stearns & Co. Inc., with total recoveries reaching more than \$1 billion.

CASE: *IN RE LEHMAN BROTHERS EQUITY/DEBT SECURITIES LITIGATION*

COURT: United States District Court for the Southern District of New York

HIGHLIGHTS: \$735 million in total recoveries.

DESCRIPTION: Representing the **Government of Guam Retirement Fund**, BLB&G successfully prosecuted this securities class action arising from Lehman Brothers Holdings Inc.'s issuance of billions of dollars in offerings of debt and equity securities that were sold using offering materials that contained untrue statements and missing material information.

After four years of intense litigation, Lead Plaintiffs achieved a total of \$735 million in recoveries consisting of: a \$426 million settlement with underwriters of Lehman securities offerings; a \$90 million settlement with former Lehman directors and officers; a \$99 million settlement that resolves claims against Ernst & Young, Lehman's former auditor (considered one of the top 10 auditor settlements ever achieved); and a \$120 million settlement that resolves claims against UBS Financial Services, Inc. This recovery is truly remarkable not only because of the difficulty in recovering assets when the issuer defendant is bankrupt, but also because no financial results were restated, and that the auditors never disavowed the statements.

CASE: *HEALTHSOUTH CORPORATION BONDHOLDER LITIGATION*

COURT: United States District Court for the Northern District of Alabama

HIGHLIGHTS: \$804.5 million in total recoveries.

DESCRIPTION: In this litigation, BLB&G was the appointed Co-Lead Counsel for the bond holder class, representing Lead Plaintiff the **Retirement Systems of Alabama**. This action arose from allegations that Birmingham, Alabama based HealthSouth Corporation overstated its earnings at the direction of its founder and former CEO Richard Scrushy. Subsequent revelations disclosed that the overstatement actually exceeded over \$2.4 billion, virtually wiping out all of HealthSouth's reported profits for the prior five years. A total recovery of \$804.5 million was obtained in this litigation through a series of settlements, including an approximately \$445 million settlement for shareholders and bondholders, a \$100 million in cash settlement from UBS AG, UBS Warburg LLC, and individual UBS Defendants (collectively, "UBS"), and \$33.5 million in cash from the company's auditor. The total settlement for injured HealthSouth bond purchasers exceeded \$230 million, recouping over a third of bond purchaser damages.



CASE: *IN RE CITIGROUP, INC. BOND ACTION LITIGATION*

COURT: United States District Court for the Southern District of New York

HIGHLIGHTS: \$730 million cash recovery; second largest recovery in a litigation arising from the financial crisis.

DESCRIPTION: In the years prior to the collapse of the subprime mortgage market, Citigroup issued 48 offerings of preferred stock and bonds. This securities fraud class action was filed on behalf of purchasers of Citigroup bonds and preferred stock alleging that these offerings contained material misrepresentations and omissions regarding Citigroup’s exposure to billions of dollars in mortgage-related assets, the loss reserves for its portfolio of high-risk residential mortgage loans, and the credit quality of the risky assets it held in off-balance sheet entities known as “structured investment vehicles.” After protracted litigation lasting four years, we obtained a \$730 million cash recovery – the second largest securities class action recovery in a litigation arising from the financial crisis, and the second largest recovery ever in a securities class action brought on behalf of purchasers of debt securities. As Lead Bond Counsel for the Class, BLB&G represented Lead Bond Plaintiffs **Minneapolis Firefighters’ Relief Association, Louisiana Municipal Police Employees’ Retirement System, and Louisiana Sheriffs’ Pension and Relief Fund.**

CASE: *IN RE WASHINGTON PUBLIC POWER SUPPLY SYSTEM LITIGATION*

COURT: United States District Court for the District of Arizona

HIGHLIGHTS: Over \$750 million – the largest securities fraud settlement ever achieved at the time.

DESCRIPTION: BLB&G was appointed Chair of the Executive Committee responsible for litigating the action on behalf of the class in this action. The case was litigated for over seven years, and involved an estimated 200 million pages of documents produced in discovery; the depositions of 285 fact witnesses and 34 expert witnesses; more than 25,000 introduced exhibits; six published district court opinions; seven appeals or attempted appeals to the Ninth Circuit; and a three-month jury trial, which resulted in a settlement of over \$750 million – then the largest securities fraud settlement ever achieved.

CASE: *IN RE SCHERING-PLOUGH CORPORATION/ENHANCE SECURITIES LITIGATION; IN RE MERCK & CO., INC. VYTORIN/ZETIA SECURITIES LITIGATION*

COURT: United States District Court for the District of New Jersey

HIGHLIGHTS: \$688 million in combined settlements (Schering-Plough settled for \$473 million; Merck settled for \$215 million) in this coordinated securities fraud litigations filed on behalf of investors in Merck and Schering-Plough.

DESCRIPTION: After nearly five years of intense litigation, just days before trial, BLB&G resolved the two actions against Merck and Schering-Plough, which stemmed from claims that Merck and Schering artificially inflated their market value by concealing material information and making false and misleading statements regarding their blockbuster anti-cholesterol drugs Zetia and Vytarin. Specifically, we alleged that the companies knew that their “ENHANCE” clinical trial of Vytarin (a combination of Zetia and a generic) demonstrated that Vytarin was no more effective than the cheaper generic at reducing artery thickness. The companies nonetheless championed the “benefits” of their drugs, attracting billions of dollars of capital. When public pressure to release the results of the ENHANCE trial became too great, the companies reluctantly announced these negative results, which we alleged led to sharp declines in the value of the companies’ securities, resulting in significant losses to investors. The combined \$688 million in settlements (Schering-Plough settled for \$473 million; Merck settled for \$215 million) is the second largest securities recovery ever in the Third Circuit, among the top 25 settlements of all time, and among the ten largest recoveries ever in a case where there was no financial restatement. BLB&G represented Lead Plaintiffs **Arkansas Teacher Retirement System, the Public Employees’ Retirement System of Mississippi, and the Louisiana Municipal Police Employees’ Retirement System.**



CASE: *IN RE LUCENT TECHNOLOGIES, INC. SECURITIES LITIGATION*

COURT: United States District Court for the District of New Jersey

HIGHLIGHTS: \$667 million in total recoveries; the appointment of BLB&G as Co-Lead Counsel is especially noteworthy as it marked the first time since the 1995 passage of the Private Securities Litigation Reform Act that a court reopened the lead plaintiff or lead counsel selection process to account for changed circumstances, new issues and possible conflicts between new and old allegations.

DESCRIPTION: BLB&G served as Co-Lead Counsel in this securities class action, representing Lead Plaintiffs the **Parnassus Fund, Teamsters Locals 175 & 505 D&P Pension Trust, Anchorage Police and Fire Retirement System** and the **Louisiana School Employees' Retirement System**. The complaint accused Lucent of making false and misleading statements to the investing public concerning its publicly reported financial results and failing to disclose the serious problems in its optical networking business. When the truth was disclosed, Lucent admitted that it had improperly recognized revenue of nearly \$679 million in fiscal 2000. The settlement obtained in this case is valued at approximately \$667 million, and is composed of cash, stock and warrants.

CASE: *IN RE WACHOVIA PREFERRED SECURITIES AND BOND/NOTES LITIGATION*

COURT: United States District Court for the Southern District of New York

HIGHLIGHTS: \$627 million recovery – among the 20 largest securities class action recoveries in history; third largest recovery obtained in an action arising from the subprime mortgage crisis.

DESCRIPTION: This securities class action was filed on behalf of investors in certain Wachovia bonds and preferred securities against Wachovia Corp., certain former officers and directors, various underwriters, and its auditor, KPMG LLP. The case alleges that Wachovia provided offering materials that misrepresented and omitted material facts concerning the nature and quality of Wachovia's multi-billion dollar option-ARM (adjustable rate mortgage) "Pick-A-Pay" mortgage loan portfolio, and that Wachovia's loan loss reserves were materially inadequate. According to the Complaint, these undisclosed problems threatened the viability of the financial institution, requiring it to be "bailed out" during the financial crisis before it was acquired by Wells Fargo. The combined \$627 million recovery obtained in the action is among the 20 largest securities class action recoveries in history, the largest settlement ever in a class action case asserting only claims under the Securities Act of 1933, and one of a handful of securities class action recoveries obtained where there were no parallel civil or criminal actions brought by government authorities. The firm represented Co-Lead Plaintiffs **Orange County Employees Retirement System** and **Louisiana Sheriffs' Pension and Relief Fund** in this action.

CASE: *BEAR STEARNS MORTGAGE PASS-THROUGH LITIGATION*

COURT: United States District Court for the Southern District of New York

HIGHLIGHTS: \$500 million recovery - the largest recovery ever on behalf of purchasers of residential mortgage-backed securities.

DESCRIPTION: BLB&G served as Co-Lead Counsel in this securities action, representing Lead Plaintiffs the **Public Employees' Retirement System of Mississippi**. The case alleged that Bear Stearns & Company, Inc.'s sold mortgage pass-through certificates using false and misleading offering documents. The offering documents contained false and misleading statements related to, among other things, (1) the underwriting guidelines used to originate the mortgage loans underlying the certificates; and (2) the accuracy of the appraisals for the properties underlying the certificates. After six years of hard-fought litigation and extensive arm's-length negotiations, the \$500 million recovery is the largest settlement in a U.S. class action against a bank that packaged and sold mortgage securities at the center of the 2008 financial crisis.



CASE: *GARY HEFLER ET AL. V. WELLS FARGO & COMPANY ET AL*

COURT: United States District Court for the Northern District of California

HIGHLIGHTS: \$480 million recovery - the fourth largest securities settlement ever achieved in the Ninth Circuit and the 31st largest securities settlement ever in the United States.

DESCRIPTION: BLB&G served as Lead Counsel for the Court-appointed Lead Plaintiff Union Asset Management Holding, AG in this action, which alleged that Wells Fargo and certain current and former officers and directors of Wells Fargo made a series of materially false statements and omissions in connection with Wells Fargo’s secret creation of fake or unauthorized client accounts in order to hit performance-based compensation goals. After years of presenting a business driven by legitimate growth prospects, U.S. regulators revealed in September 2016 that Wells Fargo employees were secretly opening millions of potentially unauthorized accounts for existing Wells Fargo customers. The Complaint alleged that these accounts were opened in order to hit performance targets and inflate the “cross-sell” metrics that investors used to measure Wells Fargo’s financial health and anticipated growth. When the market learned the truth about Wells Fargo’s violation of its customers’ trust and failure to disclose reliable information to its investors, the price of Wells Fargo’s stock dropped, causing substantial investor losses.

CASE: *OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM V. FREDDIE MAC*

COURT: United States District Court for the Southern District of Ohio

HIGHLIGHTS: \$410 million settlement.

DESCRIPTION: This securities fraud class action was filed on behalf of the **Ohio Public Employees Retirement System** and the **State Teachers Retirement System of Ohio** alleging that Federal Home Loan Mortgage Corporation (“Freddie Mac”) and certain of its current and former officers issued false and misleading statements in connection with the company’s previously reported financial results. Specifically, the Complaint alleged that the Defendants misrepresented the company’s operations and financial results by having engaged in numerous improper transactions and accounting machinations that violated fundamental GAAP precepts in order to artificially smooth the company’s earnings and to hide earnings volatility. In connection with these improprieties, Freddie Mac restated more than \$5 billion in earnings. A settlement of \$410 million was reached in the case just as deposition discovery had begun and document review was complete.

CASE: *IN RE REFCO, INC. SECURITIES LITIGATION*

COURT: United States District Court for the Southern District of New York

HIGHLIGHTS: Over \$407 million in total recoveries.

DESCRIPTION: The lawsuit arises from the revelation that Refco, a once prominent brokerage, had for years secreted hundreds of millions of dollars of uncollectible receivables with a related entity controlled by Phillip Bennett, the company’s Chairman and Chief Executive Officer. This revelation caused the stunning collapse of the company a mere two months after its initial public offering of common stock. As a result, Refco filed one of the largest bankruptcies in U.S. history. Settlements have been obtained from multiple company and individual defendants, resulting in a total recovery for the class of over \$407 million. BLB&G represented Co-Lead Plaintiff **RH Capital Associates LLC**.



CORPORATE GOVERNANCE AND SHAREHOLDERS' RIGHTS

CASE: *CITY OF MONROE EMPLOYEES' RETIREMENT SYSTEM, DERIVATIVELY ON BEHALF OF TWENTY-FIRST CENTURY FOX, INC. V. RUPERT MURDOCH, ET AL.*

COURT: Delaware Court of Chancery

HIGHLIGHTS: Landmark derivative litigation establishes unprecedented, independent Board-level council to ensure employees are protected from workplace harassment while recouping \$90 million for the company's coffers.

DESCRIPTION: Before the birth of the #metoo movement, BLB&G led the prosecution of an unprecedented shareholder derivative litigation against Fox News parent 21st Century Fox, Inc. arising from the systemic sexual and workplace harassment at the embattled network. After nearly 18 months of litigation, discovery and negotiation related to the shocking misconduct and the Board's extensive alleged governance failures, the parties unveil a landmark settlement with two key components: 1) the first ever Board-level watchdog of its kind – the “Fox News Workplace Professionalism and Inclusion Council” of experts (WPIC) – majority independent of the Murdochs, the Company and Board; and 2) one of the largest financial recoveries – \$90 million – ever obtained in a pure corporate board oversight dispute. The WPIC is expected to serve as a model for public companies in all industries. The firm represented 21st Century Fox shareholder the **City of Monroe (Michigan) Employees' Retirement System**.

CASE: *IN RE ALLERGAN, INC. PROXY VIOLATION SECURITIES LITIGATION*

COURT: United States District Court for the Central District of California

HIGHLIGHTS: Litigation recovered over \$250 million for investors in challenging unprecedented insider trading scheme by billionaire hedge fund manager Bill Ackman.

DESCRIPTION: As alleged in groundbreaking litigation, billionaire hedge fund manager Bill Ackman and his Pershing Square Capital Management fund secretly acquire a near 10% stake in pharmaceutical concern Allergan, Inc. as part of an unprecedented insider trading scheme by Ackman and Valeant Pharmaceuticals International, Inc. What Ackman knew – but investors did not – was that in the ensuing weeks, Valeant would be launching a hostile bid to acquire Allergan shares at a far higher price. Ackman enjoys a massive instantaneous profit upon public news of the proposed acquisition, and the scheme works for both parties as he kicks back hundreds of millions of his insider-trading proceeds to Valeant after Allergan agreed to be bought by a rival bidder. After a ferocious three-year legal battle over this attempt to circumvent the spirit of the U.S. securities laws, BLB&G obtains a \$250 million settlement for Allergan investors, and creates precedent to prevent similar such schemes in the future. The Plaintiffs in this action were the **State Teachers Retirement System of Ohio**, the **Iowa Public Employees Retirement System**, and **Patrick T. Johnson**.



CASE: **UNITEDHEALTH GROUP, INC. SHAREHOLDER DERIVATIVE LITIGATION**

COURT: **United States District Court for the District of Minnesota**

HIGHLIGHTS: Litigation recovered over \$920 million in ill-gotten compensation directly from former officers for their roles in illegally backdating stock options, while the company agreed to far-reaching reforms aimed at curbing future executive compensation abuses.

DESCRIPTION: This shareholder derivative action filed against certain current and former executive officers and members of the Board of Directors of UnitedHealth Group, Inc. alleged that the Defendants obtained, approved and/or acquiesced in the issuance of stock options to senior executives that were unlawfully backdated to provide the recipients with windfall compensation at the direct expense of UnitedHealth and its shareholders. The firm recovered over \$920 million in ill-gotten compensation directly from the former officer Defendants – the largest derivative recovery in history. As feature coverage in *The New York Times* indicated, “investors everywhere should applaud [the UnitedHealth settlement].... [T]he recovery sets a standard of behavior for other companies and boards when performance pay is later shown to have been based on ephemeral earnings.” The Plaintiffs in this action were the **St. Paul Teachers’ Retirement Fund Association**, the **Public Employees’ Retirement System of Mississippi**, the **Jacksonville Police & Fire Pension Fund**, the **Louisiana Sheriffs’ Pension & Relief Fund**, the **Louisiana Municipal Police Employees’ Retirement System** and **Fire & Police Pension Association of Colorado**.

CASE: **CAREMARK MERGER LITIGATION**

COURT: **Delaware Court of Chancery – New Castle County**

HIGHLIGHTS: Landmark Court ruling orders Caremark’s board to disclose previously withheld information, enjoins shareholder vote on CVS merger offer, and grants statutory appraisal rights to Caremark shareholders. The litigation ultimately forced CVS to raise offer by \$7.50 per share, equal to more than \$3.3 billion in additional consideration to Caremark shareholders.

DESCRIPTION: Commenced on behalf of the **Louisiana Municipal Police Employees’ Retirement System** and other shareholders of Caremark RX, Inc. (“Caremark”), this shareholder class action accused the company’s directors of violating their fiduciary duties by approving and endorsing a proposed merger with CVS Corporation (“CVS”), all the while refusing to fairly consider an alternative transaction proposed by another bidder. In a landmark decision, the Court ordered the Defendants to disclose material information that had previously been withheld, enjoined the shareholder vote on the CVS transaction until the additional disclosures occurred, and granted statutory appraisal rights to Caremark’s shareholders—forcing CVS to increase the consideration offered to shareholders by \$7.50 per share in cash (over \$3 billion in total).

CASE: **IN RE PFIZER INC. SHAREHOLDER DERIVATIVE LITIGATION**

COURT: **United States District Court for the Southern District of New York**

HIGHLIGHTS: Landmark settlement in which Defendants agreed to create a new Regulatory and Compliance Committee of the Pfizer Board that will be supported by a dedicated \$75 million fund.

DESCRIPTION: In the wake of Pfizer’s agreement to pay \$2.3 billion as part of a settlement with the U.S. Department of Justice to resolve civil and criminal charges relating to the illegal marketing of at least 13 of the company’s most important drugs (the largest such fine ever imposed), this shareholder derivative action was filed against Pfizer’s senior management and Board alleging they breached their fiduciary duties to Pfizer by, among other things, allowing unlawful promotion of drugs to continue after receiving numerous “red flags” that Pfizer’s improper drug marketing was systemic and widespread. The suit was brought by Court-appointed Lead Plaintiffs **Louisiana Sheriffs’ Pension and Relief Fund** and **Skandia Life Insurance Company, Ltd.** In an unprecedented settlement reached by the parties, the Defendants agreed to create a new Regulatory

and Compliance Committee of the Pfizer Board of Directors (the “Regulatory Committee”) to oversee and monitor Pfizer’s compliance and drug marketing practices and to review the compensation policies for Pfizer’s drug sales related employees.

CASE: *MILLER ET AL. V. IAC/INTERACTIVECORP ET AL.*

COURT: Delaware Court of Chancery

HIGHLIGHTS: Litigation shuts down efforts by controlling shareholders to obtain “dynastic control” of the company through improper stock class issuances, setting valuable precedent and sending strong message to boards and management in all sectors that such moves will not go unchallenged.

DESCRIPTION: BLB&G obtained this landmark victory for shareholder rights against IAC/InterActiveCorp and its controlling shareholder and chairman, Barry Diller. For decades, activist corporate founders and controllers seek ways to entrench their position atop the corporate hierarchy by granting themselves and other insiders “supervoting rights.” Diller lays out a proposal to introduce a new class of non-voting stock to entrench “dynastic control” of IAC within the Diller family. BLB&G litigation on behalf of IAC shareholders ends in capitulation with the Defendants effectively conceding the case by abandoning the proposal. This becomes critical corporate governance precedent, given trend of public companies to introduce “low” and “no-vote” share classes, which diminish shareholder rights, insulate management from accountability, and can distort managerial incentives by providing controllers voting power out of line with their actual economic interests in public companies.

CASE: *IN RE DELPHI FINANCIAL GROUP SHAREHOLDER LITIGATION*

COURT: Delaware Court of Chancery – New Castle County

HIGHLIGHTS: Dominant shareholder is blocked from collecting a payoff at the expense of minority investors.

DESCRIPTION: As the Delphi Financial Group prepared to be acquired by Tokio Marine Holdings Inc., the conduct of Delphi’s founder and controlling shareholder drew the scrutiny of BLB&G and its institutional investor clients for improperly using the transaction to expropriate at least \$55 million at the expense of the public shareholders. BLB&G aggressively litigated this action and obtained a settlement of \$49 million for Delphi’s public shareholders. The settlement fund is equal to about 90% of recoverable Class damages – a virtually unprecedented recovery.

CASE: *QUALCOMM BOOKS & RECORDS LITIGATION*

COURT: Delaware Court of Chancery – New Castle County

HIGHLIGHTS: Novel use of “books and records” litigation enhances disclosure of political spending and transparency.

DESCRIPTION: The U.S. Supreme Court’s controversial 2010 opinion in *Citizens United v. FEC* made it easier for corporate directors and executives to secretly use company funds – shareholder assets – to support personally favored political candidates or causes. BLB&G prosecuted the first-ever “books and records” litigation to obtain disclosure of corporate political spending at our client’s portfolio company – technology giant Qualcomm Inc. – in response to Qualcomm’s refusal to share the information. As a result of the lawsuit, Qualcomm adopted a policy that provides its shareholders with comprehensive disclosures regarding the company’s political activities and places Qualcomm as a standard-bearer for other companies.



CASE: *IN RE NEWS CORP. SHAREHOLDER DERIVATIVE LITIGATION*

COURT: Delaware Court of Chancery – Kent County

HIGHLIGHTS: An unprecedented settlement in which News Corp. recoups \$139 million and enacts significant corporate governance reforms that combat self-dealing in the boardroom.

DESCRIPTION: Following News Corp.’s 2011 acquisition of a company owned by News Corp. Chairman and CEO Rupert Murdoch’s daughter, and the phone-hacking scandal within its British newspaper division, we filed a derivative litigation on behalf of the company because of institutional shareholder concern with the conduct of News Corp.’s management. We ultimately obtained an unprecedented settlement in which News Corp. recouped \$139 million for the company coffers, and agreed to enact corporate governance enhancements to strengthen its compliance structure, the independence and functioning of its board, and the compensation and clawback policies for management.

CASE: *IN RE ACS SHAREHOLDER LITIGATION (XEROX)*

COURT: Delaware Court of Chancery – New Castle County

HIGHLIGHTS: BLB&G challenged an attempt by ACS CEO to extract a premium on his stock not shared with the company’s public shareholders in a sale of ACS to Xerox. On the eve of trial, BLB&G obtained a \$69 million recovery, with a substantial portion of the settlement personally funded by the CEO.

DESCRIPTION: Filed on behalf of the **New Orleans Employees’ Retirement System** and similarly situated shareholders of Affiliated Computer Service, Inc., this action alleged that members of the Board of Directors of ACS breached their fiduciary duties by approving a merger with Xerox Corporation which would allow Darwin Deason, ACS’s founder and Chairman and largest stockholder, to extract hundreds of millions of dollars of value that rightfully belongs to ACS’s public shareholders for himself. Per the agreement, Deason’s consideration amounted to over a 50% premium when compared to the consideration paid to ACS’s public stockholders. The ACS Board further breached its fiduciary duties by agreeing to certain deal protections in the merger agreement that essentially locked up the transaction between ACS and Xerox. After seeking a preliminary injunction to enjoin the deal and engaging in intense discovery and litigation in preparation for a looming trial date, Plaintiffs reached a global settlement with Defendants for \$69 million. In the settlement, Deason agreed to pay \$12.8 million, while ACS agreed to pay the remaining \$56.1 million.

CASE: *IN RE DOLLAR GENERAL CORPORATION SHAREHOLDER LITIGATION*

COURT: Sixth Circuit Court for Davidson County, Tennessee; Twentieth Judicial District, Nashville

HIGHLIGHTS: Holding Board accountable for accepting below-value “going private” offer.

DESCRIPTION: A Nashville, Tennessee corporation that operates retail stores selling discounted household goods, in early March 2007, Dollar General announced that its Board of Directors had approved the acquisition of the company by the private equity firm Kohlberg Kravis Roberts & Co. (“KKR”). BLB&G, as Co-Lead Counsel for the **City of Miami General Employees’ & Sanitation Employees’ Retirement Trust**, filed a class action complaint alleging that the “going private” offer was approved as a result of breaches of fiduciary duty by the board and that the price offered by KKR did not reflect the fair value of Dollar General’s publicly-held shares. On the eve of the summary judgment hearing, KKR agreed to pay a \$40 million settlement in favor of the shareholders, with a potential for \$17 million more for the Class.



CASE: *LANDRY'S RESTAURANTS, INC. SHAREHOLDER LITIGATION*

COURT: Delaware Court of Chancery – New Castle County

HIGHLIGHTS: Protecting shareholders from predatory CEO's multiple attempts to take control of Landry's Restaurants through improper means. Our litigation forced the CEO to increase his buyout offer by four times the price offered and obtained an additional \$14.5 million cash payment for the class.

DESCRIPTION: In this derivative and shareholder class action, shareholders alleged that Tilman J. Fertitta – chairman, CEO and largest shareholder of Landry's Restaurants, Inc. – and its Board of Directors stripped public shareholders of their controlling interest in the company for no premium and severely devalued remaining public shares in breach of their fiduciary duties. BLB&G's prosecution of the action on behalf of Plaintiff **Louisiana Municipal Police Employees' Retirement System** resulted in recoveries that included the creation of a settlement fund composed of \$14.5 million in cash, as well as significant corporate governance reforms and an increase in consideration to shareholders of the purchase price valued at \$65 million.

EMPLOYMENT DISCRIMINATION AND CIVIL RIGHTS

CASE: *ROBERTS V. TEXACO, INC.*

COURT: United States District Court for the Southern District of New York

HIGHLIGHTS: BLB&G recovered \$170 million on behalf of Texaco’s African-American employees and engineered the creation of an independent “Equality and Tolerance Task Force” at the company.

DESCRIPTION: Six highly qualified African-American employees filed a class action complaint against Texaco Inc. alleging that the company failed to promote African-American employees to upper level jobs and failed to compensate them fairly in relation to Caucasian employees in similar positions. BLB&G’s prosecution of the action revealed that African-Americans were significantly under-represented in high level management jobs and that Caucasian employees were promoted more frequently and at far higher rates for comparable positions within the company. The case settled for over \$170 million, and Texaco agreed to a Task Force to monitor its diversity programs for five years – a settlement described as the most significant race discrimination settlement in history.

CASE: *ECOA - GMAC/NMAC/FORD/TOYOTA/CHRYSLER - CONSUMER FINANCE DISCRIMINATION LITIGATION*

COURT: Multiple jurisdictions

HIGHLIGHTS: Landmark litigation in which financing arms of major auto manufacturers are compelled to cease discriminatory “kick-back” arrangements with dealers, leading to historic changes to auto financing practices nationwide.

DESCRIPTION: The cases involve allegations that the lending practices of General Motors Acceptance Corporation, Nissan Motor Acceptance Corporation, Ford Motor Credit, Toyota Motor Credit and DaimlerChrysler Financial cause African-American and Hispanic car buyers to pay millions of dollars more for car loans than similarly situated white buyers. At issue is a discriminatory kickback system under which minorities typically pay about 50% more in dealer mark-up which is shared by auto dealers with the Defendants.

NMAC: The United States District Court for the Middle District of Tennessee granted final approval of the settlement of the class action against Nissan Motor Acceptance Corporation (“NMAC”) in which NMAC agreed to offer pre-approved loans to hundreds of thousands of current and potential African-American and Hispanic NMAC customers, and limit how much it raises the interest charged to car buyers above the company’s minimum acceptable rate.

GMAC: The United States District Court for the Middle District of Tennessee granted final approval of a settlement of the litigation against General Motors Acceptance Corporation (“GMAC”) in which GMAC agreed to take the historic step of imposing a 2.5% markup cap on loans with terms up to 60 months, and a cap of 2% on extended term loans. GMAC also agreed to institute a substantial credit pre-approval program designed to provide special financing rates to minority car buyers with special rate financing.

DAIMLERCHRYSLER: The United States District Court for the District of New Jersey granted final approval of the settlement in which DaimlerChrysler agreed to implement substantial changes to the company’s practices, including limiting the maximum amount of mark-up dealers may charge customers to between 1.25% and 2.5% depending upon the length of the customer’s loan. In addition, the company agreed to send out pre-approved credit offers of no-markup loans to African-American and Hispanic consumers, and contribute \$1.8 million to provide consumer education and assistance programs on credit financing.

FORD MOTOR CREDIT: The United States District Court for the Southern District of New York granted final approval of a settlement in which Ford Credit agreed to make contract disclosures informing consumers that the customer’s Annual Percentage Rate (“APR”) may be negotiated and that sellers may assign their contracts and retain rights to receive a portion of the finance charge.

CLIENTS AND FEES

We are firm believers in the contingency fee as a socially useful, productive and satisfying basis of compensation for legal services, particularly in litigation. Wherever appropriate, even with our corporate clients, we will encourage retention where our fee is contingent on the outcome of the litigation. This way, it is not the number of hours worked that will determine our fee, but rather the result achieved for our client.

Our clients include many large and well known financial and lending institutions and pension funds, as well as privately-held companies that are attracted to our firm because of our reputation, expertise and fee structure. Most of the firm's clients are referred by other clients, law firms and lawyers, bankers, investors and accountants. A considerable number of clients have been referred to the firm by former adversaries. We have always maintained a high level of independence and discretion in the cases we decide to prosecute. As a result, the level of personal satisfaction and commitment to our work is high.

IN THE PUBLIC INTEREST

Bernstein Litowitz Berger & Grossmann LLP is guided by two principles: excellence in legal work and a belief that the law should serve a socially useful and dynamic purpose. Attorneys at the firm are active in academic, community and *pro bono* activities, as well as participating as speakers and contributors to professional organizations. In addition, the firm endows a public interest law fellowship and sponsors an academic scholarship at Columbia Law School.

BERNSTEIN LITOWITZ BERGER & GROSSMANN PUBLIC INTEREST LAW FELLOWS COLUMBIA LAW SCHOOL – BLB&G is committed to fighting discrimination and effecting positive social change. In support of this commitment, the firm donated funds to Columbia Law School to create the Bernstein Litowitz Berger & Grossmann Public Interest Law Fellowship. This newly endowed fund at Columbia Law School will provide Fellows with 100% of the funding needed to make payments on their law school tuition loans so long as such graduates remain in the public interest law field. The BLB&G Fellows are able to begin their careers free of any school debt if they make a long-term commitment to public interest law.

FIRM SPONSORSHIP OF HER JUSTICE

NEW YORK, NY – BLB&G is a sponsor of Her Justice, a non-profit organization in New York City dedicated to providing *pro bono* legal representation to indigent women, principally battered women, in connection with the myriad legal problems they face. The organization trains and supports the efforts of New York lawyers who provide *pro bono* counsel to these women. Several members and associates of the firm volunteer their time to help women who need divorces from abusive spouses, or representation on issues such as child support, custody and visitation. To read more about Her Justice, visit the organization's website at www.herjustice.org.

THE PAUL M. BERNSTEIN MEMORIAL SCHOLARSHIP

COLUMBIA LAW SCHOOL – Paul M. Bernstein was the founding senior partner of the firm. Mr. Bernstein led a distinguished career as a lawyer and teacher and was deeply committed to the professional and personal development of young lawyers. The Paul M. Bernstein Memorial Scholarship Fund is a gift of the firm and the family and friends of Paul M. Bernstein, and is awarded annually to one or more second-year students selected for their academic excellence in their first year, professional responsibility, financial need and contributions to the community.

FIRM SPONSORSHIP OF CITY YEAR NEW YORK

NEW YORK, NY – BLB&G is also an active supporter of City Year New York, a division of AmeriCorps. The program was founded in 1988 as a means of encouraging young people to devote time to public service and unites a diverse group of volunteers for a demanding year of full-time community service, leadership development and civic engagement. Through their service, corps members experience a rite of passage that can inspire a lifetime of citizenship and build a stronger democracy.

MAX W. BERGER PRE-LAW PROGRAM

BARUCH COLLEGE – In order to encourage outstanding minority undergraduates to pursue a meaningful career in the legal profession, the Max W. Berger Pre-Law Program was established at Baruch College. Providing workshops, seminars, counseling and mentoring to Baruch students, the program facilitates and guides them through the law school research and application process, as well as placing them in appropriate internships and other pre-law working environments.

NEW YORK SAYS THANK YOU FOUNDATION

NEW YORK, NY – Founded in response to the outpouring of love shown to New York City by volunteers from all over the country in the wake of the 9/11 attacks, The New York Says Thank You Foundation sends volunteers from New York City to help rebuild communities around the country affected by disasters. BLB&G is a corporate sponsor of NYSTY and its goals are a heartfelt reflection of the firm's focus on community and activism.

OUR ATTORNEYS

MEMBERS

SALVATORE J. GRAZIANO is widely recognized as one of the top securities litigators in the country. He has served as lead trial counsel in a wide variety of major securities fraud class actions, recovering billions of dollars on behalf of institutional investors and hedge fund clients.

Sal is widely recognized as one of the top securities litigators in the country. He has served as lead trial counsel in a wide variety of major securities fraud class actions, recovering billions of dollars on behalf of institutional investors and hedge fund clients.

Over the course of his distinguished career, Sal has successfully litigated many high-profile cases, including: *Merck & Co., Inc. (Vioxx) Sec. Litig.* (D.N.J.); *In re Schering-Plough Corp./ENHANCE Sec. Litig.* (D.N.J.); *New York State Teachers' Retirement System v. General Motors Co.* (E.D. Mich.); *In re MF Global Holdings Limited Sec. Litig.* (S.D.N.Y.); *In re Raytheon Sec. Litig.* (D. Mass.); *In re Refco Sec. Litig.* (S.D.N.Y.); *In re MicroStrategy, Inc. Sec. Litig.* (E.D. Va.); *In re Bristol Myers Squibb Co. Sec. Litig.* (S.D.N.Y.); and *In re New Century Sec. Litig.* (C.D. Cal.).

Industry observers, peers and adversaries routinely honor Sal for his accomplishments. He is one of the "Top 100 Trial Lawyers" in the nation and a "Litigation Star" according to *Benchmark Litigation*, which credits him for performing "top quality work." *Chambers USA* describes Sal as "wonderfully talented... a smart, aggressive lawyer who works hard for his clients," and "the go-to for the biggest cases," while *Legal 500* praises him as a "highly effective litigator." Heralded multiple times as one of a handful of Securities Litigation and Class Action "MVPs" in the nation by *Law360*, he has also been named a "Litigation Trailblazer" by *The National Law Journal*. Sal is also one of *Lawdragon's* "500 Leading Lawyers in America," named as a leading mass tort and plaintiff class action litigator by Best Lawyers®, and is one of Thomson Reuters' *Super Lawyers*.

A highly esteemed voice on investor rights, regulatory and market issues, in 2008 he was called upon by the Securities and Exchange Commission's Advisory Committee on Improvements to Financial Reporting to give testimony as to the state of the industry and potential impacts of proposed regulatory changes being considered. He is the author and co-author of numerous articles on developments in the securities laws, and was chosen, along with several of his BLB&G partners, to author the first chapter - "Plaintiffs' Perspective" - of Lexis/Nexis's seminal industry guide *Litigating Securities Class Actions*.

A member of the firm's Executive Committee, Sal has previously served as the President of the National Association of Shareholder & Consumer Attorneys, and has served as a member of the Financial Reporting Committee and the Securities Regulation Committee of the Association of the Bar of the City of New York. He regularly speaks on securities fraud litigation and shareholder rights, and has guest lectured at Columbia Law School on the topic.

Prior to entering private practice, Sal served as an Assistant District Attorney in the Manhattan District Attorney's Office.

EDUCATION: New York University College of Arts and Science, B.A., psychology, *cum laude*, 1988. New York University School of Law, J.D., *cum laude*, 1991.

BAR ADMISSIONS: New York; U.S. District Courts for the Southern and Eastern Districts of New York; U.S. District Court for the Eastern District of Michigan; U.S. Courts of Appeals for the First, Second, Third, Fourth, Sixth, Ninth and Eleventh Circuits.



AVI JOSEFSON prosecutes securities fraud litigation for the firm’s institutional investor clients, and has participated in many of the firm’s significant representations, including *In re SCOR Holding (Switzerland) AG Securities Litigation*, which resulted in a recovery worth in excess of \$143 million for investors. He was also a member of the team that litigated the *In re OM Group, Inc. Securities Litigation*, which resulted in a settlement of \$92.4 million.

As a member of the firm’s new matter department, Avi counsels institutional clients on potential legal claims. He has presented argument in several federal and state courts, including an appeal he argued before the Delaware Supreme Court.

Recognized as a “Leading Plaintiff Financial Lawyer” by *Lawdragon*, Avi is also actively involved in the M&A litigation practice, and represented shareholders in the litigation arising from the proposed acquisitions of Ceridian Corporation and Anheuser-Busch. A member of the firm’s subprime litigation team, he has participated in securities fraud actions arising from the collapse of subprime mortgage lender American Home Mortgage and the actions against Lehman Brothers, Citigroup and Merrill Lynch, arising from those banks’ multi-billion dollar loss from mortgage-backed investments. Avi has prosecuted actions against Deutsche Bank and Morgan Stanley arising from their sale of mortgage-backed securities, and is advising U.S. and foreign institutions concerning similar claims arising from investments in mortgage-backed securities.

Avi practices in the firm’s Chicago and New York offices.

EDUCATION: Brandeis University, B.A., *cum laude*, 1997. Northwestern University, J.D., 2000; *Dean’s List*; Justice Stevens Public Interest Fellowship (1999); Public Interest Law Initiative Fellowship (2000).

BAR ADMISSIONS: Illinois, New York; U.S. District Courts for the Southern District of New York and the Northern District of Illinois.

JAMES A. HARROD has two decades of experience prosecuting complex litigation in federal courts. focuses on representing the firm’s institutional investor clients in securities fraud-related matters. He also leads the firm’s Global Securities and Litigation Monitoring Team, which monitors securities class and group actions around the world, and advises BLB&G’s institutional clients on potential avenues for recovery in those actions.

Over the course of his career, he has obtained over a billion dollars on behalf of investor classes. His high-profile cases include *In re Motorola Securities Litigation*, in which he was a key member of the team that represented the State of New Jersey’s Division of Investment and obtained a \$190 million recovery three days before trial. Recently, Jim represented the class of investors in the securities litigation against General Motors arising from GM’s recall of vehicles with defective ignition switches, and recovered \$300 million for investors – the second largest securities class action recovery in the Sixth Circuit.

Jim represented institutional investors in several cases concerning the issuance of residential mortgage-backed securities prior to the financial crisis. He worked on the team that recovered \$500 million for investors in *In re Bear Stearns Mortgage Pass-Through Certificates Litigation*, which brought claims related to the issuance of mortgage pass-through certificates during 2006 and 2007. In a similar action, *Plumbers’ & Pipefitters’ Local #562 Supplemental Plan & Trust v. J.P. Morgan Acceptance Corp. I*, he recovered \$280 million on behalf of a class of investors. Other mortgage-backed securities cases that Jim worked on include *In re Lehman Bros. Mortgage-Backed Securities Litigation* (\$40 million recovery), and *Tsereteli v. Residential Asset Securitization Trust 2006-A8* (\$10.9 million recovery).

Most recently, Jim has been active in prosecuting claims against foreign issuers and actions brought under foreign law, including the Israeli securities law claims currently being prosecuted in the *Perrigo* securities litigation. He served as lead counsel in a class action led by Union Asset



Management AG—a large German asset manager—in litigation against Equifax related to its 2017 data breach which resulted in a \$149 million settlement. He also served as lead counsel in litigation on behalf of investors in Volkswagen AG American Depository Receipts (ADRs), relating to the automaker’s alleged misrepresentations concerning its “clean diesel” cars, which claims involved significant international discovery, foreign jurisdictional issues and overlapping litigation in Europe.

Among his other notable recoveries are *The Department of the Treasury of the State of New Jersey and its Division of Investment v. Cliffs Natural Resources Inc.* (class recovery of \$84 million); *Anwar, et al., v. Fairfield Greenwich Limited* (settlement valued at \$80 million); *In re Service Corporation International* (\$65 million recovery); *Danis v. USN Communications, Inc.* (\$44.6 million recovery); *In re Tower Group International, Ltd. Securities Litigation* (\$20.5 million recovery); *In re Navistar International Securities Litigation* (\$13 million recovery); and *In re Sonus Networks, Inc. Securities Litigation-II* (\$9.5 million recovery).

In connection with his representation of institutional investors, he is a frequent speaker to public pension fund organizations and trustees concerning fiduciary duties, emerging issues in securities litigation and the financial markets.

Jim is recognized as a "Litigation Star" by *Benchmark Litigation*, and is regularly named to lists of leading practitioners by *Lawdragon*, and Thomson Reuters' *Super Lawyers* for his professional achievements.

EDUCATION: Skidmore College, B.A.; George Washington University Law School, J.D.

BAR ADMISSIONS: New York; U.S. Courts of Appeals for the Second, Third, Sixth and Seventh Circuits; U.S. District Courts for the Eastern and Southern Districts of New York.

MICHAEL D. BLATCHLEY’s practice focuses on securities fraud litigation. He is currently a member of the firm’s new matter department in which he, along with a team of attorneys, financial analysts, forensic accountants, and investigators, counsels the firm’s clients on their legal claims.

Michael has also served as a member of the litigation teams responsible for prosecuting a number of the firm’s cases. For example, Michael was a key member of the team that recovered \$150 million for investors in *In re JPMorgan Chase & Co. Securities Litigation*, a securities fraud class action arising out of misrepresentations and omissions concerning JPMorgan’s Chief Investment Office, the company’s risk management systems, and the trading activities of the so-called “London Whale.” He was also a member of the litigation team in *In re Medtronic, Inc. Securities Litigation*, an action arising out of allegations that Medtronic promoted the Infuse bone graft for dangerous “off-label” uses, which resulted in an \$85 million recovery for investors. In addition, Michael prosecuted a number of cases related to the financial crisis, including several actions arising out of wrongdoing related to the issuance of residential mortgage-backed securities and other complex financial products.

Most recently, he was a member of the team that achieved a \$250 million recovery for investors in *In re Allergan, Inc. Proxy Violation Securities Litigation*, a precedent-setting case alleging unlawful insider trading by hedge fund billionaire Bill Ackman.

Among other accolades, Michael has been repeatedly named to *Benchmark Litigation*’s “Under 40 Hot List,” selected as a leading plaintiff financial lawyer by *Lawdragon*, and recognized as a “Rising Star” by Thomson Reuters’ *Super Lawyers*. He frequently presents to public pension fund professionals and trustees concerning legal issues impacting their funds, has authored numerous articles addressing investor rights, including, for example, a chapter in the Practising Law Institute’s *2017 Financial Services Mediation Answer Book*, and is a regular speaker at institutional investor conferences. While attending Brooklyn Law School, Michael held a judicial internship position for the Honorable David G. Trager, United States District Judge for the Eastern



District of New York. In addition, he worked as an intern at The Legal Aid Society's Harlem Community Law Office, as well as at Brooklyn Law School's Second Look and Workers' Rights Clinics, and provided legal assistance to victims of Hurricane Katrina in New Orleans, Louisiana.

EDUCATION: University of Wisconsin, B.A., 2000. Brooklyn Law School, J.D., *cum laude*, 2007; Edward V. Sparer Public Interest Law Fellowship, William Payson Richardson Memorial Prize, Richard Elliott Blyn Memorial Prize, Editor for the *Brooklyn Law Review*, Moot Court Honor Society.

BAR ADMISSIONS: New York, New Jersey; U.S. District Courts for the Southern District of New York, the District of New Jersey and the Western District of Wisconsin; U.S. Court of Appeals for the Ninth Circuit.

SCOTT R. FOGLIETTA prosecutes securities fraud, corporate governance, and shareholder rights litigation on behalf of the firm's institutional investor clients. As a member of the New Matter Department—the firm's case development and client advisory group—Scott advises Taft-Hartley pension funds, public pension funds, and other institutional investors on potential legal claims.

Scott was an integral member of the team that advised the firm's clients in numerous matters including in securities class actions against Wells Fargo, which resulted in a \$480 million recovery; against Salix, which resulted in a \$210 million recovery; and against Equifax, which resulted in a \$149 million recovery. Scott was also key part of the teams that evaluated and developed novel case theories or claims in numerous cases, such as Willis Towers Watson, which arose from misrepresentations made in a proxy statement in connection with the merger between Willis Group and Towers Watson and was recently resolved for \$75 million (pending court approval), and the ongoing securities class action against Perrigo arising from misrepresentations made in connection with a tender offer for shares trading in both the United States and Israel. Scott was also a member of the team that secured our clients' appointments as lead plaintiffs in the ongoing securities class actions against Boeing, Kraft Heinz, and Luckin Coffee, among others.

Scott was a member of the litigation teams representing investors in securities class actions against FleetCor Technologies, which resulted in a \$50 million recovery, and Lumber Liquidators, which achieved a recovery of \$45 million. He is currently part of the team advising one of the firm's institutional investor clients in a shareholder derivative action against the board of directors of FirstEnergy Corp. arising from the company's role in an egregious public corruption scandal. For his accomplishments, Scott has been regularly named a New York "Rising Star" in the area of securities litigation by Thomson Reuters *Super Lawyers*.

Before joining the firm, Scott represented institutional and individual clients in a wide variety of complex litigation matters, including securities class actions, commercial litigation, and ERISA litigation. Prior to law school, Scott earned his M.B.A. in finance from Clark University and worked as a capital markets analyst for a boutique investment banking firm.

EDUCATION: Clark University, B.A., Management, *cum laude*, 2006. Clark University, Graduate School of Management, M.B.A., Finance, 2007. Brooklyn Law School, J.D., 2010.

BAR ADMISSIONS: New York; New Jersey; U.S. District Court for the Southern and Eastern Districts of New York; U. S. District Court District of New Jersey

ADAM HOLLANDER prosecutes securities fraud, corporate governance, and shareholder rights litigation on behalf of the firm's clients in federal and state trial and appellate courts.

Adam has represented investors and corporations in state and federal trial and appellate courts throughout the country. Adam was a senior member of the team that recovered \$74 million for



investors in *In re SunEdison, Inc. Securities Litigation*, which concerned what had been the world's largest renewable energy company. Adam also played a key role in recovering \$48 million for investors in the American Depositary Receipts (ADRs) of Volkswagen, relating to the automaker's alleged misrepresentations concerning its "clean diesel" cars, which claims involved significant international discovery, foreign jurisdictional issues and overlapping litigation in Europe. Adam's work was integral to the successful appeal before the U.S. Court of Appeals for the Fifth Circuit in *Bach v. Amedisys, Inc.*, as well as the litigation on remand that resulted in a \$43.75 million recovery in that case.

In addition, Adam has been an integral member of the teams that prosecuted, among other matters, cases concerning Salix Pharmaceuticals (recovering \$210 million for investors); Cliffs Natural Resources (\$84 million); Dole Food Company (\$74 million); Opko Health (\$16.5 million); Kinder Morgan Energy Partners (\$27.5 million); Sanchez Energy (\$28.5 million and governance reforms following successful appeal); Trinity Industries (\$7.5 million) and Abercrombie & Fitch (significant corporate governance reforms in areas of ethics, internal controls, and executive compensation).

Currently, Adam is a senior member of the teams prosecuting cases against Boeing, arising out of the fatal crashes of the company's 737 MAX aircraft, as well as cases on behalf of investors in Novo Nordisk, Six Flags, Baxter International, and CVS.

Prior to joining BLB&G, Adam clerked for the Honorable Barrington D. Parker, Jr. of the U.S. Court of Appeals for the Second Circuit, and for the Honorable Stefan R. Underhill of the U.S. District Court for the District of Connecticut. He has also been associated with two New York defense firms, where he gained significant experience representing clients in various civil, criminal, and regulatory matters, including white-collar and complex commercial litigation.

EDUCATION: Brown University, A.B., *magna cum laude*, 2001, Urban Studies. Yale Law School, J.D., 2006; Editor, *Yale Law and Policy Review*.

BAR ADMISSIONS: New York; Connecticut; U.S. District Courts for the Southern District of New York and the District of Connecticut; U.S. Court of Appeals for the Second Circuit.

SENIOR COUNSEL

DAVID L. DUNCAN's practice concentrates on the settlement of class actions and other complex litigation and the administration of class action settlements.

Prior to joining BLB&G, David worked as a litigation associate at Debevoise & Plimpton, where he represented clients in a wide variety of commercial litigation, including contract disputes, antitrust and products liability litigation, and in international arbitration. In addition, he has represented criminal defendants on appeal in New York State courts and has successfully litigated on behalf of victims of torture and political persecution from Sudan, Côte d'Ivoire, and Serbia in seeking asylum in the United States.

While in law school, David served as an editor of the *Harvard Law Review*. After law school, he clerked for Judge Amalya L. Kearsse of the U.S. Court of Appeals for the Second Circuit.

EDUCATION: Harvard College, A.B., Social Studies, *magna cum laude*, 1993. Harvard Law School, J.D., *magna cum laude*, 1997.

BAR ADMISSIONS: New York; Connecticut; U.S. District Court for the Southern District of New York.

ASSOCIATES

ALEXANDER T. PAYNE practices out of the firm's New York Office in the securities litigation group.

Previously, he was a Litigation & Dispute Resolution associate at Mayer Brown's New York office where he represented financial institutions and corporations in complex commercial and securities litigations, shareholder derivative and fiduciary duty litigations, and governmental investigations.

Alex graduated from the Fordham University School of Law in 2015. While in law school, Alex was a member of the *Fordham Law Review* and served as a Judicial Intern for the Honorable Loretta A. Preska, while she was Chief Judge of the United States District Court for the Southern District of New York (S.D.N.Y.).

In recognition of his academic excellence, he was a recipient of the Henrietta Metcalf Contract Prize for excellence in the study of Contracts and the Fordham University School of Law Legal Writing Award.

Prior to entering the legal profession, Alex worked in the field of education policy analysis for the Graduate School of Education and Human Development at The George Washington University in Washington DC.

EDUCATION: The George Washington University, B.A., *magna cum laude*, 2006. Fordham University School of Law, J.D., *cum laude*, 2015; *Fordham Law Review*; Henrietta Metcalf Prize for Excellence in the Study of Contracts; Fordham University School of Law Legal Writing Award.

BAR ADMISSIONS: New York; U.S. District Courts for the Eastern and Southern Districts of New York.

CATHERINE E. VAN KAMPEN's law practice concentrates on class action settlement administration. She manages the Firm's qualified settlement funds and claims administration for settlements achieved by the Firm. Catherine is responsible for initiating and managing the claims administration process and working with the Court-appointed claims administrators and investment banks for the benefit of the Classes represented by the Firm. Catherine works closely with the Firm's partners to apply for Court approval in various jurisdictions throughout the United States for the disbursement of settlement funds. She regularly interfaces with institutional and retail investors to explain the claims administration process and to assist them with filing their claims.

Catherine also has extensive experience in complex litigation and litigation management, having served as a team leader and overseen attorney teams in many of the firm's most high-profile cases during the 2008 Financial Crisis. Catherine has worked on more than two dozen high-value cases. Fluent in Dutch, she has served as the lead investigator and led discovery efforts in actions involving international corporations and financial institutions headquartered in Belgium and the Netherlands. She is certified in E-Discovery and Healthcare Compliance.

Prior to joining BLB&G, Catherine focused on complex litigation initiated by institutional investors and the Federal Government. She has worked on litigation and investigations related to



regulatory enforcement actions, corporate governance, and compliance matters as well as conducted extensive discovery in English and Dutch in cross-border litigation.

Since attending law school, Catherine has been deeply committed to public and pro bono service to underserved communities. Through her volunteer work, Catherine has been a champion of social change and justice, particularly for immigrant and refugee women and children. As a member of the New York City Bar Association's United Nations Committee and African Affairs Committee, for the past two years she has spearheaded organizing the highly successful and widely-praised International Law Conference on the Status of Women, Pro Bono Engagement Fair, EPIQ Women Awards and Huntington Her Hero Awards, featuring the Under Secretary and Special Representative to the Secretary General of the United Nations for the Prevention of Violence Against Women, and other prominent, progressive women's advocates from the New York Legal Community.

A committed humanitarian, Catherine was honored as the 2018 Ambassador Medalist at the New Jersey Governor's Jefferson Awards for Outstanding Public Service for her international humanitarian and pro bono work with refugees. The Jefferson Awards, issued by the Jefferson Awards Foundation that was founded by Jacqueline Kennedy Onassis, are awarded by state governors and are considered America's highest honor for public service bestowed by the United States Senate. Catherine was also honored in Princeton, New Jersey, by her high school alma mater, Stuart Country Day School, in its 2018 Distinguished Alumnae Gallery for her humanitarian and pro bono efforts on behalf of Yezidi and Christian women and children afflicted by war in Iraq and Syria. In 2020, Catherine was accepted as a *SHESOURCE* legal expert advocating for the needs of immigrant and refugee women by the Women's Media Center, founded by Gloria Steinem, Jane Fonda, and Robin Morgan. In 2021, Catherine was appointed a Global Goals Ambassador for Clean Water and Sanitation by the *United Nations Association of the USA*, the sister organization of the United Nations Foundation USA founded by Eleanor Roosevelt. She is a recipient of several honors recognizing her pro bono work and commitment to social issues, including an invitation to attend the 2020 Tory Burch Foundation Embrace Ambition Summit and an appointment to the Advisory Board of the National Center for Girls' Leadership in Princeton, New Jersey, in 2021.

Catherine is an active member of the American Bar Association, New York Bar Association, New York City Bar Association, New Jersey Bar Association, and the National Association of Women Lawyers. In 2020, Catherine was appointed to the New York State Bar Association's President's Leadership Development Committee. In 2021, Catherine was appointed to the New Jersey State Bar Association's Class Actions, International Law and Organizations, and Special Civil Part Committees. As part of her pro bono legal work, she serves on two Boards of international NGOs serving refugees and internally displaced persons in the Middle East and Africa and rescuing exploited and trafficked women and girls. Closer to home, Catherine serves as an advisor to minority business owners in the New York City area on legal issues impacting their businesses.

Catherine clerked for the Honorable Mary M. McVeigh in the Superior Court of New Jersey where she was trained as a court-certified mediator. While in law school she interned at the Center for Social Justice's Immigration Law Clinic at Seton Hall University School of Law. Catherine is a Graduate of the American Inns of Court.

EDUCATION: Indiana University, B.A., Political Science, 1988. Seton Hall University School of Law, J.D., 1998.

BAR ADMISSIONS: New York, New Jersey.

LANGUAGES: Dutch, German.

SENIOR STAFF ATTORNEY

SAUNDRA YAKLIN has worked on numerous matters at BLB&G, including *Lehigh County Employees' Retirement System v. Novo Nordisk A/S et al.*, *In re SunEdison, Inc.*, *Securities Litigation*, *Hefler et al. v. Wells Fargo & Company et al.*, *Medina, et al v. Clovis Oncology, Inc., et al.*, *In re Virtus Investment Partners, Inc. Securities Litigation*, *In re Washington Mutual, Inc. Securities Litigation* and *In re Bristol-Myers Squibb Co. Securities Litigation*.

Prior to joining the firm, Ms. Yaklin was an associate at Reed Smith, LLP, and Assistant General Counsel at Exelon Corporation (PECO Energy Co.).

EDUCATION: Western Michigan University, M.F.A, *cum laude*, 1991. University of Pennsylvania Law School, J.D., 1996.

BAR ADMISSIONS: New York.

STAFF ATTORNEY

SHEELA AIYAPPASAMY worked on numerous matters at BLB&G, including *Roofers' Pension Fund v. Joseph C. Papa, et al ("Perrigo")*, *In re Akorn, Inc., Securities Litigation*, *Mudrick Capital Management, L.P. v. Globalstar, Inc.*, *St. Paul Teachers' Retirement Fund Association v. HeartWare International, Inc.*, *Hefler et al. v. Wells Fargo & Company et al.*, *Fresno County Employees' Retirement Association v. comScore, Inc.*, *Medina et al v. Clovis Oncology, Inc., et al* and *In re Salix Pharmaceuticals, Ltd., Securities Litigation*.

Prior to joining the firm in 2016, Sheela was a law clerk at the U.S. Attorney's Office for the Eastern District of New York, where she worked on complex financial litigations. Previously, she was a staff attorney at Simpson Thacher & Bartlett, where she represented several international banks in residential mortgage-backed securities matters.

EDUCATION: Boston University, B.A., 2001. University of Miami School of Law, J.D., 2004. Florida International University, M.B.A., 2008.

BAR ADMISSION: Florida.

Exhibit 4B

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE BAXTER INTERNATIONAL INC.
SECURITIES LITIGATION

Case No. 1:19-cv-07786

District Judge Sara L. Ellis

Magistrate Judge Jeffrey I. Cummings

**DECLARATION OF SHARAN NIRMUL IN SUPPORT OF LEAD COUNSEL'S
MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES, FILED
ON BEHALF OF KESSLER TOPAZ MELTZER & CHECK, LLP**

I, Sharan Nirmul, pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. I am a partner in the law firm of Kessler Topaz Meltzer & Check, LLP (“KTMC”), one of the Court-appointed Lead Counsel firms in the above-captioned securities class action (“Action”).¹ I submit this Declaration in support of Lead Counsel’s motion for an award of attorneys’ fees in connection with services rendered by Lead Counsel in the Action, as well as for payment of Litigation Expenses incurred in connection with the Action. I have personal knowledge of the facts set forth herein and, if called upon, could and would testify thereto.

2. My firm, as one of the Court-appointed Lead Counsel firms, was involved in all aspects of the litigation of the Action and its resolution, as described more fully in the accompanying Joint Declaration of James A. Harrod and Sharan Nirmul in Support of (I) Lead Plaintiffs’ Motion for Final Approval of Settlement and Plan of Allocation and (II) Lead Counsel’s Motion for Attorneys’ Fees and Litigation Expenses.

¹ All capitalized terms that are not otherwise defined herein shall have the meanings set forth in the Stipulation and Agreement of Settlement dated April 1, 2021 (ECF No. 57-1).

3. Based on my work in the Action as well as the review of time records reflecting work performed by other attorneys and professional support staff employees at KTMC in the Action (“Timekeepers”) as reported by the Timekeepers, I directed the preparation of the chart set forth as Exhibit 1 hereto. The chart in Exhibit 1: (i) identifies the names and employment positions (*i.e.*, titles) of the Timekeepers who devoted ten (10) or more hours to the Action; (ii) provides the total number of hours that each Timekeeper expended in connection with work on the Action, from the time when potential claims were being investigated through June 30, 2021; (iii) provides each Timekeeper’s current hourly rate; and (iv) provides the total lodestar of each Timekeeper and the entire firm. For Timekeepers who are no longer employed by KTMC, the hourly rate used is the hourly rate for such employee in his or her final year of employment by my firm. This chart was prepared from daily time records regularly prepared and maintained by my firm in the ordinary course of business, which are available at the request of the Court. All time expended in preparing Lead Counsel’s application for attorneys’ fees and expenses has been excluded – as has the time spent by Timekeepers who spent less than ten hours working on the Action.

4. The hourly rates for the Timekeepers, as set forth in Exhibit 1, are their standard rates. My firm’s hourly rates are largely based upon a combination of the title, cost to the firm, and the specific years of experience for each attorney and professional support staff employee, as well as market rates for practitioners in the field. These hourly rates are the same as, or comparable to, rates submitted by KTMC and accepted by courts in other complex class actions for purposes of “cross-checking” lodestar against a proposed fee based on the percentage of the fund method, as well as determining a reasonable fee under the lodestar method.

5. I believe that the number of hours expended and the services performed by the attorneys and professional support staff employees at or on behalf of KTMC were reasonable and necessary for the effective and efficient prosecution and resolution of the Action. The total number

of hours expended by KTMC in the Action, from inception through June 30, 2021, as reflected in Exhibit 1, is 2,189.10. The total lodestar for my firm, as reflected in Exhibit 1, is \$1,147,332.00, consisting of \$911,123.50 for attorneys' time and \$236,208.50 for professional support staff time.

6. Expense items are being submitted separately and are not duplicated in my firm's hourly rates. As set forth in Exhibit 2 hereto, KTMC has incurred a total of \$53,616.70 in expenses in connection with the prosecution and resolution of the Action. The expenses incurred by KTMC in the Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records, and other source materials and are an accurate record of the expenses incurred. Based on my active involvement and supervision of the prosecution of the Action, I believe these expenses were reasonable and expended for the benefit of the Settlement Class in the Action.

7. Below is further information about certain categories of the Litigation Expenses reflected in Exhibit 2:

(a) **On-Line Legal and Factual Research** – During the course of the Action, KTMC incurred \$10,638.75 for the on-line research necessary to the investigation, prosecution, and resolution of the Action. The charges reflected in Exhibit 2 for on-line legal and factual research (i.e., \$8,104.56 and \$2,534.19, respectively) are for out-of-pocket payments to vendors such as Westlaw, LexisNexis, TransUnion Risk & Alternative Data Solutions Inc.² and PACER, and reflect costs associated with obtaining access to court filings, financial data, and performing legal and factual research. There are no administrative charges included in these figures.

² TransUnion Risk & Alternative Data Solutions Inc. is a database providing information on business risk, fraud mitigation, skip tracing, insurance claims management, asset recovery, and identity authentication. This database is used for factual research, and provides information such as telephone numbers, emails, addresses, criminal history, civil litigation history, and other consumer related information.

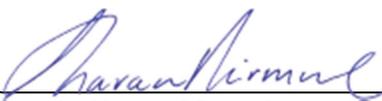
(b) **Experts/Consultants** – KTMC incurred \$37,022.50 for the costs of Lead Plaintiffs’ experts/consultants. KTMC incurred \$34,366.25 for Lead Plaintiffs’ accounting consultant, Friedman LLP, which provided analysis on, among other things, Baxter’s public filings, Baxter’s restated financials, and GAAP relating to the accounting of foreign currency transactions. Lead Counsel consulted with Friedman LLP in connection with drafting the Complaint and also in amending the Complaint to address the issues raised in the Court’s ruling on Defendants’ motion to dismiss. KTMC also incurred \$2,656.25 for Lead Plaintiffs’ financial economics consultant, Global Economics Group, LLC, which provided expert analysis of the issues of damages and loss causation. Lead Counsel consulted with Global Economics throughout the Action, including in connection with drafting the Complaint, in preparation for the mediation, and in preparing the Plan of Allocation.

(c) **Internal Reproduction Costs** - KTMC incurred costs related to internal document reproduction. My firm charges \$0.10 per page. Each time a photocopy is made or a document is printed, my firm’s billing system requires that a case or administrative billing code be entered into the copy-machine or computer being used, and this is how the 5,450 pages copied or printed (for a total of \$545.00) were identified as attributable to this Action.

(d) **Mediation** - KTMC incurred \$5,000.00 for the retention of Gregory Lindstrom of Phillips ADR, a mediator with extensive experience in mediating complex securities actions such as this one, to assist with settlement negotiations in the Action. The Parties participated in a formal mediation session with Mr. Lindstrom on February 17, 2021.

8. With respect to the experience and background of my firm, attached hereto as Exhibit 3 is a firm résumé, which includes information about my firm and biographical information concerning the firm's attorneys.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on July 6, 2021.



Sharan Nirmul

EXHIBIT 1

In re Baxter International Inc. Securities Litigation
Case No. 1:19-cv-07786 (N.D. Ill.)

KESSLER TOPAZ MELTZER & CHECK, LLP**TIME REPORT**

Inception through June 30, 2021

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Amjed, Naumon	33.00	\$850.00	\$28,050.00
Degnan, Ryan	28.50	\$780.00	\$22,230.00
Kessler, David	26.60	\$920.00	\$24,472.00
Materese, Josh	360.40	\$700.00	\$252,280.00
Mazzeo, Margaret E.	11.10	\$780.00	\$8,658.00
Nirmul, Sharan	169.20	\$850.00	\$143,820.00
Topaz, Marc A.	15.50	\$920.00	\$14,260.00
Counsel			
Enck, Jennifer	162.10	\$690.00	\$111,849.00
Associates			
Bell, Adrienne O.	21.30	\$575.00	\$12,247.50
Cunningham, Kevin	116.00	\$440.00	\$51,040.00
Herling, Brandon	16.10	\$390.00	\$6,279.00
Hoey, Evan	282.60	\$440.00	\$124,344.00
Islam, Farzana	53.20	\$425.00	\$22,610.00
Staff Attorneys			
Barksdale, LaMarlon R.	65.50	\$385.00	\$25,217.50
Chapman Smith, Quiana	12.30	\$385.00	\$4,735.50
McCullough, John J.	34.60	\$385.00	\$13,321.00
Contract Attorneys			
Burse, Steve	130.60	\$350.00	\$45,710.00
Paralegals/Law Clerks			
Hindmarsh, Lisa	59.10	\$255.00	\$15,070.50
Kam, Karen	41.00	\$300.00	\$12,300.00
Paffas, Holly	75.80	\$260.00	\$19,708.00
Investigators			
Jeffrey, Carolyn	38.00	\$300.00	\$11,400.00
Kane, Kevin	239.80	\$350.00	\$83,930.00
Monks, William	173.80	\$500.00	\$86,900.00
Righter, Caitlyn	23.00	\$300.00	\$6,900.00
TOTALS	2,189.10		\$1,147,332.00

EXHIBIT 2

In re Baxter International Inc. Securities Litigation
Case No. 1:19-cv-07786 (N.D. Ill.)

KESSLER TOPAZ MELTZER & CHECK, LLP

EXPENSE REPORT

CATEGORY	AMOUNT
On-Line Legal Research	\$8,104.56
On-Line Factual Research	\$2,534.19
Meals	\$161.12
Postage & Express Mail	\$249.33
Experts/Consultants	\$37,022.50
Internal Reproduction Costs (@ \$0.10)	\$545.00
Mediation Fees	\$5,000.00
TOTAL EXPENSES:	\$53,616.70

EXHIBIT 3

In re Baxter International Inc. Securities Litigation
Case No. 1:19-cv-07786 (N.D. Ill.)

KESSLER TOPAZ MELTZER & CHECK, LLP

FIRM RÉSUMÉ



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www.ktmc.com

FIRM PROFILE

Since 1987, Kessler Topaz Meltzer & Check, LLP has specialized in the prosecution of securities class actions and has grown into one of the largest and most successful shareholder litigation firms in the field. With offices in Radnor, Pennsylvania and San Francisco, California, the Firm is comprised of 94 attorneys as well as an experienced support staff consisting of over 80 paralegals, in-house investigators, legal clerks and other personnel. With a large and sophisticated client base (numbering over 180 institutional investors from around the world -- including public and Taft-Hartley pension funds, mutual fund managers, investment advisors, insurance companies, hedge funds and other large investors), Kessler Topaz has developed an international reputation for excellence and has extensive experience prosecuting securities fraud actions. For the past several years, the National Law Journal has recognized Kessler Topaz as one of the top securities class action law firms in the country. In addition, the Legal Intelligencer recently awarded Kessler Topaz with its Class Action Litigation Firm of The Year award. Lastly, Kessler Topaz and several of its attorneys are regularly recognized by Legal500 and Benchmark: Plaintiffs as leaders in our field.

Kessler Topaz is serving or has served as lead or co-lead counsel in many of the largest and most significant securities class actions pending in the United States, including actions against: Bank of America, Duke Energy, Lehman Brothers, Hewlett Packard, Johnson & Johnson, JPMorgan Chase, Morgan Stanley and MGM Mirage, among others. As demonstrated by the magnitude of these high-profile cases, we take seriously our role in advising clients to seek lead plaintiff appointment in cases, paying special attention to the factual elements of the fraud, the size of losses and damages, and whether there are viable sources of recovery.

Kessler Topaz has recovered billions of dollars in the course of representing defrauded shareholders from around the world and takes pride in the reputation we have earned for our dedication to our clients. Kessler Topaz devotes significant time to developing relationships with its clients in a manner that enables the Firm to understand the types of cases they will be interested in pursuing and their expectations. Further, the Firm is committed to pursuing meaningful corporate governance reforms in cases where we suspect that systemic problems within a company could lead to recurring litigation and where such changes also have the possibility to increase the value of the underlying company. The Firm is poised to continue protecting rights worldwide.

NOTEWORTHY ACHIEVEMENTS

During the Firm's successful history, Kessler Topaz has recovered billions of dollars for defrauded stockholders and consumers. The following are among the Firm's notable achievements:

Securities Fraud Litigation

In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation, Master File No. 09 MDL 2058:

Kessler Topaz, as Co-Lead Counsel, brought an action on behalf of lead plaintiffs that asserted claims for violations of the federal securities laws against Bank of America Corp. ("BoA") and certain of BoA's officers and board members relating to BoA's merger with Merrill Lynch & Co. ("Merrill") and its failure to inform its shareholders of billions of dollars of losses which Merrill had suffered before the pivotal shareholder vote, as well as an undisclosed agreement allowing Merrill to pay up to \$5.8 billion in bonuses before the acquisition closed, despite these losses. On September 28, 2012, the Parties announced a \$2.425 billion case settlement with BoA to settle all claims asserted against all defendants in the action which has since received final approval from the Court. BoA also agreed to implement significant corporate governance improvements. The settlement, reached after almost four years of litigation with a trial set to begin on October 22, 2012, amounts to 1) the sixth largest securities class action lawsuit settlement ever; 2) the fourth largest securities class action settlement ever funded by a single corporate defendant; 3) the single largest settlement of a securities class action in which there was neither a financial restatement involved nor a criminal conviction related to the alleged misconduct; 4) the single largest securities class action settlement ever resolving a Section 14(a) claim (the federal securities provision designed to protect investors against misstatements in connection with a proxy solicitation); and 5) by far the largest securities class action settlement to come out of the subprime meltdown and credit crisis to date.

In re Tyco International, Ltd. Sec. Litig., No. 02-1335-B (D.N.H. 2002):

Kessler Topaz, which served as Co-Lead Counsel in this highly publicized securities fraud class action on behalf of a group of institutional investors, achieved a record \$3.2 billion settlement with Tyco International, Ltd. ("Tyco") and their auditor PricewaterhouseCoopers ("PwC"). The \$2.975 billion settlement with Tyco represents the single-largest securities class action recovery from a single corporate defendant in history. In addition, the \$225 million settlement with PwC represents the largest payment PwC has ever paid to resolve a securities class action and is the second-largest auditor settlement in securities class action history.

The action asserted federal securities claims on behalf of all purchasers of Tyco securities between December 13, 1999 and June 7, 2002 ("Class Period") against Tyco, certain former officers and directors of Tyco and PwC. Tyco is alleged to have overstated its income during the Class Period by \$5.8 billion through a multitude of accounting manipulations and shenanigans. The case also involved allegations of looting and self-dealing by the officers and directors of the Company. In that regard, Defendants L. Dennis Kozlowski, the former CEO and Mark H. Swartz, the former CFO have been sentenced to up to 25 years in prison after being convicted of grand larceny, falsification of business records and conspiracy for their roles in the alleged scheme to defraud investors.

As presiding Judge Paul Barbadoro aptly stated in his Order approving the final settlement, "[i]t is difficult to overstate the complexity of [the litigation]." Judge Barbadoro noted the extraordinary effort required to pursue the litigation towards its successful conclusion, which included the review of more than 82.5 million pages of documents, more than 220 depositions and over 700 hundred discovery requests and responses. In addition to the complexity of the litigation, Judge Barbadoro also highlighted the great risk undertaken by

Co-Lead Counsel in pursuit of the litigation, which he indicated was greater than in other multi-billion dollar securities cases and “put [Plaintiffs] at the cutting edge of a rapidly changing area of law.”

In sum, the Tyco settlement is of historic proportions for the investors who suffered significant financial losses and it has sent a strong message to those who would try to engage in this type of misconduct in the future.

In re Tenet Healthcare Corp. Sec. Litig., No. CV-02-8462-RSWL (Rx) (C.D. Cal. 2002):

Kessler Topaz served as Co-Lead Counsel in this action. A partial settlement, approved on May 26, 2006, was comprised of three distinct elements: (i) a substantial monetary commitment of \$215 million by the company; (ii) personal contributions totaling \$1.5 million by two of the individual defendants; and (iii) the enactment and/or continuation of numerous changes to the company’s corporate governance practices, which have led various institutional rating entities to rank Tenet among the best in the U.S. in regards to corporate governance. The significance of the partial settlement was heightened by Tenet’s precarious financial condition. Faced with many financial pressures — including several pending civil actions and federal investigations, with total contingent liabilities in the hundreds of millions of dollars — there was real concern that Tenet would be unable to fund a settlement or satisfy a judgment of any greater amount in the near future. By reaching the partial settlement, we were able to avoid the risks associated with a long and costly litigation battle and provide a significant and immediate benefit to the class. Notably, this resolution represented a unique result in securities class action litigation — personal financial contributions from individual defendants. After taking the case through the summary judgment stage, we were able to secure an additional \$65 million recovery from KPMG – Tenet’s outside auditor during the relevant period – for the class, bringing the total recovery to \$281.5 million.

In re Wachovia Preferred Securities and Bond/Notes Litigation, Master File No. 09 Civ. 6351 (RJS) (S.D.N.Y.):

Kessler Topaz, as court-appointed Co-Lead Counsel, asserted class action claims for violations of the Securities Act of 1933 on behalf of all persons who purchased Wachovia Corporation (“Wachovia”) preferred securities issued in thirty separate offerings (the “Offerings”) between July 31, 2006 and May 29, 2008 (the “Offering Period”). Defendants in the action included Wachovia, various Wachovia related trusts, Wells Fargo as successor-in-interest to Wachovia, certain of Wachovia’s officer and board members, numerous underwriters that underwrote the Offerings, and KPMG LLP (“KPMG”), Wachovia’s former outside auditor. Plaintiffs alleged that the registration statements and prospectuses and prospectus supplements used to market the Offerings to Plaintiffs and other members of the class during the Offerings Period contained materially false and misleading statements and omitted material information. Specifically, the Complaint alleged that in connection with the Offerings, Wachovia: (i) failed to reveal the full extent to which its mortgage portfolio was increasingly impaired due to dangerously lax underwriting practices; (ii) materially misstated the true value of its mortgage-related assets; (iii) failed to disclose that its loan loss reserves were grossly inadequate; and (iv) failed to record write-downs and impairments to those assets as required by Generally Accepted Accounting Principles (“GAAP”). Even as Wachovia faced insolvency, the Offering Materials assured investors that Wachovia’s capital and liquidity positions were “strong,” and that it was so “well capitalized” that it was actually a “provider of liquidity” to the market. On August 5, 2011, the Parties announced a \$590 million cash settlement with Wells Fargo (as successor-in-interest to Wachovia) and a \$37 million cash settlement with KPMG, to settle all claims asserted against all defendants in the action. This settlement was approved by the Hon. Judge Richard J. Sullivan by order issued on January 3, 2012.

In re Initial Public Offering Sec. Litig., Master File No. 21 MC 92(SAS):

This action settled for \$586 million on January 1, 2010, after years of litigation overseen by U.S. District Judge Shira Scheindlin. Kessler Topaz served on the plaintiffs’ executive committee for the case, which was based upon the artificial inflation of stock prices during the dot-com boom of the late 1990s that led to

the collapse of the technology stock market in 2000 that was related to allegations of laddering and excess commissions being paid for IPO allocations.

In re Longtop Financial Technologies Ltd. Securities Litigation, No. 11-cv-3658 (S.D.N.Y.):

Kessler Topaz, as Lead Counsel, brought an action on behalf of lead plaintiffs that asserted claims for violations of the federal securities laws against Longtop Financial Technologies Ltd. (“Longtop”), its Chief Executive Officer, Weizhou Lian, and its Chief Financial Officer, Derek Palaschuk. The claims against Longtop and these two individuals were based on a massive fraud that occurred at the company. As the CEO later confessed, the company had been a fraud since 2004. Specifically, Weizhou Lian confessed that the company’s cash balances and revenues were overstated by hundreds of millions of dollars and it had millions of dollars in unrecorded bank loans. The CEO further admitted that, in 2011 alone, Longtop’s revenues were overstated by about 40 percent. On November 14, 2013, after Weizhou Lian and Longtop failed to appear and defend the action, Judge Shira Scheindlin entered default judgment against these two defendants in the amount of \$882.3 million plus 9 percent interest running from February 21, 2008 to the date of payment. The case then proceeded to trial against Longtop’s CFO who claimed he did not know about the fraud - and was not reckless in not knowing - when he made false statements to investors about Longtop’s financial results. On November 21, 2014, the jury returned a verdict on liability in favor of plaintiffs. Specifically, the jury found that the CFO was liable to the plaintiffs and the class for each of the eight challenged misstatements. Then, on November 24, 2014, the jury returned its damages verdict, ascribing a certain amount of inflation to each day of the class period and apportioning liability for those damages amongst the three named defendants. The Longtop trial was only the 14th securities class action to be tried to a verdict since the passage of the Private Securities Litigation Reform Act in 1995 and represents a historic victory for investors.

Operative Plasterers and Cement Masons International Association Local 262 Annuity Fund v. Lehman Brothers Holdings, Inc., No. 1:08-cv-05523-LAK (S.D.N.Y.):

Kessler Topaz, on behalf of lead plaintiffs, asserted claims against certain individual defendants and underwriters of Lehman securities arising from misstatements and omissions regarding Lehman's financial condition, and its exposure to the residential and commercial real estate markets in the period leading to Lehman’s unprecedented bankruptcy filing on September 14, 2008. In July 2011, the Court sustained the majority of the amended Complaint finding that Lehman’s use of Repo 105, while technically complying with GAAP, still rendered numerous statements relating to Lehman’s purported Net Leverage Ratio materially false and misleading. The Court also found that Defendants’ statements related to Lehman’s risk management policies were sufficient to state a claim. With respect to loss causation, the Court also failed to accept Defendants’ contention that the financial condition of the economy led to the losses suffered by the Class. As the case was being prepared for trial, a \$517 million settlement was reached on behalf of shareholders --- \$426 million of which came from various underwriters of the Offerings, representing a significant recovery for investors in this now bankrupt entity. In addition, \$90 million came from Lehman’s former directors and officers, which is significant considering the diminishing assets available to pay any future judgment. Following these settlements, the litigation continued against Lehman’s auditor, Ernst & Young LLP. A settlement for \$99 million was subsequently reached with Ernst & Young LLP and was approved by the Court.

Minneapolis Firefighters' Relief Association v. Medtronic, Inc. et al. Case No. 0:08-cv-06324-PAM-AJB (D. Minn.):

Kessler Topaz brought an action on behalf of lead plaintiffs that alleged that the company failed to disclose its reliance on illegal “off-label” marketing techniques to drive the sales of its INFUSE Bone Graft (“INFUSE”) medical device. While physicians are allowed to prescribe a drug or medical device for any use they see fit, federal law prohibits medical device manufacturers from marketing devices for any uses not specifically approved by the United States Food and Drug Administration. The company’s off-label marketing practices have resulted in the company becoming the target of a probe by the federal government

which was revealed on November 18, 2008, when the company's CEO reported that Medtronic received a subpoena from the United States Department of Justice which is "looking into off-label use of INFUSE." After hearing oral argument on Defendants' Motions to Dismiss, on February 3, 2010, the Court issued an order granting in part and denying in part Defendants' motions, allowing a large portion of the action to move forward. The Court held that Plaintiff successfully stated a claim against each Defendant for a majority of the misstatements alleged in the Complaint and that each of the Defendants knew or recklessly disregarded the falsity of these statements and that Defendants' fraud caused the losses experienced by members of the Class when the market learned the truth behind Defendants' INFUSE marketing efforts. While the case was in discovery, on April 2, 2012, Medtronic agreed to pay shareholders an \$85 million settlement. The settlement was approved by the Court by order issued on November 8, 2012.

In re Brocade Sec. Litig., Case No. 3:05-CV-02042 (N.D. Cal. 2005) (CRB):

The complaint in this action alleges that Defendants engaged in repeated violations of federal securities laws by backdating options grants to top executives and falsified the date of stock option grants and other information regarding options grants to numerous employees from 2000 through 2004, which ultimately caused Brocade to restate all of its financial statements from 2000 through 2005. In addition, concurrent SEC civil and Department of Justice criminal actions against certain individual defendants were commenced. In August, 2007 the Court denied Defendant's motions to dismiss and in October, 2007 certified a class of Brocade investors who were damaged by the alleged fraud. Discovery is currently proceeding and the case is being prepared for trial. Furthermore, while litigating the securities class action Kessler Topaz and its co-counsel objected to a proposed settlement in the Brocade derivative action. On March 21, 2007, the parties in *In re Brocade Communications Systems, Inc. Derivative Litigation*, No. C05-02233 (N.D. Cal. 2005) (CRB) gave notice that they had obtained preliminary approval of their settlement. According to the notice, which was buried on the back pages of the Wall Street Journal, Brocade shareholders were given less than three weeks to evaluate the settlement and file any objection with the Court. Kessler Topaz client Puerto Rico Government Employees' Retirement System ("PRGERS") had a large investment in Brocade and, because the settlement was woefully inadequate, filed an objection. PRGERS, joined by fellow institutional investor Arkansas Public Employees Retirement System, challenged the settlement on two fundamental grounds. First, PRGERS criticized the derivative plaintiffs for failing to conduct any discovery before settling their claims. PRGERS also argued that derivative plaintiff's abject failure to investigate its own claims before providing the defendants with broad releases from liability made it impossible to weigh the merits of the settlement. The Court agreed, and strongly admonished derivative plaintiffs for their failure to perform this most basic act of service to their fellow Brocade shareholders. The settlement was rejected and later withdrawn. Second, and more significantly, PRGERS claimed that the presence of the well-respected law firm Wilson, Sonsini Goodrich and Rosati, in this case, created an incurable conflict of interest that corrupted the entire settlement process. The conflict stemmed from WSGR's dual role as counsel to Brocade and the Individual Settling Defendants, including WSGR Chairman and former Brocade Board Member Larry Sonsini. On this point, the Court also agreed and advised WSGR to remove itself from the case entirely. On May 25, 2007, WSGR complied and withdrew as counsel to Brocade. The case settled for \$160 million and was approved by the Court.

In re Satyam Computer Services, Ltd. Sec. Litig., No. 09 MD 02027 (BSJ) (S.D.N.Y.):

Kessler Topaz served as Co-Lead Counsel in this securities fraud class action in the Southern District of New York. The action asserts claims by lead plaintiffs for violations of the federal securities laws against Satyam Computer Services Limited ("Satyam" or the "Company") and certain of Satyam's former officers and directors and its former auditor PricewaterhouseCoopers International Ltd. ("PwC") relating to the Company's January 7, 2009, disclosure admitting that B. Ramalinga Raju ("B. Raju"), the Company's former chairman, falsified Satyam's financial reports by, among other things, inflating its reported cash balances by more than \$1 billion. The news caused the price of Satyam's common stock (traded on the National Stock Exchange of India and the Bombay Stock Exchange) and American Depository Shares ("ADSs") (traded on the New York Stock Exchange ("NYSE")) to collapse. From a closing price of \$3.67

per share on January 6, 2009, Satyam's common stock closed at \$0.82 per share on January 7, 2009. With respect to the ADSs, the news of B. Raju's letter was revealed overnight in the United States and, as a result, trading in Satyam ADSs was halted on the NYSE before the markets opened on January 7, 2009. When trading in Satyam ADSs resumed on January 12, 2009, Satyam ADSs opened at \$1.14 per ADS, down steeply from a closing price of \$9.35 on January 6, 2009. Lead Plaintiffs filed a consolidated complaint on July 17, 2009, on behalf of all persons or entities, who (a) purchased or otherwise acquired Satyam's ADSs in the United States; and (b) residents of the United States who purchased or otherwise acquired Satyam shares on the National Stock Exchange of India or the Bombay Stock Exchange between January 6, 2004 and January 6, 2009. Co-Lead Counsel secured a settlement for \$125 million from Satyam on February 16, 2011. Additionally, Co-Lead Counsel was able to secure a \$25.5 million settlement from PwC on April 29, 2011, who was alleged to have signed off on the misleading audit reports.

In re BankAtlantic Bancorp, Inc. Sec. Litig., Case No. 07-CV-61542 (S.D. Fla. 2007):

On November 18, 2010, a panel of nine Miami, Florida jurors returned the first securities fraud verdict to arise out of the financial crisis against BankAtlantic Bancorp. Inc., its chief executive officer and chief financial officer. This case was only the tenth securities class action to be tried to a verdict following the passage of the Private Securities Litigation Reform Act of 1995, which governs such suits. Following extensive post-trial motion practice, the District Court upheld all of the Jury's findings of fraud but vacated the damages award on a narrow legal issue and granted Defendant's motion for a judgment as a matter of law. Plaintiffs appealed to the U.S. Court of Appeals for the Eleventh Circuit. On July 23, 2012, a three-judge panel for the Appeals Court found the District Court erred in granting the Defendant's motion for a judgment as a matter of law based in part on the Jury's findings (perceived inconsistency of two of the Jury's answers to the special interrogatories) instead of focusing solely on the sufficiency of the evidence. However, upon its review of the record, the Appeals Court affirmed the District Court's decision as it determined the Plaintiffs did not introduce evidence sufficient to support a finding in its favor on the element of loss causation. The Appeals Court's decision in this case does not diminish the five years of hard work which Kessler Topaz expended to bring the matter to trial and secure an initial jury verdict in the Plaintiffs' favor. This case is an excellent example of the Firm's dedication to our clients and the lengths it will go to try to achieve the best possible results for institutional investors in shareholder litigation.

In re AremisSoft Corp. Sec. Litig., C.A. No. 01-CV-2486 (D.N.J. 2002):

Kessler Topaz is particularly proud of the results achieved in this case before the Honorable Joel A. Pisano. This case was exceedingly complicated, as it involved the embezzlement of hundreds of millions of dollars by former officers of the Company, one of whom remains a fugitive. In settling the action, Kessler Topaz, as sole Lead Counsel, assisted in reorganizing AremisSoft as a new company to allow for it to continue operations, while successfully separating out the securities fraud claims and the bankrupt Company's claims into a litigation trust. The approved Settlement enabled the class to receive the majority of the equity in the new Company, as well as their pro rata share of any amounts recovered by the litigation trust. During this litigation, actions have been initiated in the Isle of Man, Cyprus, as well as in the United States as we continue our efforts to recover assets stolen by corporate insiders and related entities.

In re CVS Corporation Sec. Litig., C.A. No. 01-11464 JLT (D.Mass. 2001):

Kessler Topaz, serving as Co-Lead Counsel on behalf of a group of institutional investors, secured a cash recovery of \$110 million for the class, a figure which represents the third-largest payout for a securities action in Boston federal court. Kessler Topaz successfully litigated the case through summary judgment before ultimately achieving this outstanding result for the class following several mediation sessions, and just prior to the commencement of trial.

In re Marvell Technology, Group, Ltd. Sec. Lit., Master File No. 06-06286 RWM:

Kessler Topaz served as Co-Lead Counsel in this securities class action brought against Marvell Technology Group Ltd. (“Marvell”) and three of Marvell’s executive officers. This case centered around an alleged options backdating scheme carried out by Defendants from June 2000 through June 2006, which enabled Marvell’s executives and employees to receive options with favorable option exercise prices chosen with the benefit of hindsight, in direct violation of Marvell’s stock option plan, as well as to avoid recording hundreds of millions of dollars in compensation expenses on the Marvell’s books. In total, the restatement conceded that Marvell had understated the cumulative effect of its compensation expense by \$327.3 million, and overstated net income by \$309.4 million, for the period covered by the restatement. Following nearly three years of investigation and prosecution of the Class’ claims as well as a protracted and contentious mediation process, Co-Lead Counsel secured a settlement for \$72 million from defendants on June 9, 2009. This Settlement represents a substantial portion of the Class’ maximum provable damages, and is among the largest settlements, in total dollar amount, reached in an option backdating securities class action.

In re Delphi Corp. Sec. Litig., Master File No. 1:05-MD-1725 (E.D. Mich. 2005):

In early 2005, various securities class actions were filed against auto-parts manufacturer Delphi Corporation in the Southern District of New York. Kessler Topaz its client, Austria-based mutual fund manager Raiffeisen Kapitalanlage-Gesellschaft m.b.H. (“Raiffeisen”), were appointed as Co-Lead Counsel and Co-Lead Plaintiff, respectively. The Lead Plaintiffs alleged that (i) Delphi improperly treated financing transactions involving inventory as sales and disposition of inventory; (ii) improperly treated financing transactions involving “indirect materials” as sales of these materials; and (iii) improperly accounted for payments made to and credits received from General Motors as warranty settlements and obligations. As a result, Delphi’s reported revenue, net income and financial results were materially overstated, prompting Delphi to restate its earnings for the five previous years. Complex litigation involving difficult bankruptcy issues has potentially resulted in an excellent recovery for the class. In addition, Co-Lead Plaintiffs also reached a settlement of claims against Delphi’s outside auditor, Deloitte & Touche, LLP, for \$38.25 million on behalf of Delphi investors.

In re Royal Dutch Shell European Shareholder Litigation, No. 106.010.887, Gerechtshof Te Amsterdam (Amsterdam Court of Appeal):

Kessler Topaz was instrumental in achieving a landmark \$352 million settlement on behalf non-US investors with Royal Dutch Shell plc relating to Shell's 2004 restatement of oil reserves. This settlement of securities fraud claims on a class-wide basis under Dutch law was the first of its kind, and sought to resolve claims exclusively on behalf of European and other non-United States investors. Uncertainty over whether jurisdiction for non-United States investors existed in a 2004 class action filed in federal court in New Jersey prompted a significant number of prominent European institutional investors from nine countries, representing more than one billion shares of Shell, to actively pursue a potential resolution of their claims outside the United States. Among the European investors which actively sought and supported this settlement were Alecta pensionsförsäkring, ömsesidigt, PKA Pension Funds Administration Ltd., Swedbank Robur Fonder AB, AP7 and AFA Insurance, all of which were represented by Kessler Topaz.

In re Computer Associates Sec. Litig., No. 02-CV-1226 (E.D.N.Y. 2002):

Kessler Topaz served as Co-Lead Counsel on behalf of plaintiffs, alleging that Computer Associates and certain of its officers misrepresented the health of the company’s business, materially overstated the company’s revenues, and engaged in illegal insider selling. After nearly two years of litigation, Kessler Topaz helped obtain a settlement of \$150 million in cash and stock from the company.

In re The Interpublic Group of Companies Sec. Litig., No. 02 Civ. 6527 (S.D.N.Y. 2002):

Kessler Topaz served as sole Lead Counsel in this action on behalf of an institutional investor and received final approval of a settlement consisting of \$20 million in cash and 6,551,725 shares of IPG common stock. As of the final hearing in the case, the stock had an approximate value of \$87 million, resulting in a total

settlement value of approximately \$107 million. In granting its approval, the Court praised Kessler Topaz for acting responsibly and noted the Firm's professionalism, competence and contribution to achieving such a favorable result.

In re Digital Lightwave, Inc. Sec. Litig., Consolidated Case No. 98-152-CIV-T-24E (M.D. Fla. 1999):

The firm served as Co-Lead Counsel in one of the nation's most successful securities class actions in history measured by the percentage of damages recovered. After extensive litigation and negotiations, a settlement consisting primarily of stock was worth over \$170 million at the time when it was distributed to the Class. Kessler Topaz took on the primary role in negotiating the terms of the equity component, insisting that the class have the right to share in any upward appreciation in the value of the stock after the settlement was reached. This recovery represented an astounding approximately two hundred percent (200%) of class members' losses.

In re Transkaryotic Therapies, Inc. Sec. Litig., Civil Action No.: 03-10165-RWZ (D. Mass. 2003):

After five years of hard-fought, contentious litigation, Kessler Topaz as Lead Counsel on behalf of the Class, entered into one of largest settlements ever against a biotech company with regard to non-approval of one of its drugs by the U.S. Food and Drug Administration ("FDA"). Specifically, the Plaintiffs alleged that Transkaryotic Therapies, Inc. ("TKT") and its CEO, Richard Selden, engaged in a fraudulent scheme to artificially inflate the price of TKT common stock and to deceive Class Members by making misrepresentations and nondisclosures of material facts concerning TKT's prospects for FDA approval of Replagal, TKT's experimental enzyme replacement therapy for Fabry disease. With the assistance of the Honorable Daniel Weinstein, a retired state court judge from California, Kessler Topaz secured a \$50 million settlement from the Defendants during a complex and arduous mediation.

In re PNC Financial Services Group, Inc. Sec. Litig., Case No. 02-CV-271 (W.D. Pa. 2002):

Kessler Topaz served as Co-Lead Counsel in a securities class action case brought against PNC bank, certain of its officers and directors, and its outside auditor, Ernst & Young, LLP ("E&Y"), relating to the conduct of Defendants in establishing, accounting for and making disclosures concerning three special purpose entities ("SPEs") in the second, third and fourth quarters of PNC's 2001 fiscal year. Plaintiffs alleged that these entities were created by Defendants for the sole purpose of allowing PNC to secretly transfer hundreds of millions of dollars worth of non-performing assets from its own books to the books of the SPEs without disclosing the transfers or consolidating the results and then making positive announcements to the public concerning the bank's performance with respect to its non-performing assets. Complex issues were presented with respect to all defendants, but particularly E&Y. Throughout the litigation E&Y contended that because it did not make any false and misleading statements itself, the Supreme Court's opinion in *Central Bank of Denver, N.A. v. First Interstate Bank of Denver, N.A.*, 511 U.S. 164 (1993) foreclosed securities liability for "aiding or abetting" securities fraud for purposes of Section 10(b) liability. Plaintiffs, in addition to contending that E&Y did make false statements, argued that Rule 10b-5's deceptive conduct prong stood on its own as an independent means of committing fraud and that so long as E&Y itself committed a deceptive act, it could be found liable under the securities laws for fraud. After several years of litigation and negotiations, PNC paid \$30 million to settle the action, while also assigning any claims it may have had against E&Y and certain other entities that were involved in establishing and/or reporting on the SPEs. Armed with these claims, class counsel was able to secure an additional \$6.6 million in settlement funds for the class from two law firms and a third party insurance company and \$9.075 million from E&Y. Class counsel was also able to negotiate with the U.S. government, which had previously obtained a disgorgement fund of \$90 million from PNC and \$46 million from the third party insurance carrier, to combine all funds into a single settlement fund that exceeded \$180 million and is currently in the process of being distributed to the entire class, with PNC paying all costs of notifying the Class of the settlement.

In re SemGroup Energy Partners, L.P., Sec. Litig., No. 08-md-1989 (DC) (N.D. Okla.):

Kessler Topaz, which was appointed by the Court as sole Lead Counsel, litigated this matter, which ultimately settled for \$28 million. The defense was led by 17 of the largest and best capitalized defense law firms in the world. On April 20, 2010, in a fifty-page published opinion, the United States District Court for the Northern District of Oklahoma largely denied defendants' ten separate motions to dismiss Lead Plaintiff's Consolidated Amended Complaint. The Complaint alleged that: (i) defendants concealed SemGroup's risky trading operations that eventually caused SemGroup to declare bankruptcy; and (ii) defendants made numerous false statements concerning SemGroup's ability to provide its publicly-traded Master Limited Partnership stable cash-flows. The case was aggressively litigated out of the Firm's San Francisco and Radnor offices and the significant recovery was obtained, not only from the Company's principals, but also from its underwriters and outside directors.

In re Liberate Technologies Sec. Litig., No. C-02-5017 (MJJ) (N.D. Cal. 2005):

Kessler Topaz represented plaintiffs which alleged that Liberate engaged in fraudulent revenue recognition practices to artificially inflate the price of its stock, ultimately forcing it to restate its earnings. As sole Lead Counsel, Kessler Topaz successfully negotiated a \$13.8 million settlement, which represents almost 40% of the damages suffered by the class. In approving the settlement, the district court complimented Lead Counsel for its "extremely credible and competent job."

In re Riverstone Networks, Inc. Sec. Litig., Case No. CV-02-3581 (N.D. Cal. 2002):

Kessler Topaz served as Lead Counsel on behalf of plaintiffs alleging that Riverstone and certain of its officers and directors sought to create the impression that the Company, despite the industry-wide downturn in the telecom sector, had the ability to prosper and succeed and was actually prospering. In that regard, plaintiffs alleged that defendants issued a series of false and misleading statements concerning the Company's financial condition, sales and prospects, and used inside information to personally profit. After extensive litigation, the parties entered into formal mediation with the Honorable Charles Legge (Ret.). Following five months of extensive mediation, the parties reached a settlement of \$18.5 million.

Shareholder Derivative Actions

In re Facebook, Inc. Class C Reclassification Litig., C.A. No. 12286-VCL (Del. Ch. Sept. 25, 2017):

Kessler Topaz served as co-lead counsel in this stockholder class action that challenged a proposed reclassification of Facebook's capital structure to accommodate the charitable giving goals of its founder and controlling stockholder Mark Zuckerberg. The Reclassification involved the creation of a new class of nonvoting Class C stock, which would be issued as a dividend to all Facebook Class A and Class B stockholders (including Zuckerberg) on a 2-for-1 basis. The purpose and effect of the Reclassification was that it would allow Zuckerberg to sell billions of dollars worth of nonvoting Class C shares without losing his voting control of Facebook. The litigation alleged that Zuckerberg and Facebook's board of directors breached their fiduciary duties in approving the Reclassification at the behest of Zuckerberg and for his personal benefit. At trial Kessler Topaz was seeking a permanent injunction to prevent the consummation of the Reclassification. The litigation was carefully followed in the business and corporate governance communities, due to the high-profile nature of Facebook, Zuckerberg, and the issues at stake. After almost a year and a half of hard fought litigation, just one business day before trial was set to commence, Facebook and Zuckerberg abandoned the Reclassification, granting Plaintiffs complete victory.

In re CytRx Stockholder Derivative Litig., Consol. C.A. No. 9864-VCL (Del. Ch. Nov. 20, 2015):

Kessler Topaz served as co-lead counsel in a shareholder derivative action challenging 2.745 million "spring-loaded" stock options. On the day before CytRx announced the most important news in the Company's history concerning the positive trial results for one of its significant pipeline drugs, the Compensation Committee of CytRx's Board of Directors granted the stock options to themselves, their

fellow directors and several Company officers which immediately came “into the money” when CytRx’s stock price shot up immediately following the announcement the next day. Kessler Topaz negotiated a settlement recovering 100% of the excess compensation received by the directors and approximately 76% of the damages potentially obtainable from the officers. In addition, as part of the settlement, Kessler Topaz obtained the appointment of a new independent director to the Board of Directors and the implementation of significant reforms to the Company’s stock option award processes. The Court complimented the settlement, explaining that it “serves what Delaware views as the overall positive function of stockholder litigation, which is not just recovery in the individual case but also deterrence and norm enforcement.”

International Brotherhood of Electrical Workers Local 98 Pension Fund v. Black, et al., Case No. 37-2011-00097795-CU-SL-CTL (Sup. Ct. Cal., San Diego Feb. 5, 2016) (“Encore Capital Group, Inc.”): Kessler Topaz, as co-lead counsel, represented International Brotherhood of Electrical Workers Local 98 Pension Fund in a shareholder derivative action challenging breaches of fiduciary duties and other violations of law in connection with Encore’s debt collection practices, including robo-signing affidavits and improper use of the court system to collect alleged consumer debts. Kessler Topaz negotiated a settlement in which the Company implemented industry-leading reforms to its risk management and corporate governance practices, including creating Chief Risk Officer and Chief Compliance Officer positions, various compliance committees, and procedures for consumer complaint monitoring.

In re Southern Peru Copper Corp. Derivative Litigation, Consol. CA No. 961-CS (Del. Ch. 2011): Kessler Topaz served as co-lead counsel in this landmark \$2 billion post-trial decision, believed to be the largest verdict in Delaware corporate law history. In 2005, Southern Peru, a publicly-traded copper mining company, acquired Minera Mexico, a private mining company owned by Southern Peru’s majority stockholder Grupo Mexico. The acquisition required Southern Peru to pay Grupo Mexico more than \$3 billion in Southern Peru stock. We alleged that Grupo Mexico had caused Southern Peru to grossly overpay for the private company in deference to its majority shareholder’s interests. Discovery in the case spanned years and continents, with depositions in Peru and Mexico. The trial court agreed and ordered Grupo Mexico to pay more than \$2 billion in damages and interest. The Delaware Supreme Court affirmed on appeal.

Quinn v. Knight, No. 3:16-cv-610 (E.D. Va. Mar. 16, 2017) (“Apple REIT Ten”):

This shareholder derivative action challenged a conflicted “roll up” REIT transaction orchestrated by Glade M. Knight and his son Justin Knight. The proposed transaction paid the Knights millions of dollars while paying public stockholders less than they had invested in the company. The case was brought under Virginia law, and settled just ten days before trial, with stockholders receiving an additional \$32 million in merger consideration.

Kastis v. Carter, C.A. No. 8657-CB (Del. Ch. Sept. 19, 2016) (“Hemispherx Biopharma, Inc.”):

This derivative action challenged improper bonuses paid to two company executives of this small pharmaceutical company that had never turned a profit. In response to the complaint, Hemispherx’s board first adopted a “fee-shifting” bylaw that would have required stockholder plaintiffs to pay the company’s legal fees unless the plaintiffs achieved 100% of the relief they sought. This sort of bylaw, if adopted more broadly, could substantially curtail meritorious litigation by stockholders unwilling to risk losing millions of dollars if they bring an unsuccessful case. After Kessler Topaz presented its argument in court, Hemispherx withdrew the bylaw. Kessler Topaz ultimately negotiated a settlement requiring the two executives to forfeit several million dollars’ worth of accrued but unpaid bonuses, future bonuses and director fees. The company also recovered \$1.75 million from its insurance carriers, appointed a new independent director to the board, and revised its compensation program.

Montgomery v. Erickson, Inc., et al., C.A. No. 8784-VCL (Del. Ch. Sept. 12, 2016):

Kessler Topaz represented an individual stockholder who asserted in the Delaware Court of Chancery class action and derivative claims challenging merger and recapitalization transactions that benefitted the company's controlling stockholders at the expense of the company and its minority stockholders. Plaintiff alleged that the controlling stockholders of Erickson orchestrated a series of transactions with the intent and effect of using Erickson's money to bail themselves out of a failing investment. Defendants filed a motion to dismiss the complaint, which Kessler Topaz defeated, and the case proceeded through more than a year of fact discovery. Following an initially unsuccessful mediation and further litigation, Kessler Topaz ultimately achieved an \$18.5 million cash settlement, 80% of which was distributed to members of the stockholder class to resolve their direct claims and 20% of which was paid to the company to resolve the derivative claims. The settlement also instituted changes to the company's governing documents to prevent future self-dealing transactions like those that gave rise to the case.

In re Helios Closed-End Funds Derivative Litig., No. 2:11-cv-02935-SHM-TMP (W.D. Tenn.):

Kessler Topaz represented stockholders of four closed-end mutual funds in a derivative action against the funds' former investment advisor, Morgan Asset Management. Plaintiffs alleged that the defendants mismanaged the funds by investing in riskier securities than permitted by the funds' governing documents and, after the values of these securities began to precipitously decline beginning in early 2007, cover up their wrongdoing by assigning phony values to the funds' investments and failing to disclose the extent of the decrease in value of the funds' assets. In a rare occurrence in derivative litigation, the funds' Boards of Directors eventually hired Kessler Topaz to prosecute the claims against the defendants on behalf of the funds. Our litigation efforts led to a settlement that recovered \$6 million for the funds and ensured that the funds would not be responsible for making any payment to resolve claims asserted against them in a related multi-million dollar securities class action. The fund's Boards fully supported and endorsed the settlement, which was negotiated independently of the parallel securities class action.

In re Viacom, Inc. Shareholder Derivative Litig., Index No. 602527/05 (New York County, NY 2005):

Kessler Topaz represented the Public Employees' Retirement System of Mississippi and served as Lead Counsel in a derivative action alleging that the members of the Board of Directors of Viacom, Inc. paid excessive and unwarranted compensation to Viacom's Executive Chairman and CEO, Sumner M. Redstone, and co-COOs Thomas E. Freston and Leslie Moonves, in breach of their fiduciary duties. Specifically, we alleged that in fiscal year 2004, when Viacom reported a record net loss of \$17.46 billion, the board improperly approved compensation payments to Redstone, Freston, and Moonves of approximately \$56 million, \$52 million, and \$52 million, respectively. Judge Ramos of the New York Supreme Court denied Defendants' motion to dismiss the action as we overcame several complex arguments related to the failure to make a demand on Viacom's Board; Defendants then appealed that decision to the Appellate Division of the Supreme Court of New York. Prior to a decision by the appellate court, a settlement was reached in early 2007. Pursuant to the settlement, Sumner Redstone, the company's Executive Chairman and controlling shareholder, agreed to a new compensation package that, among other things, substantially reduces his annual salary and cash bonus, and ties the majority of his incentive compensation directly to shareholder returns.

In re Family Dollar Stores, Inc. Derivative Litig., Master File No. 06-CVS-16796 (Mecklenburg County, NC 2006):

Kessler Topaz served as Lead Counsel, derivatively on behalf of Family Dollar Stores, Inc., and against certain of Family Dollar's current and former officers and directors. The actions were pending in Mecklenburg County Superior Court, Charlotte, North Carolina, and alleged that certain of the company's officers and directors had improperly backdated stock options to achieve favorable exercise prices in violation of shareholder-approved stock option plans. As a result of these shareholder derivative actions, Kessler Topaz was able to achieve substantial relief for Family Dollar and its shareholders. Through Kessler Topaz's litigation of this action, Family Dollar agreed to cancel hundreds of thousands of stock options

granted to certain current and former officers, resulting in a seven-figure net financial benefit for the company. In addition, Family Dollar has agreed to, among other things: implement internal controls and granting procedures that are designed to ensure that all stock options are properly dated and accounted for; appoint two new independent directors to the board of directors; maintain a board composition of at least 75 percent independent directors; and adopt stringent officer stock-ownership policies to further align the interests of officers with those of Family Dollar shareholders. The settlement was approved by Order of the Court on August 13, 2007.

Carbon County Employees Retirement System, et al., Derivatively on Behalf of Nominal Defendant Southwest Airlines Co. v. Gary C. Kelly, et al. Cause No. 08-08692 (District Court of Dallas County, Texas):

As lead counsel in this derivative action, we negotiated a settlement with far-reaching implications for the safety and security of airline passengers.

Our clients were shareholders of Southwest Airlines Co. (Southwest) who alleged that certain officers and directors had breached their fiduciary duties in connection with Southwest's violations of Federal Aviation Administration safety and maintenance regulations. Plaintiffs alleged that from June 2006 to March 2007, Southwest flew 46 Boeing 737 airplanes on nearly 60,000 flights without complying with a 2004 FAA Airworthiness Directive requiring fuselage fatigue inspections. As a result, Southwest was forced to pay a record \$7.5 million fine. We negotiated numerous reforms to ensure that Southwest's Board is adequately apprised of safety and operations issues, and implementing significant measures to strengthen safety and maintenance processes and procedures.

The South Financial Group, Inc. Shareholder Litigation, C.A. No. 2008-CP-23-8395 (S.C. C.C.P. 2009):

Represented shareholders in derivative litigation challenging board's decision to accelerate "golden parachute" payments to South Financial Group's CEO as the company applied for emergency assistance in 2008 under the Troubled Asset Recovery Plan (TARP).

We sought injunctive relief to block the payments and protect the company's ability to receive the TARP funds. The litigation was settled with the CEO giving up part of his severance package and agreeing to leave the board, as well as the implementation of important corporate governance changes one commentator described as "unprecedented."

Options Backdating

In 2006, the Wall Street Journal reported that three companies appeared to have "backdated" stock option grants to their senior executives, pretending that the options had been awarded when the stock price was at its lowest price of the quarter, or even year. An executive who exercised the option thus paid the company an artificially low price, which stole money from the corporate coffers. While stock options are designed to incentivize recipients to drive the company's stock price up, backdating options to artificially low prices undercut those incentives, overpaid executives, violated tax rules, and decreased shareholder value.

Kessler Topaz worked with a financial analyst to identify dozens of other companies that had engaged in similar practices, and filed more than 50 derivative suits challenging the practice. These suits sought to force the executives to disgorge their improper compensation and to revamp the companies' executive compensation policies. Ultimately, as lead counsel in these derivative actions, Kessler Topaz achieved significant monetary and non-monetary benefits at dozens of companies, including:

Comverse Technology, Inc.: Settlement required Comverse’s founder and CEO Kobi Alexander, who fled to Namibia after the backdating was revealed, to disgorge more than \$62 million in excessive backdated option compensation. The settlement also overhauled the company’s corporate governance and internal controls, replacing a number of directors and corporate executives, splitting the Chairman and CEO positions, and instituting majority voting for directors.

Monster Worldwide, Inc.: Settlement required recipients of backdated stock options to disgorge more than \$32 million in unlawful gains back to the company, plus agreeing to significant corporate governance measures. These measures included (a) requiring Monster’s founder Andrew McKelvey to reduce his voting control over Monster from 31% to 7%, by exchanging super-voting stock for common stock; and (b) implementing new equity granting practices that require greater accountability and transparency in the granting of stock options moving forward. In approving the settlement, the court noted “the good results, mainly the amount of money for the shareholders and also the change in governance of the company itself, and really the hard work that had to go into that to achieve the results....”

Affiliated Computer Services, Inc.: Settlement required executives, including founder Darwin Deason, to give up \$20 million in improper backdated options. The litigation was also a catalyst for the company to replace its CEO and CFO and revamp its executive compensation policies.

Mergers & Acquisitions Litigation

City of Daytona Beach Police and Fire Pension Fund v. ExamWorks Group, Inc., et al., C.A. No. 12481-VCL (Del. Ch.):

On September 12, 2017, the Delaware Chancery Court approved one of the largest class action M&A settlements in the history of the Delaware Chancery Court, a \$86.5 million settlement relating to the acquisition of ExamWorks Group, Inc. by private equity firm Leonard Green & Partners, LP.

The settlement caused ExamWorks stockholders to receive a 6% improvement on the \$35.05 per share merger consideration negotiated by the defendants. This amount is unusual especially for litigation challenging a third-party merger. The settlement amount is also noteworthy because it includes a \$46.5 million contribution from ExamWorks’ outside legal counsel, Paul Hastings LLP.

In re ArthroCare Corporation S’holder Litig., Consol. C.A. No. 9313-VCL (Del. Ch. Nov. 13, 2014):

Kessler Topaz, as co-lead counsel, challenged the take-private of Arthrocare Corporation by private equity firm Smith & Nephew. This class action litigation alleged, among other things, that Arthrocare’s Board breached their fiduciary duties by failing to maximize stockholder value in the merger. Plaintiffs also alleged that the merger violated Section 203 of the Delaware General Corporation Law, which prohibits mergers with “interested stockholders,” because Smith & Nephew had contracted with JP Morgan to provide financial advice and financing in the merger, while a subsidiary of JP Morgan owned more than 15% of Arthrocare’s stock. Plaintiffs also alleged that the agreement between Smith & Nephew and the JP Morgan subsidiary violated a “standstill” agreement between the JP Morgan subsidiary and Arthrocare. The court set these novel legal claims for an expedited trial prior to the closing of the merger. The parties agreed to settle the action when Smith & Nephew agreed to increase the merger consideration paid to Arthrocare stockholders by \$12 million, less than a month before trial.

In re Safeway Inc. Stockholders Litig., C.A. No. 9445-VCL (Del. Ch. Sept. 17, 2014):

Kessler Topaz represented the Oklahoma Firefighters Pension and Retirement System in class action litigation challenging the acquisition of Safeway, Inc. by Albertson’s grocery chain for \$32.50 per share in cash and contingent value rights. Kessler Topaz argued that the value of CVRs was illusory, and Safeway’s shareholder rights plan had a prohibitive effect on potential bidders making superior offers to acquire

Safeway, which undermined the effectiveness of the post-signing “go shop.” Plaintiffs sought to enjoin the transaction, but before the scheduled preliminary injunction hearing took place, Kessler Topaz negotiated (i) modifications to the terms of the CVRs and (ii) defendants’ withdrawal of the shareholder rights plan. In approving the settlement, Vice Chancellor Laster of the Delaware Chancery Court stated that “the plaintiffs obtained significant changes to the transaction . . . that may well result in material increases in the compensation received by the class,” including substantial benefits potentially in excess of \$230 million.

In re MPG Office Trust, Inc. Preferred Shareholder Litig., Cons. Case No. 24-C-13-004097 (Md. Cir. Oct. 20, 2015):

Kessler Topaz challenged a coercive tender offer whereby MPG preferred stockholders received preferred stock in Brookfield Office Properties, Inc. without receiving any compensation for their accrued and unpaid dividends. Kessler Topaz negotiated a settlement where MPG preferred stockholders received a dividend of \$2.25 per share, worth approximately \$21 million, which was the only payment of accrued dividends Brookfield DTLA Preferred Stockholders had received as of the time of the settlement.

In re Globe Specialty Metals, Inc. Stockholders Litig., C.A. 10865-VCG (Del. Ch. Feb. 15, 2016):

Kessler Topaz served as co-lead counsel in class action litigation arising from Globe’s acquisition by Grupo Atlantica to form Ferroglobe. Plaintiffs alleged that Globe’s Board breached their fiduciary duties to Globe’s public stockholders by agreeing to sell Globe for an unfair price, negotiating personal benefits for themselves at the expense of the public stockholders, failing to adequately inform themselves of material issues with Grupo Atlantica, and issuing a number of materially deficient disclosures in an attempt to mask issues with the negotiations. At oral argument on Plaintiffs’ preliminary injunction motion, the Court held that Globe stockholders likely faced irreparable harm from the Board’s conduct, but reserved ruling on the other preliminary injunction factors. Prior to the Court’s final ruling, the parties agreed to settle the action for \$32.5 million and various corporate governance reforms to protect Globe stockholders’ rights in Ferroglobe.

In re Dole Food Co., Inc. Stockholder Litig., Consol. C.A. No. 8703-VCL, 2015 WL 5052214 (Del. Ch. Aug. 27, 2015):

On August 27, 2015, Vice Chancellor J. Travis Laster issued his much-anticipated post-trial verdict in litigation by former stockholders of Dole Food Company against Dole’s chairman and controlling stockholder David Murdock. In a 106-page ruling, Vice Chancellor Laster found that Murdock and his longtime lieutenant, Dole’s former president and general counsel C. Michael Carter, unfairly manipulated Dole’s financial projections and misled the market as part of Murdock’s efforts to take the company private in a deal that closed in November 2013. Among other things, the Court concluded that Murdock and Carter “primed the market for the freeze-out by driving down Dole’s stock price” and provided the company’s outside directors with “knowingly false” information and intended to “mislead the board for Mr. Murdock’s benefit.”

Vice Chancellor Laster found that the \$13.50 per share going-private deal underpaid stockholders, and awarded class damages of \$2.74 per share, totaling \$148 million. That award represents the largest post-trial class recovery in the merger context. The largest post-trial derivative recovery in a merger case remains Kessler Topaz’s landmark 2011 \$2 billion verdict in *In re Southern Peru*.

In re Genentech, Inc. Shareholders Lit., Cons. Civ. Action No. 3991-VCS (Del. Ch. 2008):

Kessler Topaz served as Co-Lead Counsel in this shareholder class action brought against the directors of Genentech and Genentech’s majority stockholder, Roche Holdings, Inc., in response to Roche’s July 21, 2008 attempt to acquire Genentech for \$89 per share. We sought to enforce provisions of an Affiliation Agreement between Roche and Genentech and to ensure that Roche fulfilled its fiduciary obligations to Genentech’s shareholders through any buyout effort by Roche. After moving to enjoin the tender offer, Kessler Topaz negotiated with Roche and Genentech to amend the Affiliation Agreement to allow a

negotiated transaction between Roche and Genentech, which enabled Roche to acquire Genentech for \$95 per share, approximately \$3.9 billion more than Roche offered in its hostile tender offer. In approving the settlement, then-Vice Chancellor Leo Strine complimented plaintiffs' counsel, noting that this benefit was only achieved through "real hard-fought litigation in a complicated setting."

In re GSI Commerce, Inc. Shareholder Litig., Consol. C.A. No. 6346-VCN (Del. Ch. Nov. 15, 2011):

On behalf of the Erie County Employees' Retirement System, we alleged that GSI's founder breached his fiduciary duties by negotiating a secret deal with eBay for him to buy several GSI subsidiaries at below market prices before selling the remainder of the company to eBay. These side deals significantly reduced the acquisition price paid to GSI stockholders. Days before an injunction hearing, we negotiated an improvement in the deal price of \$24 million.

In re Amicas, Inc. Shareholder Litigation, 10-0174-BLS2 (Suffolk County, MA 2010):

Kessler Topaz served as lead counsel in class action litigation challenging a proposed private equity buyout of Amicas that would have paid Amicas shareholders \$5.35 per share in cash while certain Amicas executives retained an equity stake in the surviving entity moving forward. Kessler Topaz prevailed in securing a preliminary injunction against the deal, which then allowed a superior bidder to purchase the Company for an additional \$0.70 per share (\$26 million). The court complimented Kessler Topaz attorneys for causing an "exceptionally favorable result for Amicas' shareholders" after "expend[ing] substantial resources."

In re Harleysville Mutual, Nov. Term 2011, No. 02137 (C.C.P., Phila. Cnty.):

Kessler Topaz served as co-lead counsel in expedited merger litigation challenging Harleysville's agreement to sell the company to Nationwide Insurance Company. Plaintiffs alleged that policyholders were entitled to receive cash in exchange for their ownership interests in the company, not just new Nationwide policies. Plaintiffs also alleged that the merger was "fundamentally unfair" under Pennsylvania law. The defendants contested the allegations and contended that the claims could not be prosecuted directly by policyholders (as opposed to derivatively on the company's behalf). Following a two-day preliminary injunction hearing, we settled the case in exchange for a \$26 million cash payment to policyholders.

Consumer Protection and Fiduciary Litigation

In re: J.P. Jeanneret Associates Inc., et al., No. 09-cv-3907 (S.D.N.Y.):

Kessler Topaz served as lead counsel for one of the plaintiff groups in an action against J.P. Jeanneret and Ivy Asset Management relating to an alleged breach of fiduciary and statutory duty in connection with the investment of retirement plan assets in Bernard Madoff-related entities. By breaching their fiduciary duties, Defendants caused significant losses to the retirement plans. Following extensive hard-fought litigation, the case settled for a total of \$216.5 million.

In re: National City Corp. Securities, Derivative and ERISA Litig, No. 08-nc-7000 (N.D. Ohio):

Kessler Topaz served as a lead counsel in this complex action alleging that certain directors and officers of National City Corp. breached their fiduciary duties under the Employee Retirement Income Security Act of 1974. These breaches arose from an investment in National City stock during a time when defendants knew, or should have known, that the company stock was artificially inflated and an imprudent investment for the company's 401(k) plan. The case settled for \$43 million on behalf of the plan, plaintiffs and a settlement class of plan participants.

Alston, et al. v. Countrywide Financial Corp. et al., No. 07-cv-03508 (E.D. Pa.):

Kessler Topaz served as lead counsel in this novel and complex action which alleged that Defendants Countrywide Financial Corporation, Countrywide Home Loans, Inc. and Balboa Reinsurance Co. violated

the Real Estate Settlement Procedure Act (“RESPA”) and ultimately cost borrowers millions of dollars. Specifically, the action alleged that Defendants engaged in a scheme related to private mortgage insurance involving kickbacks, which are prohibited under RESPA. After three and a half years of hard-fought litigation, the action settled for \$34 million.

Trustees of the Local 464A United Food and Commercial Workers Union Pension Fund, et al. v. Wachovia Bank, N.A., et al., No. 09-cv-00668 (DNJ):

For more than 50 years, Wachovia and its predecessors acted as investment manager for the Local 464A UFCW Union Funds, exercising investment discretion consistent with certain investment guidelines and fiduciary obligations. Until mid-2007, Wachovia managed the fixed income assets of the funds safely and conservatively, and their returns closely tracked the Lehman Aggregate Bond Index (now known as the Barclay’s Capital Aggregate Bond Index) to which the funds were benchmarked. However, beginning in mid-2007 Wachovia significantly changed the investment strategy, causing the funds’ portfolio value to drop drastically below the benchmark. Specifically, Wachovia began to dramatically decrease the funds’ holdings in short-term, high-quality, low-risk debt instruments and materially increase their holdings in high-risk mortgage-backed securities and collateralized mortgage obligations. We represented the funds’ trustees in alleging that, among other things, Wachovia breached its fiduciary duty by: failing to invest the assets in accordance with the funds’ conservative investment guidelines; failing to adequately monitor the funds’ fixed income investments; and failing to provide complete and accurate information to plaintiffs concerning the change in investment strategy. The matter was resolved privately between the parties.

In re Bank of New York Mellon Corp. Foreign Exchange Transactions Litig., No. 1:12-md-02335 (S.D.N.Y.):

On behalf of the Southeastern Pennsylvania Transportation Authority Pension Fund and a class of similarly situated domestic custodial clients of BNY Mellon, we alleged that BNY Mellon secretly assigned a spread to the FX rates at which it transacted FX transactions on behalf of its clients who participated in the BNY Mellon’s automated “Standing Instruction” FX service. BNY Mellon determined this spread by executing its clients’ transactions at one rate and then, typically, at the end of the trading day, assigned a rate to its clients which approximated the worst possible rates of the trading day, pocketing the difference as riskless profit. This practice was despite BNY Mellon’s contractual promises to its clients that its Standing Instruction service was designed to provide “best execution,” was “free of charge” and provided the “best rates of the day.” The case asserted claims for breach of contract and breach of fiduciary duty on behalf of BNY Mellon’s custodial clients and sought to recover the unlawful profits that BNY Mellon earned from its unfair and unlawful FX practices. The case was litigated in collaboration with separate cases brought by state and federal agencies, with Kessler Topaz serving as lead counsel and a member of the executive committee overseeing the private litigation. After extensive discovery, including more than 100 depositions, over 25 million pages of fact discovery, and the submission of multiple expert reports, Plaintiffs reached a settlement with BNY Mellon of \$335 million. Additionally, the settlement is being administered by Kessler Topaz along with separate recoveries by state and federal agencies which bring the total recovery for BNY Mellon’s custodial customers to \$504 million. The settlement was finally approved on September 24, 2015. In approving the settlement, Judge Lewis Kaplan praised counsel for a “wonderful job,” recognizing that they were “fought tooth and nail at every step of the road.” In further recognition of the efforts of counsel, Judge Kaplan noted that “[t]his was an outrageous wrong by the Bank of New York Mellon, and plaintiffs’ counsel deserve a world of credit for taking it on, for running the risk, for financing it and doing a great job.”

CompSource Oklahoma v. BNY Mellon Bank, N.A., No. CIV 08-469-KEW (E.D. Okla. October 25, 2012):

Kessler Topaz served as Interim Class Counsel in this matter alleging that BNY Mellon Bank, N.A. and the Bank of New York Mellon (collectively, “BNYM”) breached their statutory, common law and contractual duties in connection with the administration of their securities lending program. The Second Amended

Complaint alleged, among other things, that BNYM imprudently invested cash collateral obtained under its securities lending program in medium term notes issued by Sigma Finance, Inc. -- a foreign structured investment vehicle (“SIV”) that is now in receivership -- and that such conduct constituted a breach of BNYM’s fiduciary obligations under the Employee Retirement Income Security Act of 1974, a breach of its fiduciary duties under common law, and a breach of its contractual obligations under the securities lending agreements. The Complaint also asserted claims for negligence, gross negligence and willful misconduct. The case recently settled for \$280 million.

Transatlantic Holdings, Inc., et al. v. American International Group, Inc., et al., American Arbitration Association Case No. 50 148 T 00376 10:

Kessler Topaz served as counsel for Transatlantic Holdings, Inc., and its subsidiaries (“TRH”), alleging that American International Group, Inc. and its subsidiaries (“AIG”) breached their fiduciary duties, contractual duties, and committed fraud in connection with the administration of its securities lending program. Until June 2009, AIG was TRH’s majority shareholder and, at the same time, administered TRH’s securities lending program. TRH’s Statement of Claim alleged that, among other things, AIG breached its fiduciary obligations as investment advisor and majority shareholder by imprudently investing the majority of the cash collateral obtained under its securities lending program in mortgage backed securities, including Alt-A and subprime investments. The Statement of Claim further alleged that AIG concealed the extent of TRH’s subprime exposure and that when the collateral pools began experiencing liquidity problems in 2007, AIG unilaterally carved TRH out of the pools so that it could provide funding to its wholly owned subsidiaries to the exclusion of TRH. The matter was litigated through a binding arbitration and TRH was awarded \$75 million.

Board of Trustees of the AFTRA Retirement Fund v. JPMorgan Chase Bank, N.A. – Consolidated Action No. 09-cv-00686 (SAS) (S.D.N.Y.):

On January 23, 2009, the firm filed a class action complaint on behalf of all entities that were participants in JPMorgan’s securities lending program and that incurred losses on investments that JPMorgan, acting in its capacity as a discretionary investment manager, made in medium-term notes issue by Sigma Finance, Inc. – a now defunct structured investment vehicle. The losses of the Class exceeded \$500 million. The complaint asserted claims for breach of fiduciary duty under the Employee Retirement Income Security Act (ERISA), as well as common law breach of fiduciary duty, breach of contract and negligence. Over the course of discovery, the parties produced and reviewed over 500,000 pages of documents, took 40 depositions (domestic and foreign) and exchanged 21 expert reports. The case settled for \$150 million. Trial was scheduled to commence on February 6, 2012.

In re Global Crossing, Ltd. ERISA Litigation, No. 02 Civ. 7453 (S.D.N.Y. 2004):

Kessler Topaz served as Co-Lead Counsel in this novel, complex and high-profile action which alleged that certain directors and officers of Global Crossing, a former high-flier of the late 1990’s tech stock boom, breached their fiduciary duties under the Employee Retirement Income Security Act of 1974 (“ERISA”) to certain company-provided 401(k) plans and their participants. These breaches arose from the plans’ alleged imprudent investment in Global Crossing stock during a time when defendants knew, or should have known, that the company was facing imminent bankruptcy. A settlement of plaintiffs’ claims restoring \$79 million to the plans and their participants was approved in November 2004. At the time, this represented the largest recovery received in a company stock ERISA class action.

In re AOL Time Warner ERISA Litigation, No. 02-CV-8853 (S.D.N.Y. 2006):

Kessler Topaz, which served as Co-Lead Counsel in this highly-publicized ERISA fiduciary breach class action brought on behalf of the Company’s 401(k) plans and their participants, achieved a record \$100 million settlement with defendants. The \$100 million restorative cash payment to the plans (and, concomitantly, their participants) represents the largest recovery from a single defendant in a breach of fiduciary action relating to mismanagement of plan assets held in the form of employer securities. The

action asserted claims for breach of fiduciary duties pursuant to the Employee Retirement Income Security Act of 1974 (“ERISA”) on behalf of the participants in the AOL Time Warner Savings Plan, the AOL Time Warner Thrift Plan, and the Time Warner Cable Savings Plan (collectively, the “Plans”) whose accounts purchased and/or held interests in the AOLTW Stock Fund at any time between January 27, 1999 and July 3, 2003. Named as defendants in the case were Time Warner (and its corporate predecessor, AOL Time Warner), several of the Plans’ committees, as well as certain current and former officers and directors of the company. In March 2005, the Court largely denied defendants’ motion to dismiss and the parties began the discovery phase of the case. In January 2006, Plaintiffs filed a motion for class certification, while at the same time defendants moved for partial summary judgment. These motions were pending before the Court when the settlement in principle was reached. Notably, an Independent Fiduciary retained by the Plans to review the settlement in accordance with Department of Labor regulations approved the settlement and filed a report with Court noting that the settlement, in addition to being “more than a reasonable recovery” for the Plans, is “one of the largest ERISA employer stock action settlements in history.”

In re Honeywell International ERISA Litigation, No. 03-1214 (DRD) (D.N.J. 2004):

Kessler Topaz served as Lead Counsel in a breach of fiduciary duty case under ERISA against Honeywell International, Inc. and certain fiduciaries of Honeywell defined contribution pension plans. The suit alleged that Honeywell and the individual fiduciary defendants, allowed Honeywell’s 401(k) plans and their participants to imprudently invest significant assets in company stock, despite that defendants knew, or should have known, that Honeywell’s stock was an imprudent investment due to undisclosed, wide-ranging problems stemming from a consummated merger with Allied Signal and a failed merger with General Electric. The settlement of plaintiffs’ claims included a \$14 million payment to the plans and their affected participants, and significant structural relief affording participants much greater leeway in diversifying their retirement savings portfolios.

Henry v. Sears, et. al., Case No. 98 C 4110 (N.D. Ill. 1999):

The Firm served as Co-Lead Counsel for one of the largest consumer class actions in history, consisting of approximately 11 million Sears credit card holders whose interest rates were improperly increased in connection with the transfer of the credit card accounts to a national bank. Kessler Topaz successfully negotiated a settlement representing approximately 66% of all class members’ damages, thereby providing a total benefit exceeding \$156 million. All \$156 million was distributed automatically to the Class members, without the filing of a single proof of claim form. In approving the settlement, the District Court stated: “. . . I am pleased to approve the settlement. I think it does the best that could be done under the circumstances on behalf of the class. . . . The litigation was complex in both liability and damages and required both professional skill and standing which class counsel demonstrated in abundance.”

Antitrust Litigation

In re: Flonase Antitrust Litigation, No. 08-cv-3149 (E.D. Pa.):

Kessler Topaz served as a lead counsel on behalf of a class of direct purchaser plaintiffs in an antitrust action brought pursuant to Section 4 of the Clayton Act, 15 U.S.C. § 15, alleging, among other things, that defendant GlaxoSmithKline (GSK) violated Section 2 of the Sherman Act, 15 U.S.C. § 2, by engaging in “sham” petitioning of a government agency. Specifically, the Direct Purchasers alleged that GSK unlawfully abused the citizen petition process contained in Section 505(j) of the Federal Food, Drug, and Cosmetic Act and thus delayed the introduction of less expensive generic versions of Flonase, a highly popular allergy drug, causing injury to the Direct Purchaser Class. Throughout the course of the four year litigation, Plaintiffs defeated two motions for summary judgment, succeeded in having a class certified and conducted extensive discovery. After lengthy negotiations and shortly before trial, the action settled for \$150 million.

In re: Wellbutrin SR Antitrust Litigation, No. 04-cv-5898 (E.D. Pa.):

Kessler Topaz was a lead counsel in an action which alleged, among other things, that defendant GlaxoSmithKline (GSK) violated the antitrust, consumer fraud, and consumer protection laws of various states. Specifically, Plaintiffs and the class of Third-Party Payors alleged that GSK manipulated patent filings and commenced baseless infringement lawsuits in connection wrongfully delaying generic versions of Wellbutrin SR and Zyban from entering the market, and that Plaintiffs and the Class of Third-Party Payors suffered antitrust injury and calculable damages as a result. After more than eight years of litigation, the action settled for \$21.5 million.

In re: Metoprolol Succinate End-Payor Antitrust Litigation, No. 06-cv-71 (D. Del.):

Kessler Topaz was co-lead counsel in a lawsuit which alleged that defendant AstraZeneca prevented generic versions of Toprol-XL from entering the market by, among other things, improperly manipulating patent filings and filing baseless patent infringement lawsuits. As a result, AstraZeneca unlawfully monopolized the domestic market for Toprol-XL and its generic bio-equivalents. After seven years of litigation, extensive discovery and motion practice, the case settled for \$11 million.

In re Remeron Antitrust Litigation, No. 02-CV-2007 (D.N.J. 2004):

Kessler Topaz was Co-Lead Counsel in an action which challenged Organon, Inc.'s filing of certain patents and patent infringement lawsuits as an abuse of the Hatch-Waxman Act, and an effort to unlawfully extend their monopoly in the market for Remeron. Specifically, the lawsuit alleged that defendants violated state and federal antitrust laws in their efforts to keep competing products from entering the market, and sought damages sustained by consumers and third-party payors. After lengthy litigation, including numerous motions and over 50 depositions, the matter settled for \$36 million.

OUR PROFESSIONALS

PARTNERS

JULES D. ALBERT, a partner of the Firm, concentrates his practice in mergers and acquisition litigation and stockholder derivative litigation. Mr. Albert received his law degree from the University of Pennsylvania Law School, where he was a Senior Editor of the *University of Pennsylvania Journal of Labor and Employment Law* and recipient of the James Wilson Fellowship. Mr. Albert also received a Certificate of Study in Business and Public Policy from The Wharton School at the University of Pennsylvania. Mr. Albert graduated *magna cum laude* with a Bachelor of Arts in Political Science from Emory University. Mr. Albert is licensed to practice law in Pennsylvania, and has been admitted to practice before the United States District Court for the Eastern District of Pennsylvania.

Mr. Albert has litigated in state and federal courts across the country, and has represented stockholders in numerous actions that have resulted in significant monetary recoveries and corporate governance improvements, including: *In re Sunrise Senior Living, Inc. Deriv. Litig.*, No. 07-00143 (D.D.C.); *Mercier v. Whittle, et al.*, No. 2008-CP-23-8395 (S.C. Ct. Com. Pl., 13th Jud. Cir.); *In re K-V Pharmaceutical Co. Deriv. Litig.*, No. 06-00384 (E.D. Mo.); *In re Progress Software Corp. Deriv. Litig.*, No. SUCV2007-01937-BLS2 (Mass. Super. Ct., Suffolk Cty.); *In re Quest Software, Inc. Deriv. Litig.* No 06CC00115 (Cal. Super. Ct., Orange Cty.); and *Quaco v. Balakrishnan, et al.*, No. 06-2811 (N.D. Cal.).

NAUMON A. AMJED, a partner of the Firm, concentrates his practice on new matter development with a focus on analyzing securities class action lawsuits, direct (or opt-out) actions, non-U.S. securities and shareholder litigation, SEC whistleblower actions, breach of fiduciary duty cases, antitrust matters, data

breach actions and oil and gas litigation. Mr. Amjed is a graduate of the Villanova University School of Law, *cum laude*, and holds an undergraduate degree in business administration from Temple University, *cum laude*. Mr. Amjed is a member of the Delaware State Bar, the Bar of the Commonwealth of Pennsylvania, the New York State Bar, and is admitted to practice before the United States Courts for the District of Delaware, the Eastern District of Pennsylvania and the Southern District of New York.

As a member of the Firm's lead plaintiff practice group, Mr. Amjed has represented clients serving as lead plaintiffs in several notable securities class action lawsuits including: *In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation*, No. 09MDL2058 (S.D.N.Y.) (settled -- \$2.425 billion); *In re Wachovia Preferred Securities and Bond/Notes Litigation*, No. 09-cv-6351 (RJS) (S.D.N.Y.) (\$627 million recovery); *In re Lehman Bros. Equity/Debt Securities Litigation*, No. 08-cv-5523 (LAK) (S.D.N.Y.) (\$615 million recovery) and *In re JPMorgan Chase & Co. Securities Litigation*, No. 12-3852-GBD ("London Whale Litigation") (\$150 million recovery). Additionally, Mr. Amjed served on the national Executive Committee representing financial institutions suffering losses from Target Corporation's 2013 data breach – one of the largest data breaches in history. The Target litigation team was responsible for a landmark data breach opinion that substantially denied Target's motion to dismiss and was also responsible for obtaining certification of a class of financial institutions. *See In re Target Corp. Customer Data Sec. Breach Litig.*, 64 F. Supp. 3d 1304 (D. Minn. 2014); *In re Target Corp. Customer Data Sec. Breach Litig.*, No. MDL 14-2522 PAM/JJK, 2015 WL 5432115 (D. Minn. Sept. 15, 2015). At the time of its issuance, the class certification order in Target was the first of its kind in data breach litigation by financial institutions.

Mr. Amjed also has significant experience conducting complex litigation in state and federal courts including federal securities class actions, shareholder derivative actions, suits by third-party insurers and other actions concerning corporate and alternative business entity disputes. Mr. Amjed has litigated in numerous state and federal courts across the country, including the Delaware Court of Chancery, and has represented shareholders in several high profile lawsuits, including: *LAMPERS v. CBOT Holdings, Inc. et al.*, C.A. No. 2803-VCN (Del. Ch.); *In re Alstom SA Sec. Litig.*, 454 F. Supp. 2d 187 (S.D.N.Y. 2006); *In re Global Crossing Sec. Litig.*, 02— Civ. — 910 (S.D.N.Y.); *In re Enron Corp. Sec. Litig.*, 465 F. Supp. 2d 687 (S.D. Tex. 2006); and *In re Marsh McLennan Cos., Inc. Sec. Litig.* 501 F. Supp. 2d 452 (S.D.N.Y. 2006).

ETHAN J. BARLIEB, a partner of the Firm, concentrates his practice in the areas of ERISA, consumer protection and antitrust litigation. Mr. Barlieb received his law degree, *magna cum laude*, from the University of Miami School of Law in 2007 and his undergraduate degree from Cornell University in 2003. Mr. Barlieb is licensed to practice in Pennsylvania and New Jersey.

Prior to joining Kessler Topaz, Mr. Barlieb was an associate with Pietragallo Gordon Alfano Bosick & Raspanti, LLP, where he worked on various commercial, securities and employment matters. Before that, Mr. Barlieb served as a law clerk for the Honorable Mitchell S. Goldberg in the U.S. District Court for the Eastern District of Pennsylvania.

STUART L. BERMAN, a partner of the Firm, concentrates his practice on securities class action litigation in federal courts throughout the country, with a particular emphasis on representing institutional investors active in litigation. Mr. Berman received his law degree from George Washington University National Law Center, and is an honors graduate from Brandeis University. Mr. Berman is licensed to practice in Pennsylvania and New Jersey.

Mr. Berman regularly counsels and educates institutional investors located around the world on emerging legal trends, new case ideas and the rights and obligations of institutional investors as they relate to securities fraud class actions and individual actions. In this respect, Mr. Berman has been instrumental in

courts appointing the Firm's institutional clients as lead plaintiffs in class actions as well as in representing institutions individually in direct actions. Mr. Berman is currently representing institutional investors in direct actions against Vivendi and Merck, and took a very active role in the precedent setting Shell settlement on behalf of many of the Firm's European institutional clients.

Mr. Berman is a frequent speaker on securities issues, especially as they relate to institutional investors, at events such as The European Pension Symposium in Florence, Italy; the Public Funds Symposium in Washington, D.C.; the Pennsylvania Public Employees Retirement (PAPERS) Summit in Harrisburg, Pennsylvania; the New England Pension Summit in Newport, Rhode Island; the Rights and Responsibilities for Institutional Investors in Amsterdam, Netherlands; and the European Investment Roundtable in Barcelona, Spain.

DAVID A. BOCIAN, a partner of the Firm, focuses his practice on whistleblower representation and False Claims Act litigation. Mr. Bocian received his law degree from the University of Virginia School of Law and graduated *cum laude* from Princeton University. He is licensed to practice law in the Commonwealth of Pennsylvania, New Jersey, New York and the District of Columbia.

Mr. Bocian began his legal career in Washington, D.C., as a litigation associate at Patton Boggs LLP, where his practice included internal corporate investigations, government contracts litigation and securities fraud matters. He spent more than ten years as a federal prosecutor in the U.S. Attorney's Office for the District of New Jersey, where he was appointed Senior Litigation Counsel and managed the Trenton U.S. Attorney's office. During his tenure, Mr. Bocian oversaw multifaceted investigations and prosecutions pertaining to government corruption and federal program fraud, commercial and public sector kickbacks, tax fraud, and other white collar and financial crimes. He tried numerous cases before federal juries, and was a recipient of the Justice Department's Director's Award for superior performance by an Assistant U.S. Attorney, as well as commendations from federal law enforcement agencies including the FBI and IRS.

Mr. Bocian has extensive experience in the health care field. As an adjunct professor of law, he has taught Healthcare Fraud and Abuse at Rutgers School of Law – Camden, and previously was employed in the health care industry, where he was responsible for implementing and overseeing a system-wide compliance program for a complex health system.

GREGORY M. CASTALDO, a partner of the Firm, concentrates his practice in the area of securities litigation. Mr. Castaldo received his law degree from Loyola Law School, where he received the American Jurisprudence award in legal writing. He received his undergraduate degree from the Wharton School of Business at the University of Pennsylvania. He is licensed to practice law in Pennsylvania and New Jersey.

Mr. Castaldo served as one of Kessler Topaz's lead litigation partners in *In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation*, No. 09 MDL 2058 (S.D.N.Y.) (settled -- \$2.425 billion). Mr. Castaldo also served as the lead litigation partner in *In re Tenet Healthcare Corp.*, No. 02-CV-8462 (C.D. Cal. 2002), securing an aggregate recovery of \$281.5 million for the class, including \$65 million from Tenet's auditor. Mr. Castaldo also played a primary litigation role in the following cases: *In re Liberate Technologies Sec. Litig.*, No. C-02-5017 (MJJ) (N.D. Cal. 2005) (settled — \$13.8 million); *In re Sodexo Marriott Shareholders Litig.*, Consol. C.A. No. 18640-NC (Del. Ch. 1999) (settled — \$166 million benefit); *In re Motive, Inc. Sec. Litig.*, 05-CV-923 (W.D.Tex. 2005) (settled — \$7 million cash, 2.5 million shares); and *In re Wireless Facilities, Inc., Sec. Litig.*, 04-CV-1589 (S.D. Cal. 2004) (settled — \$16.5 million). In addition, Mr. Castaldo served as one of the lead trial attorneys for shareholders in the historic *In re Longtop Financial Technologies Ltd. Securities Litigation*, No. 11-cv-3658 (S.D.N.Y.) trial, which resulted in a verdict in favor of investors on liability and damages.

DARREN J. CHECK, a Partner of the Firm, manages Kessler Topaz's portfolio monitoring & claims filing service, *SecuritiesTracker*[™], and works closely with the Firm's litigators and new matter development department. He consults with institutional investors from around the world with regard to implementing systems to best identify, analyze, and monetize claims they have in shareholder litigation.

In addition, Darren assists Firm clients in evaluating opportunities to take an active role in shareholder litigation, arbitration, and other loss recovery methods. This includes U.S. based litigation and arbitration, as well as actions in an increasing number of jurisdictions around the globe. With an increasingly complex investment and legal landscape, Mr. Check has experience advising on traditional class actions, direct actions (opt-outs), non-U.S. opt-in actions, fiduciary actions, appraisal actions and arbitrations to name a few. Over the last twenty years Darren has become a trusted advisor to hedge funds, mutual fund managers, asset managers, insurance companies, sovereign wealth funds, central banks, and pension funds throughout North America, Europe, Asia, Australia, and the Middle East.

Darren regularly speaks on the subjects of shareholder litigation, corporate governance, investor activism, and recovery of investment losses at conferences around the world. He has also been actively involved in the precedent setting Shell and Fortis settlements in the Netherlands, the Olympus shareholder case in Japan, direct actions against Petrobras and Merck, and securities class actions against Bank of America, Lehman Brothers, Royal Bank of Scotland (U.K.), and Hewlett-Packard. Currently Mr. Check represents investors in numerous high profile actions in the United States, the Netherlands, Germany, France, Japan, and Australia.

Darren received his law degree from Temple University School of Law and is a graduate of Franklin & Marshall College. He is admitted to practice in numerous state and federal courts across the United States.

EMILY N. CHRISTIANSEN, a partner of the Firm, focuses her practice in securities litigation and international actions, in particular. Ms. Christiansen received her Juris Doctor and Global Law certificate, *cum laude*, from Lewis and Clark Law School in 2012. Ms. Christiansen is a graduate of the University of Portland, where she received her Bachelor of Arts, *cum laude*, in Political Science and German Studies. Ms. Christiansen is currently licensed to practice law in New York and Pennsylvania.

While in law school, Ms. Christiansen worked as an intern in Trial Chambers III at the International Criminal Tribunal for the Former Yugoslavia. Ms. Christiansen also spent two months in India as foreign legal trainee with the corporate law firm of Fox Mandal. Ms. Christiansen is a 2007 recipient of a Fulbright Fellowship and is fluent in German.

Ms. Christiansen devotes her time to advising clients on the challenges and benefits of pursuing particular litigation opportunities in jurisdictions outside the U.S. In those non-US actions where Kessler Topaz is actively involved, Emily liaises with local counsel, helps develop case strategy, reviews pleadings, and helps clients understand and successfully navigate the legal process. Her experience includes non-US opt-in actions, international law, and portfolio monitoring and claims administration. In her role, Ms. Christiansen has helped secure recoveries for institutional investors in litigation in Japan against *Olympus Corporation* (settled - ¥11 billion) and in the Netherlands against *Fortis Bank N.V.* (settled - €1.2 billion).

JOSHUA E. D'ANCONA, a partner of the Firm, concentrates his practice in the securities litigation and lead plaintiff departments of the Firm. Mr. D'Ancona received his J.D., *magna cum laude*, from the Temple University Beasley School of Law in 2007, where he served on the Temple Law Review and as president of the Moot Court Honors Society, and graduated with honors from Wesleyan University. He is licensed to practice in Pennsylvania and New Jersey.

Before joining the Firm in 2009, he served as a law clerk to the Honorable Cynthia M. Rufe of the United States District Court for the Eastern District of Pennsylvania.

RYAN T. DEGNAN, a partner of the Firm, concentrates his practice on new matter development with a specific focus on analyzing securities class action lawsuits, antitrust actions, and complex consumer actions. Mr. Degnan received his law degree from Temple University Beasley School of Law, where he was a Notes and Comments Editor for the Temple Journal of Science, Technology & Environmental Law, and earned his undergraduate degree in Biology from The Johns Hopkins University. While a law student, Mr. Degnan served as a Judicial Intern to the Honorable Gene E.K. Pratter of the United States District Court for the Eastern District of Pennsylvania. Mr. Degnan is licensed to practice in Pennsylvania and New Jersey.

As a member of the Firm's lead plaintiff litigation practice group, Mr. Degnan has helped secure the Firm's clients' appointments as lead plaintiffs in: *In re HP Sec. Litig.*, No. 12-cv-5090, 2013 WL 792642 (N.D. Cal. Mar. 4, 2013); *In re JPMorgan Chase & Co. Securities Litigation*, No. 12-3852-GBD ("London Whale Litigation") (\$150 million recovery); *Freedman v. St. Jude Medical, Inc., et al.*, No. 12-cv-3070 (D. Minn.); *United Union of Roofers, Waterproofers & Allied Workers Local Union No. 8 v. Ocwen Fin. Corp.*, No. 14 Civ. 81057 (WPD), 2014 WL 7236985 (S.D. Fla. Nov. 7, 2014); *Louisiana Municipal Police Employees' Ret. Sys. v. Green Mountain Coffee Roasters, Inc., et al.*, No. 11-cv-289, 2012 U.S. Dist. LEXIS 89192 (D. Vt. Apr. 27, 2012); and *In re Longtop Fin. Techs. Ltd. Sec. Litig.*, No. 11-cv-3658, 2011 U.S. Dist. LEXIS 112970 (S.D.N.Y. Oct. 4, 2011). Additional representative matters include: *In re Bank of New York Mellon Corp. Foreign Exchange Transactions Litig.*, No. 12-md-02335 (S.D.N.Y.) (\$335 million settlement); and *Policemen's Annuity and Benefit Fund of the City of Chicago, et al. v. Bank of America, NA, et al.*, No. 12-cv-02865 (S.D.N.Y.) (\$69 million settlement).

ERIC K. GERARD, a partner of the Firm, is a former federal prosecutor and experienced trial lawyer whose practice focuses on securities fraud, antitrust, and consumer protection litigation. Eric received his law degree from the University of Virginia School of Law, earning Order of the Coif honors while completing a master's degree in international economics at the Johns Hopkins University.

Before joining Kessler Topaz, Eric served an Assistant District Attorney at the Manhattan District Attorney's Office, as a civil litigator at an international law firm in Houston and a prominent boutique in New Orleans, and as an Assistant U.S. Attorney in Florida. He has tried a range of complex cases to verdict, including international money laundering, wire fraud conspiracy, securities counterfeiting, identity theft, obstruction of justice, extraterritorial child exploitation, civil healthcare liability claims, and murder-for-hire.

ELI R. GREENSTEIN is managing partner of the Firm's San Francisco office and a member of the Firm's federal securities litigation practice group. Mr. Greenstein concentrates his practice on federal securities law violations and white collar fraud, including violations of the Securities Act of 1933 and the Securities Exchange Act of 1934. Mr. Greenstein received his J.D. from Santa Clara University School of Law in 2001, and his M.B.A. from Santa Clara's Leavey School of Business in 2002. Mr. Greenstein received his B.A. in Business Administration from the University of San Diego in 1997 where he was awarded the Presidential Scholarship. He is licensed to practice in California.

Mr. Greenstein also was a judicial extern for the Honorable James Ware (Ret.), Chief Judge of the United States District Court for the Northern District of California. Prior to joining the Firm, Mr. Greenstein was a partner at Robbins Geller Rudman & Dowd LLP in its federal securities litigation practice group. His relevant background also includes consulting for PricewaterhouseCoopers LLP's International Tax and Legal Services division, and work on the trading floor of the Chicago Mercantile Exchange, S&P 500 futures and options division.

Mr. Greenstein has been involved in dozens of high-profile securities fraud actions resulting in more than \$1 billion in recoveries for clients and investors, including: *Nieman v. Duke Energy Corp.*, 2013 U.S. Dist. LEXIS 110693 (W.D.N.C.) (\$146 million recovery); *In re HP Secs. Litig.*, 2013 U.S. Dist. LEXIS 168292 (N.D. Cal.) (\$100 million recovery); *In re VeriFone Holdings, Inc. Sec. Litig.*, 704 F.3d 694 (N.D. Cal.) (\$95 million recovery); *In re AOL Time Warner Sec. Litig. State Opt-Out Actions (Regents of the Univ. of Cal. v. Parsons* (Cal. Super. Ct.), *Ohio Pub. Emps. Ret. Sys. v. Parsons* (Franklin County Ct. of Common Pleas) (\$618 million in total recoveries); *Minneapolis Firefighters' Relief Association v. Medtronic, Inc.*, No. 08-cv-06324-PAM-AJB (D. Minn.) (settled -- \$85 million); *In re MGM Mirage Securities Litigation*, Case No. 2:09-cv-01558-GMN-VCF (D. Nev.) (\$75 million settlement); *In re Weatherford Int'l Securities Litigation*, No. 11-cv-01646-LAK-JCF (S.D.N.Y.) (settled -- \$52.5 million); *In re Sunpower Secs. Litig.*, 2011 U.S. Dist. LEXIS 152920 (N.D. Cal.) (\$19.7 million recovery); *In re Am. Serv. Group, Inc.*, 2009 U.S. Dist. LEXIS 28237 (M.D. Tenn.) (\$15.1 million recovery); *In re Terayon Commun. Sys. Sec. Litig.*, 2002 U.S. Dist. LEXIS 5502 (N.D. Cal.) (\$15 million recovery); *In re Nuvelo, Inc. Sec. Litig.*, 668 F. Supp. 2d 1217 (N.D. Cal.) (\$8.9 million recovery); *In re Endocare, Inc. Sec. Litig.*, No. CV02-8429 DT (CTX) (C.D. Cal.) (\$8.95 million recovery); *Greater Pa. Carpenters Pension Fund v. Whitehall Jewellers, Inc.*, 2005 U.S. Dist. LEXIS 12971 (N.D. Ill.) (\$7.5 million recovery); *In re Am. Apparel, Inc. S'holder Litig.*, 2013 U.S. Dist. LEXIS 6977 (C.D. Cal.) (\$4.8 million recovery); *In re Purus Sec. Litig.* No. C-98-20449-JF(RS) (N.D. Cal.) (\$9.95 million recovery).

SEAN M. HANDLER, a partner of the Firm and member of Kessler Topaz's Management Committee, currently concentrates his practice on all aspects of new matter development for the Firm including securities, consumer and intellectual property. Mr. Handler earned his Juris Doctor, *cum laude*, from Temple University School of Law, and received his Bachelor of Arts degree from Colby College, graduating *with distinction* in American Studies. Mr. Handler is licensed to practice in Pennsylvania, New Jersey and New York.

As part of his responsibilities, Mr. Handler also oversees the lead plaintiff appointment process in securities class actions for the Firm's clients. In this role, Mr. Handler has achieved numerous noteworthy appointments for clients in reported decisions including *Foley v. Transocean*, 272 F.R.D. 126 (S.D.N.Y. 2011); *In re Bank of America Corp. Sec., Derivative & Employment Ret. Income Sec. Act (ERISA) Litig.*, 258 F.R.D. 260 (S.D.N.Y. 2009) and *Tanne v. Autobytel, Inc.*, 226 F.R.D. 659 (C.D. Cal. 2005) and has argued before federal courts throughout the country.

Mr. Handler was also one of the principal attorneys in *In re Brocade Securities Litigation* (N.D. Cal. 2008), where the team achieved a \$160 million settlement on behalf of the class and two public pension fund class representatives. This settlement is believed to be one of the largest settlements in a securities fraud case in terms of the ratio of settlement amount to actual investor damages.

Mr. Handler also lectures and serves on discussion panels concerning securities litigation matters, most recently appearing at American Conference Institute's National Summit on the Future of Fiduciary Responsibility and Institutional Investor's The Rights & Responsibilities of Institutional Investors.

GEOFFREY C. JARVIS, a partner of the Firm, focuses on securities litigation for institutional investors. Mr. Jarvis graduated from Harvard Law School in 1984, and received his undergraduate degree from Cornell University in 1980. He is licensed to practice in Pennsylvania, Delaware, New York and Washington, D.C.

Following law school, Mr. Jarvis served as a staff attorney with the Federal Communications Commission, participating in the development of new regulatory policies for the telecommunications industry.

Mr. Jarvis had a major role in *Oxford Health Plans Securities Litigation*, *DaimlerChrysler Securities Litigation*, and *Tyco Securities Litigation* all of which were among the top ten securities settlements in U.S. history at the time they were resolved, as well as a large number of other securities cases over the past 16 years. He has also been involved in a number of actions before the Delaware Chancery Court, including a Delaware appraisal case that resulted in a favorable decision for the firm's client after trial, and a Delaware appraisal case that was tried in October, argued in 2016, which is still awaiting a final decision.

Mr. Jarvis then became an associate in the Washington office of Rogers & Wells (subsequently merged into Clifford Chance), principally devoted to complex commercial litigation in the fields of antitrust and trade regulations, insurance, intellectual property, contracts and defamation issues, as well as counseling corporate clients in diverse industries on general legal and regulatory compliance matters. He was previously associated with a prominent Philadelphia litigation boutique and had first-chair assignments in cases commenced under the Pennsylvania Whistleblower Act and in major antitrust, First Amendment, civil rights, and complex commercial litigation, including several successful arguments before the U.S. Court of Appeals for the Third Circuit. From 2000 until early 2016, Mr. Jarvis was a Director (Senior Counsel through 2001) at Grant & Eisenhofer, P.A., where he engaged in a number of federal securities, and state fiduciary cases (primarily in Delaware), including several of the largest settlements of the past 15 years. He also was lead trial counsel and/or associate counsel in a number of cases that were tried to a verdict (or are pending final decision).

JENNIFER L. JOOST, a partner in the Firm's San Francisco office, focuses her practice on securities litigation. Ms. Joost received her law degree, *cum laude*, from Temple University Beasley School of Law, where she was the Special Projects Editor for the *Temple International and Comparative Law Journal*. Ms. Joost earned her undergraduate degree with honors from Washington University in St. Louis. She is licensed to practice in Pennsylvania and California and is admitted to practice before the United States Courts of Appeals for the Second, Fourth, Ninth, and Eleventh Circuits, and the United States District Courts for the Eastern District of Pennsylvania, the Northern District of California and the Southern District of California.

Ms. Joost has represented institutional investors in numerous securities fraud class actions including *In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation*, No. 09 MDL 2058 (S.D.N.Y.) (settled -- \$2.425 billion); *In re Citigroup Bond Litigation*, No. 08-cv-09522-SHS (S.D.N.Y.) (\$730 million recovery); *David H. Luther, et al., v. Countrywide Financial Corp., et al.*, 2:12-cv-05125 (C.D.Cal. 2012) (settled -- \$500 million); *In re JPMorgan Chase & Co. Securities Litigation*, No. 12-3852-GBD ("London Whale Litigation") (\$150 million recovery); *Minneapolis Firefighters' Relief Association v. Medtronic, Inc.*, No. 08-cv-06324-PAM-AJB (D. Minn.) (settled -- \$85 million); *In re MGM Mirage Securities Litigation*, Case No. 2:09-cv-01558-GMN-VCF (D. Nev.) (\$75 million settlement); and *In re Weatherford Int'l Securities Litigation*, No. 11-cv-01646-LAK-JCF (S.D.N.Y.) (settled -- \$52.5 million).

STACEY KAPLAN, a partner in the Firm's San Francisco office, concentrates her practice on prosecuting securities class actions. Ms. Kaplan received her J.D. from the University of California at Los Angeles School of Law in 2005, and received her Bachelor of Business Administration from the University of Notre Dame in 2002, with majors in Finance and Philosophy. Ms. Kaplan is admitted to the California Bar and is licensed to practice in all California state courts, as well as the United States District Courts for the Northern and Central Districts of California.

During law school, Ms. Kaplan served as a Judicial Extern to the Honorable Terry J. Hatter, Jr., United States District Court, Central District of California. Prior to joining the Firm, Ms. Kaplan was an associate with Robbins Geller Rudman & Dowd LLP in San Diego, California.

DAVID KESSLER, a partner of the Firm, manages the Firm's internationally recognized securities department. Mr. Kessler graduated with distinction from the Emory School of Law, after receiving his undergraduate B.S.B.A. degree from American University. Mr. Kessler is licensed to practice law in Pennsylvania, New Jersey and New York, and has been admitted to practice before numerous United States District Courts. Prior to practicing law, Mr. Kessler was a Certified Public Accountant in Pennsylvania.

Mr. Kessler has achieved or assisted in obtaining Court approval for the following outstanding results in federal securities class action cases: *In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation*, No. 09 MDL 2058 (S.D.N.Y.) (settled -- \$2.425 billion); *In re Tyco International, Ltd. Sec. Lit.*, No. 02-1335-B (D.N.H. 2002) (\$3.2 billion settlement); *In re Wachovia Preferred Securities and Bond/Notes Litigation*, No. 09-cv-6351 (RJS) (S.D.N.Y.) (\$627 million recovery); *In re: Lehman Brothers Securities and ERISA Litigation*, Master File No. 09 MD 2017 (LAK) (S.D.N.Y) (settled - \$516,218,000); *In re Satyam Computer Services Ltd. Sec. Litig.*, Master File No. 09 MD 02027 (BSJ) (\$150.5 million settlement); *In re Tenet Healthcare Corp.*, 02-CV-8462 (C.D. Cal. 2002) (settled — \$281.5 million); *In re Initial Public Offering Sec. Litig.*, Master File No. 21 MC 92(SAS) (\$586 million settlement).

Mr. Kessler is also currently serving as one of the Firm's primary litigation partners in the Citigroup, JPMorgan, Hewlett Packard, Pfizer and Morgan Stanley securities litigation matters.

In addition, Mr. Kessler often lectures and writes on securities litigation related topics and has been recognized as "Litigator of the Week" by the American Lawyer magazine for his work in connection with the Lehman Brothers securities litigation matter in December of 2011 and was honored by Benchmark as one of the preeminent plaintiffs practitioners in securities litigation throughout the country. Most recently Mr. Kessler co-authored *The FindWhat.com Case: Acknowledging Policy Considerations When Deciding Issues of Causation in Securities Class Actions* published in Securities Litigation Report.

JAMES A. MARO, JR., a partner of the Firm, concentrates his practice in the Firm's case development department. He also has experience in the areas of consumer protection, ERISA, mergers and acquisitions, and shareholder derivative actions. Mr. Maro received his law degree from the Villanova University School of Law, and received a B.A. in Political Science from the Johns Hopkins University. Mr. Maro is licensed to practice law in Commonwealth of Pennsylvania and New Jersey. He is admitted to practice in the United States Court of Appeals for the Third Circuit and the United States District Courts for the Eastern District of Pennsylvania and the District of New Jersey.

JOSHUA A. MATERESE, a partner of the Firm, concentrates his practice primarily in the areas of securities litigation and corporate governance. He represents institutional investors and individual clients at all stages of litigation in high-stakes cases involving a wide array of matters, including financial fraud, market manipulation, anti-competitive conduct, and corporate takeovers.

Since joining the firm directly after law school, Josh has helped recover hundreds of millions of dollars for investors harmed by fraud. These matters include: *In re Allergan, Inc. Proxy Violation Securities Litigation* (C.D. Cal.), a case alleging unlawful insider trading by hedge fund billionaire Bill Ackman in connection with a hostile takeover attempt, which settled for \$250 million just weeks before trial; *In re JPMorgan Chase & Co. Securities Litigation* (S.D.N.Y.), a securities fraud class action arising out of misrepresentations and omissions about the trading activities of the so-called "London Whale," which resolved for \$150 million; and, most recently, *Baker v. SeaWorld Entertainment, Inc.* (S.D. Cal.), a securities fraud class action arising out of misrepresentations and omissions about the impact of the documentary Blackfish on SeaWorld's business, which settled for \$65 million days before trial. Josh has also assisted in obtaining favorable settlements for mutual funds and institutional investors in securities

fraud opt-out actions, including in several actions against Brazilian oil giant Petrobras arising from its long-running bribery and kickback scheme.

In addition to his securities litigation practice, Josh has represented plaintiffs in shareholder derivative actions, consumer class actions stemming from violations of the Employees Retirement Income Security Act of 1974 (“ERISA”), and antitrust matters arising out of violations of the Sherman Act.

MARGARET E. MAZZEO, a partner of the Firm, focuses her practice on securities litigation. Ms. Mazzeo received her law degree, *cum laude*, from Temple University Beasley School of Law, where she was a Beasley Scholar and a staff editor for the Temple Journal of Science, Technology, and Environmental Law. Ms. Mazzeo graduated with honors from Franklin and Marshall College. She is licensed to practice in Pennsylvania and New Jersey.

Ms. Mazzeo has been involved in several nationwide securities cases on behalf of investors, including *In re Lehman Brothers Securities Litigation*, No. 1:09-md-02017-LAK (S.D.N.Y.) (\$616 million recovery); and *David H. Luther, et al., v. Countrywide Financial Corp., et al.*, 2:12-cv-05125 (C.D. Cal. 2012) (settled -- \$500 million). Ms. Mazzeo also was a member of the trial team who won a jury verdict in favor of investors in the *In re Longtop Financial Technologies Ltd. Securities Litigation*, No. 11-cv-3658 (S.D.N.Y.) action.

JAMIE M. MCCALL, a partner of the Firm, concentrates his practice on securities fraud litigation. Prior to joining the Firm, Mr. McCall spent twelve years with the Department of Justice in the U.S. Attorney’s Offices for Miami, Florida and Wilmington, Delaware, where he oversaw complex criminal investigations ranging from securities, tax, bank and wire frauds, to the theft of trade secrets and cybercrime, among others.

Mr. McCall has successfully tried numerous jury trials, including: *United States v. Wilmington Trust Corp., et al.*, a seven-week securities fraud trial, which arose from financial conduct during the Great Recession, and resulted in both the conviction of four bank executives and a \$60 million civil settlement to victim-shareholders; and *United States v. David Matusiewicz, et al.*, a five-week multi-defendant stalking-murder case, which stemmed from the 2013-shootout at the New Castle County Courthouse in Delaware, and resulted in first-in-the-nation convictions for “cyberstalking resulting in death” under the Violence Against Women Act. For his work on both of these cases, Mr. McCall was twice awarded the Director’s Award for Superior Performance by the Department of Justice. Most recently, Mr. McCall served as the section chief for the National Security and Cybercrime Division for the Delaware U.S. Attorney’s Office.

Mr. McCall also spent several years practicing civil law at Morgan, Lewis & Bockius in Philadelphia, where he worked on major, high-stakes litigation matters involving Fortune 250 companies. Mr. McCall began his legal career as a Judge Advocate in the Marine Corps, working primarily as a prosecutor and achieving the rank of Captain. In 2004, Mr. McCall served for nearly five months as the principal legal advisor to 1st Battalion, 5th Marine Regiment in and around Fallujah, Iraq, including during the First Battle of Fallujah.

JOSEPH H. MELTZER, a partner of the Firm, concentrates his practice in the areas of ERISA, fiduciary and antitrust complex litigation. Mr. Meltzer received his law degree with honors from Temple University School of Law and is an honors graduate of the University of Maryland. Honors include being named a Pennsylvania Super Lawyer. Mr. Meltzer is licensed to practice in Pennsylvania, New Jersey, New York, the Supreme Court of the United States, and the U.S. Court of Federal Claims.

Mr. Meltzer leads the Firm’s Fiduciary Litigation Group which has excelled in the highly specialized area of prosecuting cases involving breach of fiduciary duty claims. Mr. Meltzer has served as lead or co-lead

counsel in numerous nationwide class actions brought under ERISA. Since founding the Fiduciary Litigation Group, Mr. Meltzer has helped recover hundreds of millions of dollars for clients and class members including some of the largest settlements in ERISA fiduciary breach actions. Mr. Meltzer represented the Board of Trustees of the Buffalo Laborers Security Fund in its action against J.P. Jeanneret Associates which involved a massive, fraudulent scheme orchestrated by Bernard L. Madoff, No. 09-3907 (S.D.N.Y.). Mr. Meltzer also represented an institutional client in a fiduciary breach action against Wells Fargo for large losses sustained while Wachovia Bank and its subsidiaries, including Evergreen Investments, were managing the client's investment portfolio.

As part of his fiduciary litigation practice, Mr. Meltzer was actively involved in actions related to losses sustained in securities lending programs, including *Bd. of Trustees of the AFTRA Ret. Fund v. JPMorgan Chase Bank*, No. 09-00686 (S.D.N.Y.) (\$150 million settlement) and *CompSource Okla. v. BNY Mellon*, No. 08-469 (E.D. OK) (\$280 million settlement). In addition, Mr. Meltzer represented a publicly traded company in a large arbitration against AIG, Inc. related to securities lending losses, *Transatlantic Holdings, Inc. v. AIG*, No. 50-148T0037610 (AAA) (\$75million settlement).

A frequent lecturer on ERISA litigation, Mr. Meltzer is a member of the ABA and has been recognized by numerous courts for his ability and expertise in this complex area of the law. Mr. Meltzer is also a patron member of Public Justice and a member of the Class Action Preservation Committee.

Mr. Meltzer also manages the Firm's Antitrust and Pharmaceutical Pricing Groups. Here, Mr. Meltzer focuses on helping clients that have been injured by anticompetitive and unlawful business practices, including with respect to overcharges related to prescription drug and other health care expenditures. Mr. Meltzer served as co-lead counsel for direct purchasers in the *Flonase Antitrust Litigation*, No.08-3149 (E.D. PA) (\$150 million settlement) and has served as lead or co-lead counsel in numerous nationwide actions. Mr. Meltzer also serves as a special assistant attorney general for the states of Montana, Utah and Alaska. Mr. Meltzer also lectures on issues related to antitrust litigation.

MATTHEW L. MUSTOKOFF, a partner of the Firm, is an experienced securities and corporate governance litigator. He has represented clients at the trial and appellate level in numerous high-profile shareholder class actions and other litigations involving a wide array of matters, including financial fraud, market manipulation, mergers and acquisitions, fiduciary mismanagement of investment portfolios, and patent infringement. Mr. Mustokoff received his law degree from the Temple University School of Law, and is a Phi Beta Kappa honors graduate of Wesleyan University. At law school, Mr. Mustokoff was the articles and commentary editor of the *Temple Political and Civil Rights Law Review* and the recipient of the Raynes, McCarty, Binder, Ross and Mundy Graduation Prize for scholarly achievement in the law. He is admitted to practice before the state courts of New York and Pennsylvania, the United States District Courts for the Southern and Eastern Districts of New York, the Eastern District of Pennsylvania and the District of Colorado, and the United States Courts of Appeals for the Eleventh and Federal Circuits.

Mr. Mustokoff is currently prosecuting several nationwide securities cases on behalf of U.S. and overseas institutional investors, including *In re JPMorgan Chase Securities Litigation* (S.D.N.Y.), arising out of the "London Whale" derivatives trading scandal which led to over \$6 billion in losses in the bank's proprietary trading portfolio. He serves as lead counsel for six public pension funds in the multi-district securities litigation against BP in Texas federal court stemming from the 2010 Deepwater Horizon disaster in the Gulf of Mexico. He successfully argued the opposition to BP's motion to dismiss, resulting in a landmark decision sustaining fraud claims under English law for purchasers of BP shares on the London Stock Exchange.

Mr. Mustokoff also played a major role in prosecuting *In re Citigroup Bond Litigation* (S.D.N.Y.), involving allegations that Citigroup concealed its exposure to subprime mortgage debt on the eve of the

2008 financial crisis. The \$730 million settlement marks the second largest recovery under Section 11 of the Securities Act in the history of the statute. Mr. Mustokoff's significant courtroom experience includes serving as one of the lead trial lawyers for shareholders in the only securities fraud class action arising out of the financial crisis to be tried to jury verdict. In addition to his trial practice in federal courts, he has successfully tried cases before the Financial Industry Regulatory Authority (FINRA).

Prior to joining the Firm, Mr. Mustokoff practiced at Weil, Gotshal & Manges LLP in New York, where he represented public companies and financial institutions in SEC enforcement and white collar criminal matters, shareholder litigation and contested bankruptcy proceedings.

SHARAN NIRMUL, a partner of the Firm, concentrates his practice in the area of securities, consumer and fiduciary class action and complex commercial litigation, exclusively representing the interests of plaintiffs and particularly, institutional investors.

Sharan represents a number of the world's largest institutional investors in cutting edge, high stakes complex litigation. In addition to his securities litigation practice, he has been at the forefront of developing the Firm's fiduciary litigation practice and has litigated ground-breaking cases in areas of securities lending, foreign exchange, and MBS trustee litigation. Mr. Nirmul was instrumental in developed the underlying theories that propelled the successful recoveries for customers of custodial banks in *Compsource Oklahoma v. BNY Mellon*, a \$280 million recovery for investors in BNY Mellon's securities lending program, and *AFTRA v. JP Morgan*, a \$150 million recovery for investors in JP Morgan's securities lending program. In *Transatlantic Re v. A.I.G.*, Mr. Nirmul recovered \$70 million for Transatlantic Re in a binding arbitration against its former parent, American International Group, arising out of AIG's management of a securities lending program.

Focused on issues of transparency by fiduciary banks to their custodial clients, Mr. Nirmul served as lead counsel in a multi-district litigation against BNY Mellon for the excess spreads it charged to its custodial customers for automated FX services. Litigated over four years, involving 128 depositions and millions of pages of document discovery, and with unprecedented collaboration with the U.S. Department of Justice and the New York Attorney General, the litigation resulted in a settlement for the Bank's custodial customers of \$504 million. Mr. Nirmul also spearheaded litigation against the nation's largest ADR programs, Citibank, BNY Mellon and JP Morgan, which alleged they charged hidden FX fees for conversion of ADR dividends. The litigation resulted in \$100 million in recoveries for ADR holders and significant reforms in the FX practices for ADRs.

Mr. Nirmul has served as lead counsel in several high-profile securities fraud cases, including a \$2.4 billion recovery for Bank of America shareholders arising from BoA's shotgun merger with Merrill Lynch in 2009. More recently, Mr. Nirmul was lead trial counsel in litigation arising from the IPO of social media company Snap, Inc., which has resulted in a \$187.5 million settlement for Snap's investors, claims against Endo Pharmaceuticals, arising from its disclosures concerning the efficacy of its opioid drug, Opana ER, which resulted in a recovery of \$80.5 million for Endo's shareholders, and claims against Ocwen Financial, arising from its mortgage servicing practices and disclosures to investors, which settled on the eve of trial for \$56 million. Mr. Nirmul currently serves as lead trial counsel in pending securities class actions involving General Electric, Kraft-Heinz, and the stunning collapse of Luckin Coffee Inc., following disclosure of a massive accounting fraud just ten months after its IPO. He also currently serves on the Executive Committee for the multi-district litigation involving the Chicago Board Options Exchange and the manipulation of its key product, the Cboe Volatility Index.

Mr. Nirmul received his law degree from The George Washington University National Law Center and undergraduate degree from Cornell University. He was born and grew up in Durban, South Africa.

JUSTIN O. RELIFORD, a partner of the Firm, concentrates his practice on mergers and acquisition litigation and shareholder derivative litigation. Mr. Reliford graduated from the University of Pennsylvania Law School in 2007 and received his B.A. from Williams College in 2003, majoring in Psychology with a concentration in Leadership Studies. Mr. Reliford is a member of the Pennsylvania and New Jersey bars, and he is admitted to practice in the Third Circuit Court of Appeals, the Eastern District of Pennsylvania, and the District of New Jersey.

Mr. Reliford has extensive experience representing clients in connection with nationwide class and collective actions. Most notably, Mr. Reliford, was part of the trial team *In re Dole Food Co., Inc. Stockholder Litig.*, C.A. No. 8703-VCL, that won a trial verdict in favor of Dole stockholders for \$148 million. Mr. Reliford also obtained a favorable recovery for an institutional investor in a securities class action *In re Allergan, Inc. Proxy Violation Securities Litigation*, No. 8:14-cv-02004 (C.D. Cal. 2018), which challenged a brazen insider trading scheme by Valeant Pharmaceuticals to tip Bill Ackman's hedge fund Pershing Square Capital that it intended to launch a hostile takeover attempt to buy rival pharma company Allergan. After three years, the case settled weeks before trial for \$250 million. He also litigated *In re GFI Group, Inc. Stockholder Litig.* Consol. C.A. No. 10136-VCL (Del. Ch.) (\$10.75 million cash settlement); *In re Globe Specialty Metals, Inc. Stockholders Litig.*, Consol. C.A. No. 10865-VCG (Del. Ch.) (\$32.5 million settlement); and *In re Harleysville Mutual* (CCP, Phila. Cnty. 2012) (an expedited merger litigation case challenging Harleysville's agreement to sell the company to Nationwide Insurance Company, which lead to a \$26 million cash payment to policyholders). Prior to joining the Firm, Mr. Reliford was an associate in the labor and employment practice group of Morgan Lewis & Bockius, LLP. There, Mr. Reliford concentrated his practice on employee benefits, fiduciary, and workplace discrimination litigation.

LEE D. RUDY, a partner of the Firm, manages the Firm's mergers and acquisition and shareholder derivative litigation. Mr. Rudy received his law degree from Fordham University, and his undergraduate degree, *cum laude*, from the University of Pennsylvania. Mr. Rudy is licensed to practice in Pennsylvania and New York.

Representing both institutional and individual shareholders in these actions, he has helped cause significant monetary and corporate governance improvements for those companies and their shareholders. Mr. Rudy also co-chairs the Firm's qui tam and whistleblower practices, where he represents whistleblowers before administrative agencies and in court. Mr. Rudy regularly practices in the Delaware Court of Chancery, where he served as co-lead trial counsel in the landmark case of *In re S. Peru Copper Corp. S'holder Derivative Litig.*, C.A. No. 961-CS, a \$2 billion trial verdict against Southern Peru's majority shareholder. He previously served as lead counsel in dozens of high profile derivative actions relating to the "backdating" of stock options. Mr. Rudy also obtained a favorable recovery for an institutional investor in a securities class action *In re Allergan, Inc. Proxy Violation Securities Litigation*, No. 8:14-cv-02004 (C.D. Cal. 2018), which challenged a brazen insider trading scheme by Valeant Pharmaceuticals to tip Bill Ackman's hedge fund Pershing Square Capital that it intended to launch a hostile takeover attempt to buy rival pharma company Allergan. After three years, the case settled weeks before trial for \$250 million. In addition, Mr. Rudy represented stockholders in obtaining substantial recoveries in numerous shareholder derivative and class actions, many of which resulted in significant monetary relief, including: *In re Facebook, Inc. Class C Reclassification Litigation*, C.A. No. 12286-VCL (Del. Ch. Sept. 25, 2017) (KTMC challenged a proposed reclassification of Facebook's stock structure as harming the company's public stockholders. Facebook abandoned the proposal just one business day before trial was to commence; granting Plaintiffs complete victory); *City of Daytona Beach Police and Fire Pension Fund v. ExamWorks Group, Inc., et al.*, C.A. No. 12481-VCL (Del. Ch. Sept. 12, 2017) (\$86.5 million settlement relating to the acquisition of ExamWorks Group, Inc. by private equity firm Leonard Green & Partners, LP.); *Quinn v. Knight*, No. 3:16-cv-610 (E.D. Va. Mar. 16, 2017) (class action settling just ten days before trial, with stockholders receiving an additional \$32 million in merger consideration); *In re MPG Office Trust, Inc. Preferred Shareholder*

Litigation, Cons. Case No. 24-C-13-004097 (Md. Cir. Oct. 20, 2015) (Kessler Topaz negotiated a settlement where MPG preferred stockholders received a dividend of \$2.25 per share, worth approximately \$21 million); *In re Harleysville Mutual* (CCP, Phila. Cnty. 2012) (an expedited merger litigation case challenging Harleysville's agreement to sell the company to Nationwide Insurance Company, which led to a \$26 million cash payment to policyholders); and *In re Amicas, Inc. Shareholder Litigation*, 10-0174-BLS2 (Suffolk County, MA 2010) (Kessler Topaz prevailed in securing a preliminary injunction against the deal, which allowed a superior bidder to purchase the Company for an additional \$0.70 per share (\$26 million)).

Prior to civil practice, Mr. Rudy served for several years as an Assistant District Attorney in the Manhattan (NY) District Attorney's Office, and as an Assistant United States Attorney in the US Attorney's Office (DNJ).

RICHARD A. RUSSO, JR., a partner of the Firm, focuses his practice on securities litigation. Mr. Russo received his law degree from the Temple University Beasley School of Law, where he graduated *cum laude* and was a member of the Temple Law Review, and graduated *cum laude* from Villanova University, where he received a Bachelor of Science degree in Business Administration. Mr. Russo is licensed to practice in Pennsylvania and New Jersey.

Mr. Russo has represented individual and institutional investors in obtaining significant recoveries in numerous class actions arising under the federal securities laws, including *In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation*, No. 09 MDL 2058 (S.D.N.Y.) (settled -- \$2.425 billion), *In re Citigroup Bond Litigation*, No. 08-cv-09522-SHS (S.D.N.Y.) (\$730 million recovery), *In re Lehman Brothers Securities Litigation*, No. 1:09-md-02017-LAK (S.D.N.Y.) (\$616 million recovery).

MARC A. TOPAZ, a partner of the Firm, oversees the Firm's derivative, transactional and case development departments. Mr. Topaz received his law degree from Temple University School of Law, where he was an editor of the *Temple Law Review* and a member of the Moot Court Honor Society. He also received his Master of Law (L.L.M.) in taxation from the New York University School of Law, where he served as an editor of the *New York University Tax Law Review*. He is licensed to practice law in Pennsylvania and New Jersey, and has been admitted to practice before the United States District Court for the Eastern District of Pennsylvania.

Mr. Topaz has been heavily involved in all of the Firm's cases related to the subprime mortgage crisis, including cases seeking recovery on behalf of shareholders in companies affected by the subprime crisis, as well as cases seeking recovery for 401K plan participants that have suffered losses in their retirement plans. Mr. Topaz has also played an instrumental role in the Firm's option backdating litigation. These cases, which are pled mainly as derivative claims or as securities law violations, have served as an important vehicle both for re-pricing erroneously issued options and providing for meaningful corporate governance changes. In his capacity as the Firm's department leader of case initiation and development, Mr. Topaz has been involved in many of the Firm's most prominent cases, including *In re Initial Public Offering Sec. Litig.*, Master File No. 21 MC 92(SAS) (S.D.N.Y. Dec. 12, 2002); *Wanstrath v. Doctor R. Crants, et al.*, No. 99-1719-111 (Tenn. Chan. Ct., 20th Judicial District, 1999); *In re Tyco International, Ltd. Sec. Lit.*, No. 02-1335-B (D.N.H. 2002) (settled — \$3.2 billion); and virtually all of the 80 options backdating cases in which the Firm is serving as Lead or Co-Lead Counsel. Mr. Topaz has played an important role in the Firm's focus on remedying breaches of fiduciary duties by corporate officers and directors and improving corporate governance practices of corporate defendants.

MELISSA L. TROUTNER, a partner of the Firm, concentrates her practice on new matter development with a specific focus on analyzing securities class action lawsuits, antitrust actions, and complex consumer actions. Ms. Troutner is also a member of the Firm's Consumer Protection group. Ms. Troutner received her law degree, Order of the Coif, *cum laude*, from the University of Pennsylvania Law School in 2002 and her Bachelor of Arts, Phi Beta Kappa, *magna cum laude*, from Syracuse University in 1999. Ms. Troutner is licensed to practice law in Pennsylvania, New York and Delaware.

Prior to joining Kessler Topaz, Ms. Troutner practiced as a litigator with several large defense firms, focusing on complex commercial, products liability and patent litigation, and clerked for the Honorable Stanley S. Brotman, United States District Judge for the District of New Jersey.

JOHNSTON de F. WHITMAN, JR., a partner of the Firm, focuses his practice on securities litigation, primarily in federal court. Mr. Whitman received his law degree from Fordham University School of Law, where he was a member of the Fordham International Law Journal, and graduated *cum laude* from Colgate University. He is licensed to practice in Pennsylvania and New York., and is admitted to practice in courts around the country, including the United States Courts of Appeal for the Second, Third, and Fourth Circuits.

Mr. Whitman has represented institutional investors in obtaining substantial recoveries in numerous securities fraud class actions, including: (i) *In re Bank of America Securities Litigation*, a case which represents the sixth largest recovery for shareholders under the federal securities laws (settled --\$2.425 billion); (ii) *In re Royal Ahold Sec. Litig.*, No. 03-md-01539 (D. Md. 2003) (\$1.1 billion settlement); (iii) *In re DaimlerChrysler AG Sec. Litig.*, No. 00-0993 (D. Del. 2000) (\$300 million settlement); (iv) *In re Dollar General, Inc. Sec. Litig.*, No. 01-cv-0388 (M.D. Tenn. 2001) (\$162 million settlement); and (v) *In re JPMorgan Chase & Co. Securities Litigation*, No. 12-3852-GBD ("London Whale Litigation") (\$150 million recovery). Mr. Whitman has also obtained favorable recoveries for institutional investors pursuing direct securities fraud claims, including cases against Merck & Co., Inc., Qwest Communications International, Inc. and Merrill Lynch & Co., Inc. In addition, Mr. Whitman represented a publicly traded company in a large arbitration against AIG, Inc. related to securities lending losses, *Transatlantic Holdings, Inc. v. AIG*, No. 50-148T0037610 (AAA) (\$75million settlement).

ROBIN WINCHESTER, a partner of the Firm, concentrated her practice in the areas of securities litigation and lead plaintiff litigation, when she joined the Firm. Presently, Ms. Winchester concentrates her practice in the area of shareholder derivative actions. Ms. Winchester earned her Juris Doctor degree from Villanova University School of Law, and received her Bachelor of Science degree in Finance from St. Joseph's University. Ms. Winchester is licensed to practice law in Pennsylvania and New Jersey.

Prior to joining Kessler Topaz, Ms. Winchester served as a law clerk to the Honorable Robert F. Kelly in the United States District Court for the Eastern District of Pennsylvania.

Ms. Winchester has served as lead counsel in numerous high-profile derivative actions relating to the backdating of stock options, including *In re Eclipsys Corp. Derivative Litigation*, Case No. 07-80611-Civ-MIDDLEBROOKS (S.D. Fla.); *In re Juniper Derivative Actions*, Case No. 5:06-cv-3396-JW (N.D. Cal.); *In re McAfee Derivative Litigation*, Master File No. 5:06-cv-03484-JF (N.D. Cal.); *In re Quest Software, Inc. Derivative Litigation*, Consolidated Case No. 06CC00115 (Cal. Super. Ct., Orange County); and *In re Sigma Designs, Inc. Derivative Litigation*, Master File No. C-06-4460-RMW (N.D. Cal.). Settlements of these, and similar, actions have resulted in significant monetary returns and corporate governance improvements for those companies, which, in turn, greatly benefits their public shareholders.

ERIC L. ZAGAR, a partner of the Firm, concentrates his practice in the area of shareholder derivative litigation. Mr. Zagar received his law degree from the University of Michigan Law School, *cum laude*, where he was an Associate Editor of the *Michigan Law Review*, and his undergraduate degree from

Washington University in St. Louis. He is admitted to practice in Pennsylvania, California and New York. Mr. Zagar previously served as a law clerk to Justice Sandra Schultz Newman of the Pennsylvania Supreme Court.

Since 2001 Mr. Zagar has served as Lead or Co-Lead counsel in hundreds of derivative actions in courts throughout the nation. He was a member of the trial team in the landmark case of *In re S. Peru Copper Corp. S'holder Derivative Litig.*, C.A. No. 961-CS, a \$2 billion trial verdict against Southern Peru's majority shareholder. Mr. Zagar has successfully achieved significant monetary and corporate governance relief for the benefit of shareholders, and has extensive experience litigating matters involving Special Litigation Committees.

TERENCE S. ZIEGLER, a partner of the Firm, concentrates a significant percentage of his practice to the investigation and prosecution of pharmaceutical antitrust actions, medical device litigation, and related anticompetitive and unfair business practice claims. Mr. Ziegler received his law degree from the Tulane University School of Law and received his undergraduate degree from Loyola University. Mr. Ziegler is licensed to practice law in Pennsylvania and the State of Louisiana, and has been admitted to practice before several courts including the United States Court of Appeals for the Third Circuit.

Mr. Ziegler has represented investors, consumers and other clients in obtaining substantial recoveries, including: *In re Flonase Antitrust Litigation*; *In re Wellbutrin SR Antitrust Litigation*; *In re Modafinil Antitrust Litigation*; *In re Guidant Corp. Implantable Defibrillators Products Liability Litigation* (against manufacturers of defective medical devices — pacemakers/implantable defibrillators — seeking costs of removal and replacement); and *In re Actiq Sales and Marketing Practices Litigation* (regarding drug manufacturer's unlawful marketing, sales and promotional activities for non-indicated and unapproved uses).

ANDREW L. ZIVITZ, a partner of the Firm, received his law degree from Duke University School of Law, and received a Bachelor of Arts degree, with distinction, from the University of Michigan, Ann Arbor. Mr. Zivitz is licensed to practice in Pennsylvania and New Jersey.

Drawing on two decades of litigation experience, Mr. Zivitz concentrates his practice in the area of securities litigation and is currently litigating several of the largest federal securities fraud class actions in the U.S. Andy is skilled in all aspects of complex litigation, from developing and implementing strategies, to conducting merits and expert discovery, to negotiating resolutions. He has represented dozens of major institutional investors in securities class actions and has helped the firm recover more than \$1 billion for damaged clients and class members in numerous securities fraud matters in which Kessler Topaz was Lead or Co-Lead Counsel, including *David H. Luther, et al., v. Countrywide Financial Corp., et al.*, 2:12-cv-05125 (C.D.Cal. 2012) (settled -- \$500 million); *In re Pfizer Sec. Litig.*, 1:04-cv-09866 (S.D.N.Y. 2004) (settled -- \$486 million); *In re Tenet Healthcare Corp.*, 02-CV-8462 (C.D. Cal. 2002) (settled — \$281.5 million); *In re JPMorgan Chase & Co. Securities Litigation*, No. 12-3852-GBD (“London Whale Litigation”) (\$150 million recovery); *In re Computer Associates Sec. Litig.*, No. 02-CV-122 6 (E.D.N.Y. 2002) (settled — \$150 million); *In re Hewlett-Packard Sec. Litig.*, 12-cv-05980 (N.D.Cal. 2012) (settled - \$100 million); and *In re Minneapolis Firefighters' Relief Association v. Medtronic, Inc.*, No. 08-cv-06324-PAM-AJB (D. Minn.) (settled -- \$ 85 million).

Andy's extensive courtroom experience serves his clients well in trial situations, as well as pre-trial proceedings and settlement negotiations. He served as one of the lead plaintiffs' attorneys in the only securities fraud class action arising out of the financial crisis to be tried to a jury verdict, has handled a Daubert trial in the U.S. District Court for the Southern District of New York, and successfully argued back-to-back appeals before the Ninth Circuit Court of Appeals. Before joining Kessler Topaz, Andy worked at the international law firm Drinker Biddle and Reath, primarily representing defendants in large,

complex litigation. His experience on the defense side of the bar provides a unique perspective in prosecuting complex plaintiffs' litigation.

COUNSEL

JENNIFER L. ENCK, Counsel to the Firm, concentrates her practice in the area of securities litigation and settlement matters. Ms. Enck received her law degree, *cum laude*, from Syracuse University College of Law, where she was a member of the Syracuse Journal of International Law and Commerce, and her undergraduate degree in International Politics/International Studies from The Pennsylvania State University. Ms. Enck also received a Master's degree in International Relations from Syracuse University's Maxwell School of Citizenship and Public Affairs. She is licensed to practice in Pennsylvania and has been admitted to practice before the United States Court of Appeals for the Third and Eleventh Circuits and the United States District Court for the Eastern District of Pennsylvania.

Ms. Enck has been involved in documenting and obtaining the required court approval for many of the firm's largest and most complex securities class action settlements, including *In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation*, No. 09 MDL 2058 (S.D.N.Y.) (settled -- \$2.425 billion); *David H. Luther, et al., v. Countrywide Financial Corp., et al.*, 2:12-cv-05125 (C.D. Cal. 2012) (settled -- \$500 million); *In re: Lehman Brothers Securities and ERISA Litigation*, Master File No. 09 MD 2017 (LAK) (S.D.N.Y) (settled - \$516,218,000); and *In re Satyam Computer Services Ltd. Sec. Litig.*, Master File No. 09 MD 02027 (BSJ) (\$150.5 million settlement).

LISA LAMB PORT, Counsel to the Firm, concentrates her practice on consumer, antitrust, and securities fraud class actions. Ms. Lamb Port received her law degree, Order of the Coif, summa cum laude, from the Villanova University School of Law in 2003 and her Bachelor of Arts, cum laude, from Princeton University in 2000. Ms. Lamb Port is licensed to practice law in the Commonwealth Pennsylvania.

Prior to joining Kessler Topaz, Ms. Lamb Port was a partner at another class action firm, where she represented institutional and individual investors in securities fraud, breach of fiduciary duty, and shareholder derivative cases, as well as in litigation resulting from mergers and acquisitions.

DONNA SIEGEL MOFFA, Counsel to the Firm, concentrates her practice in the area of consumer protection litigation. Ms. Siegel Moffa received her law degree, with honors, from Georgetown University Law Center in May 1982 and a master's degree in Public Administration from Rutgers, the State University of New Jersey, Graduate School-Camden in January 2017. She received her undergraduate degree, *cum laude*, from Mount Holyoke College in Massachusetts. Ms. Siegel Moffa is admitted to practice before the Third Circuit Court of Appeals, the United States Courts for the District of New Jersey and the District of Columbia, as well as the Supreme Court of New Jersey and the District of Columbia Court of Appeals.

Prior to joining the Firm, Ms. Siegel Moffa was a member of the law firm of Trujillo, Rodriguez & Richards, LLC, where she litigated, and served as co-lead counsel, in complex class actions arising under federal and state consumer protection statutes, lending laws and laws governing contracts and employee compensation. Prior to entering private practice, Ms. Siegel Moffa worked at both the Federal Energy Regulatory Commission (FERC) and the Federal Trade Commission (FTC). At the FTC, she prosecuted cases involving allegations of deceptive and unsubstantiated advertising. In addition, both at FERC and the FTC, Ms. Siegel Moffa was involved in a wide range of administrative and regulatory issues including labeling and marketing claims, compliance, FOIA and disclosure obligations, employment matters, licensing and rulemaking proceedings.

Ms. Siegel Moffa served as co-lead counsel for the class in *Robinson v. Thorn Americas, Inc.*, L-03697-94 (Law Div. 1995), a case that resulted in a significant monetary recovery for consumers and changes to rent-to-own contracts in New Jersey. Ms. Siegel Moffa was also counsel in *Muhammad v. County Bank of Rehoboth Beach, Delaware*, 189 N.J. 1 (2006), U.S. Sup. Ct. cert. denied, 127 S. Ct. 2032(2007), in which the New Jersey Supreme Court struck a class action ban in a consumer arbitration contract. She has served as class counsel representing consumers pressing TILA claims, e.g. *Cannon v. Cherry Hill Toyota, Inc.*, 184 F.R.D. 540 (D.N.J. 1999), and *Dal Ponte v. Am. Mortg. Express Corp.*, CV- 04-2152 (D.N.J. 2006), and has pursued a wide variety of claims that impact consumers and individuals including those involving predatory and sub-prime lending, mandatory arbitration clauses, price fixing, improper medical billing practices, the marketing of light cigarettes and employee compensation. Ms. Siegel Moffa's practice has involved significant appellate work representing individuals, classes, and non-profit organizations participating as amicus curiae, such as the National Consumer Law Center and the AARP. In addition, Ms. Siegel Moffa has regularly addressed consumer protection and litigation issues in presentations to organizations and professional associations.

JONATHAN F. NEUMANN, Counsel to the Firm, concentrates his practice in the area of securities litigation and fiduciary matters. Mr. Neumann earned his Juris Doctor degree from Temple University Beasley School of Law, where he was an editor for the Temple International and Comparative Law Journal and a member of the Moot Court Honor Society. Mr. Neumann earned his undergraduate degree from the University of Delaware. Mr. Neumann is licensed to practice in Pennsylvania and New York. Prior to joining the Firm, Mr. Neumann served as a law clerk to the Honorable Douglas E. Arpert of the United States District Court for the District of New Jersey.

Mr. Neumann has represented institutional investors in obtaining substantial recoveries in numerous cases, including *In re Bank of New York Mellon Corp. Foreign Exchange Transactions Litig.*, No. 12-md-02335 (S.D.N.Y.) (\$335 million settlement); *Policemen's Annuity and Benefit Fund of the City of Chicago, et al. v. Bank of America, NA, et al.*, No. 12-cv-02865 (S.D.N.Y.) (\$69 million settlement); *In re NII Holdings Sec. Litig.*, No. 14-cv-227 (E.D. Va.) (settled \$41.5 million).

MICHELLE M. NEWCOMER, Counsel to the Firm, concentrates her practice in the area of securities litigation. Ms. Newcomer earned her law degree from Villanova University School of Law in 2005, and earned her B.B.A. in Finance and Art History from Loyola University Maryland in 2002. Ms. Newcomer is licensed to practice law in the Commonwealth of Pennsylvania and the State of New Jersey and has been admitted to practice before the United States Supreme Court, the United States Court of Appeals for the Second, Ninth and Tenth Circuits, and the United States District Court for the Districts of New Jersey and Colorado.

Ms. Newcomer has represented shareholders in numerous securities class actions in which the Firm has served as Lead or Co-Lead Counsel, through all aspects of pre-trial proceedings, including complaint drafting, litigating motions to dismiss and for summary judgment, conducting document, deposition and expert discovery, and appeal. Ms. Newcomer also has been involved in the Firm's securities class action trials, including most recently serving as part of the trial team in the Longtop Financial Technologies securities class action trial that resulted in a jury verdict on liability and damages in favor of investors. Ms. Newcomer began her legal career with the Firm in 2005. Prior to joining the Firm, she was a summer law clerk for the Hon. John T.J. Kelly, Jr. of the Pennsylvania Superior Court.

Ms. Newcomer's representative cases include: *In re Longtop Financial Technologies Ltd. Sec. Litig.* No. 11-cv-3658 (SAS) (S.D.N.Y.) – obtained on behalf of investors a jury verdict on liability and damages against the company's former CFO; *re Lehman Brothers Securities Litigation*, No. 1:09-md-02017-LAK (S.D.N.Y.) (\$616 million recovery); *In re Pfizer, Inc. Sec. Litig.*, No. 04-9866-LTS (S.D.N.Y.) – represents three of the court-appointed class representatives, and serves as additional counsel for the class in securities

fraud class action based on alleged misrepresentations and omissions concerning cardiovascular risks associated with Celebrex® and Bextra®, which survived Defendants' motion for summary judgment; *Connecticut Retirement Plans & Trust Funds et al. v. BP p.l.c. et al.* (S.D. Tex.) – represents several public pension funds in direct action asserting claims under Section 10(b) and Rule 10b-5, for purchases of BP ADRs on the NYSE, and under English law for purchasers of BP ordinary shares on the London Stock Exchange, which recently survived Defendants' motion to dismiss; litigation is ongoing.

ASSOCIATES & STAFF ATTORNEYS

CHIOMA C. ABARA, a staff attorney of the Firm, concentrates her practice in the area of corporate governance. Ms. Abara received her J.D. from Widener University School of Law, Harrisburg in 2005, and her B.S. in Computer & Information Sciences from Temple University in 2002. Ms. Abara is licensed to practice in Pennsylvania New Jersey and before the United States Patent & Trademark Office. Prior to joining the Kessler Topaz, Ms. Abara worked in pharmaceutical litigation.

SCOTT B. ADAMS, a staff attorney of the Firm, concentrates his practice in the areas of securities and consumer protection. Mr. Adams earned his Juris Doctor degree from Drexel University Thomas R. Kline School of Law in Philadelphia, Pennsylvania and his undergraduate degree from Saint Vincent College.

ASHER S. ALAVI, an associate of the Firm, concentrates his practice in the area of qui tam litigation. Mr. Alavi received his law degree, cum laude, from Boston College Law School in 2011 where he served as Note Editor for the Boston College Journal of Law & Social Justice. He received his undergraduate degree in Communication Studies and Political Science from Northwestern University in 2007. Mr. Alavi is licensed to practice law in Pennsylvania and Maryland. Prior to joining Kessler Topaz, Mr. Alavi was an associate with Pietragallo Gordon Alfano Bosick & Raspanti LLP in Philadelphia, where he worked on a variety of whistleblower and healthcare matters.

SARA A. ALSALEH, a staff attorney of the Firm, concentrates her practice in the area of securities litigation. Ms. Alsaleh earned her Juris Doctor degree from Widener University School of Law in Wilmington, Delaware, and her undergraduate degree from Pennsylvania State University. Ms. Alsaleh is admitted to practice in Pennsylvania and New Jersey.

During law school, Ms. Alsaleh interned at the U.S. Food and Drug Administration and the Delaware Department of Justice in the Consumer Protection & Fraud Division where she was heavily involved in protecting consumers within a wide variety of subject areas. Prior to joining the Firm, Ms. Alsaleh practiced in the areas of pharmaceutical & health law litigation, and was an Associate at a general practice firm in Bensalem, Pennsylvania.

DANIEL M. BAKER, an associate of the Firm, concentrates his practice in the areas of merger and acquisition litigation and shareholder derivative actions. Through his practice, Mr. Baker helps institutional and individual shareholders obtain significant financial recoveries and corporate governance reforms.

While in law school, Mr. Baker interned at the Securities Exchange Commission and the Financial Industry Regulatory Authority. Mr. Baker was also a member of the Villanova Law Review, and served as Online Articles Editor.

LaMARLON R. BARKSDALE, a staff attorney of the Firm, concentrates his practice in the area of securities litigation. Mr. Barksdale received his law degree from Temple University, James E. Beasley School of Law in 2005 and his undergraduate degree, cum laude, from the University of Delaware in 2001.

He is licensed to practice law in Pennsylvania and has been admitted to practice before the United States District Court for the Eastern District of Pennsylvania.

Prior to joining Kessler Topaz, Mr. Barksdale worked in complex pharmaceutical litigation, commercial litigation, criminal law and bankruptcy law.

ADRIENNE BELL, an associate of the Firm, focuses her practice on case development and client relations. Ms. Bell received her law degree from Brooklyn Law School and her undergraduate degree in Music Theory and Composition from New York University, where she graduated *magna cum laude*. Ms. Bell is licensed to practice in Pennsylvania. Prior to joining the Firm, Ms. Bell practiced in the areas of entertainment law and commercial litigation.

MATTHEW BENEDICT, an associate of the Firm, concentrates his practice in the area of mergers and acquisitions litigation and shareholder derivative litigation. Mr. Benedict earned his law degree from Villanova University School of Law and his undergraduate degree from Haverford College. He is licensed to practice law in Pennsylvania and New Jersey.

ELIZABETH WATSON CALHOUN, a staff attorney of the Firm, focuses on securities litigation. She has represented investors in major securities fraud and has also represented shareholders in derivative and direct shareholder litigation. Ms. Calhoun received her law degree from Georgetown University Law Center (*cum laude*), where she served as Executive Editor of the Georgetown Journal of Gender and the Law. She received her undergraduate degree in Political Science from the University of Maine, Orono (*with high distinction*). Ms. Calhoun is admitted to practice before the state court of Pennsylvania and the U.S. District Court for the Eastern District of Pennsylvania. Prior to joining the Firm, Ms. Calhoun was employed with the Wilmington, Delaware law firm of Grant & Eisenhofer, P.A.

KEVIN E.T. CUNNINGHAM, JR. an associate of the Firm, and focuses his practice in securities litigation. Kevin is a graduate of Temple University Beasley School of Law. Prior to joining the Firm, Kevin served as a law clerk for the Hon. Judge Paula Dow of the New Jersey Superior Court, Burlington County - Chancery Division. Kevin also served as a law clerk to the Hon. Brian A. Jackson of the United States District Court for the Middle District of Louisiana. Kevin is licensed to practice in Pennsylvania.

QUIANA CHAPMAN-SMITH, a staff attorney of the Firm, concentrates her practice in the area of securities litigation. She received her law degree from Temple University Beasley School of Law in Pennsylvania and her Bachelor of Science in Management and Organizations from The Pennsylvania State University. Ms. Chapman-Smith is licensed to practice law in the Commonwealth of Pennsylvania. Prior to joining Kessler Topaz, she worked in pharmaceutical litigation.

ELIZABETH DRAGOVICH, a staff attorney of the Firm, concentrates her practice in the area of securities litigation. Ms. Dragovich received her law degree from the University of Pennsylvania Law School in 2002, and her undergraduate degree from Carnegie Mellon University in 1999. Ms. Dragovich is licensed to practice law in Pennsylvania. Prior to joining Kessler Topaz, Elizabeth was a staff attorney with the Wilmington, Delaware law firm of Grant & Eisenhofer, P.A.

STEPHEN J. DUSKIN, a staff attorney of the Firm, concentrates his practice in the area of antitrust litigation. Mr. Duskin received his law degree from Rutgers School of Law at Camden in 1985, and his undergraduate degree in Mathematics from the University of Rochester in 1976. Mr. Duskin is licensed to practice law in Pennsylvania.

Prior to joining Kessler Topaz, Mr. Duskin practiced corporate and securities law in private practice and in corporate legal departments, and also worked for the U.S. Securities and Exchange Commission and the Resolution Trust Corporation.

DONNA EAGLESON, a staff attorney of the Firm, concentrates her practice in the area of securities litigation discovery matters. She received her law degree from the University of Dayton School of Law in Dayton, Ohio. Ms. Eagleson is licensed to practice law in Pennsylvania.

Prior to joining Kessler Topaz, Ms. Eagleson worked as an attorney in the law enforcement field, and practiced insurance defense law with the Philadelphia firm Margolis Edelstein.

PATRICK J. EDDIS, a staff attorney of the Firm, concentrates his practice in the area of corporate governance litigation. Mr. Eddis received his law degree from Temple University School of Law in 2002 and his undergraduate degree from the University of Vermont in 1995. Mr. Eddis is licensed to practice in Pennsylvania.

Prior to joining Kessler Topaz, Mr. Eddis was a Deputy Public Defender with the Bucks County Office of the Public Defender. Before that, Mr. Eddis was an attorney with Pepper Hamilton LLP, where he worked on various pharmaceutical and commercial matters.

KIMBERLY V. GAMBLE, a staff attorney of the Firm, concentrates her practice in the area of securities litigation. She received her law degree from Widener University, School of Law in Wilmington, DE. While in law school, she was a CASA/Youth Advocates volunteer and had internships with the Delaware County Public Defender's Office as well as The Honorable Judge Ann Osborne in Media, Pennsylvania. She received her Bachelor of Arts degree in Sociology from The Pennsylvania State University. Ms. Gamble is licensed to practice law in the Commonwealth of Pennsylvania. Prior to joining Kessler Topaz, she worked in pharmaceutical litigation.

GRANT D. GOODHART, an associate of the Firm, concentrates his practice in the areas of mergers and acquisitions litigation and stockholder derivative actions. Mr. Goodhart received his law degree, cum laude, from Temple University Beasley School of Law and his undergraduate degree, magna cum laude, from the University of Pittsburgh. He is licensed to practice law in Pennsylvania and New Jersey.

TYLER S. GRADEN, an associate of the Firm, focuses his practice on consumer protection and whistleblower litigation. Mr. Graden received his Juris Doctor degree from Temple Law School and his undergraduate degrees in Economics and International Relations from American University. Mr. Graden is licensed to practice law in Pennsylvania and New Jersey and has been admitted to practice before numerous United States District Courts.

Prior to joining Kessler Topaz, Mr. Graden practiced with a Philadelphia law firm where he litigated various complex commercial matters, and also served as an investigator with the Chicago District Office of the Equal Employment Opportunity Commission.

Mr. Graden has represented individuals and institutional investors in obtaining substantial recoveries in numerous class actions, including *Board of Trustees of the Buffalo Laborers Security Fund v. J.P. Jeanneret Associates, Inc.*, Case No. 09 Civ. 8362 (S.D.N.Y.) (settled - \$219 million); *Board of Trustees of the AFTRA Retirement Fund v. JPMorgan Chase Bank, NA.*, Case No. 09 Civ. 0686 (S.D.N.Y.) (settled - \$150 million); *In re Merck & Co., Inc. Vytarin ERISA Litig.*, Case No. 09 Civ. 1974 (D.N.J.) (settled - \$10.4 million); and *In re 2008 Fannie Mae ERISA Litigation*, Case No. 09-cv-1350 (S.D.N.Y.) (settled - \$9 million). Mr. Graden has also obtained favorable recoveries on behalf of multiple, nationwide classes of borrowers whose insurance was force-placed by their mortgage servicers.

STACEY A. GREENSPAN, an associate of the Firm, concentrates her practice in the areas of merger and acquisition litigation and shareholder derivative actions. Ms. Greenspan received her law degree from Temple University in 2007 and her undergraduate degree from the University of Michigan in 2001, with honors. Ms. Greenspan is licensed to practice in Pennsylvania.

Prior to joining Kessler Topaz, Ms. Greenspan served as an Assistant Public Defender in Philadelphia for almost a decade, litigating hundreds of trials to verdict. Ms. Greenspan also worked at the Trial and Capital Habeas Units of the Federal Community Defender Office of the Eastern District of Pennsylvania throughout law school. At Kessler Topaz, she has assisted the Firm in obtaining a substantial recovery in a large class action on behalf of an institutional client in *City of Daytona Beach Police and Fire Pension Fund v. ExamWorks Group, Inc., et al.*, C.A. No. 12481-VCL (Del. Ch. Sept. 12, 2017) (\$86.5 million settlement relating to the acquisition of ExamWorks Group, Inc. by private equity firm Leonard Green & Partners, LP.). In addition, Ms. Greenspan served as co-lead counsel in *In re Ebix, Inc. S'holder Litig.*, Consol. C.A. No. 8526-VCS (Del. Ch. Apr. 5, 2019), a case that challenged an improper executive bonus worth \$825 million for the company's CEO. After five years of hard fought litigation and a trial the case settled for corporate governance measures and an amendment to the CEO's stock appreciation rights agreement.

KEITH S. GREENWALD, a staff attorney of the Firm, concentrates his practice in the area of securities litigation. Mr. Greenwald received his law degree from Temple University, Beasley School of Law in 2013 and his undergraduate degree in History, summa cum laude, from Temple University in 2004. Mr. Greenwald is licensed to practice law in Pennsylvania.

Prior to joining Kessler Topaz, Mr. Greenwald was a contract attorney on various projects in Philadelphia and was at the International Criminal Tribunal for the Former Yugoslavia, at The Hague in The Netherlands, working in international criminal law.

JOHN J. GROSSI, a staff attorney at the Firm, focuses his practice on securities litigation. Mr. Grossi received his law degree from Widener University Delaware School of Law and graduated *cum laude* from Curry College. He is licensed to practice law in Pennsylvania. Prior to joining the Firm as a Staff Attorney, Mr. Grossi was employed in the Firm's internship program as a Summer Law Clerk, where he was also a member of the securities fraud department.

During his time as a Summer Law Clerk, Mr. Grossi conducted legal research for several securities fraud class actions on behalf of shareholders, including Bank of America related to its acquisition of Merrill Lynch, Lehman Brothers, St. Jude Medical and NII Holdings.

NATHAN A. HASIUK, an associate of the Firm, concentrates his practice on securities litigation. Mr. Hasiuk received his law degree from Temple University Beasley School of Law, and graduated *summa cum laude* from Temple University. He is licensed to practice in Pennsylvania and New Jersey and has been admitted to practice before the United States District Court for the District of New Jersey. Prior to joining the Firm, Mr. Hasiuk was an Assistant Public Defender in Philadelphia.

ALEX B. HELLER, an associate of the Firm, concentrates his practice in the areas of merger and acquisition litigation and shareholder derivative actions. Alex helps shareholders obtain financial recoveries and the implementation of corporate governance reforms. Alex received his law degree from the George Mason University Antonin Scalia Law School in 2015 and his undergraduate degree from American University in 2008. While in law school, Alex served as an associate editor for the George Mason Law Review. Prior to joining the Firm, Alex was a partner at a plaintiffs' litigation firm, where he served as chair of the shareholder derivative litigation practice group. Alex is a Certified Public Accountant (CPA). Prior

to his legal career, Alex practiced as a CPA for several years, advising businesses and auditing large corporations.

EVAN R. HOEY, an associate of the Firm, focuses his practice on securities litigation. Mr. Hoey received his law degree from Temple University Beasley School of Law, where he graduated *cum laude*, and graduated *summa cum laude* from Arizona State University. He is licensed to practice in Pennsylvania and is admitted to practice before the United States District Court for the Eastern District of Pennsylvania.

SUFEI HU, a staff attorney of the Firm, concentrates her practice in the area of securities litigation. She received her J.D. from Villanova University School of Law, where she was a member of the Moot Court Board. Ms. Hu received her undergraduate degree from Haverford College in Political Science, with honors. She is licensed to practice law in Pennsylvania and New Jersey, and is admitted to the United States District Court of the Eastern District of Pennsylvania. Prior to joining the Firm, Ms. Hu worked in pharmaceutical, anti-trust, and securities law.

JORDAN JACOBSON, an associate of the Firm, concentrates her practice in securities litigation. Ms. Jacobson received her law degree from Georgetown University in 2014 and her undergraduate degrees in history and political science from Arizona State University in 2011. Prior to joining the Firm, Ms. Jacobson clerked for the honorable Deborah J. Saltzman, United States Bankruptcy Judge, in the Central District of California. Ms. Jacobson was also previously an associate at O'Melveny & Myers LLP, and an attorney in the General Counsel's office of the Pension Benefit Guaranty Corporation in Washington, D.C. Ms. Jacobson is licensed to practice law in California and Virginia and will sit for the July 2020 Pennsylvania bar exam.

JOSHUA A. LEVIN, a staff attorney of the Firm, concentrates his practice in the area of securities litigation. Mr. Levin received his law degree from Widener University School of Law, and earned his undergraduate degree from The Pennsylvania State University. Mr. Levin is licensed to practice in Pennsylvania and New Jersey. Prior to joining Kessler Topaz, he worked in pharmaceutical litigation.

HENRY W. LONGLEY, an associate of the Firm, concentrates his practice in the area of securities litigation. Mr. Longley earned his law degree from Temple University Beasley School of Law, where he was Note/Comment Editor of the Temple International & Comparative Law Journal. He was also a member of the Jessup International Law Moot Court Team and the Rubin Public Interest Law Honor Society, and received Temple's Certificate in Trial Advocacy and Litigation. Mr. Longley earned his undergraduate degree from William & Mary.

AUSTIN MANNING, an associate of the Firm, graduated *magna cum laude* from Temple University's James E. Beasley School of Law and received her Bachelor of Science in Economics from Penn State University. During law school, Ms. Manning served as a Staff Editor for the Temple Law Review. In her final year, she studied at the University of Lucerne in Lucerne, Switzerland where she received her Global Legal Studies Certificate with a focus on international economic law, human rights, and sustainability. While in Law School, Ms. Manning served as a judicial intern to the Hon. Michael M. Baylson of the U.S. District Court for the Eastern District of Pennsylvania and to the Hon. Arnold L. New of the Pennsylvania Court of Common Pleas. Prior to joining the firm, Ms. Manning was a regulatory and litigation associate for a boutique environmental law firm in the Philadelphia area.

JOHN J. McCULLOUGH, a staff attorney of the Firm, concentrates his practice in the area of securities litigation. In 2012, Mr. McCullough passed the CPA Exam. Mr. McCullough earned his Juris Doctor degree from Temple University School of Law, and his undergraduate degree from Temple University. Mr. McCullough is licensed to practice in Pennsylvania.

LAUREN M. McGINLEY, an associate of the Firm, concentrates her practice in the areas of securities and consumer protection. Ms. McGinley received her undergraduate degree from Temple University in 2013 and her law degree from Drexel University, Thomas R. Kline School of Law in 2017. While at Drexel, Ms. McGinley received the Dean's Scholar for Excellence in Civil Procedure in 2015.

Prior to joining the Firm, Ms. McGinley clerked for the honorable Judge Alia Moses in the Western District of Texas from September 2017-August 2019.

STEVEN D. McLAIN, a staff attorney of the Firm, concentrates his practice in mergers and acquisition litigation and stockholder derivative litigation. He received his law degree from George Mason University School of Law, and his undergraduate degree from the University of Virginia. Mr. McLain is licensed to practice in Virginia. Prior to joining Kessler, Topaz, he practiced with an insurance defense firm in Virginia.

STEFANIE J. MENZANO, a staff attorney of the Firm, concentrates her practice in the area of securities litigation. Ms. Menzano received her law degree from Drexel University School of Law in 2012 and her undergraduate degree in Political Science from Loyola University Maryland. Ms. Menzano is licensed to practice law in Pennsylvania and New Jersey.

Prior to joining Kessler Topaz, Ms. Menzano was a fact witness for the Institute for Justice. During law school, Ms. Menzano served as a case worker for the Pennsylvania Innocence Project and as a judicial intern under the Honorable Judge Mark Sandson in the Superior Court of New Jersey, Atlantic County.

VANESSA M. MILAN, a staff attorney of the Firm, concentrates her practice in the area of securities fraud litigation. Ms. Milan is an associate in the Firm's Philadelphia office and received her law degree from Temple University Beasley School of Law in 2019 and her undergraduate degrees in Government & Law and English from Lafayette College in 2016. While in law school, Ms. Milan served as an Articles Editor for the Temple Law Review. Prior to joining the firm, Ms. Milan served as a judicial law clerk to the Honorable Robert D. Mariani, United States District Court Judge for the Middle District of Pennsylvania. Ms. Milan is licensed to practice law in New York.

TIMOTHY A. NOLL, a staff attorney of the Firm, concentrates his practice in the area of securities fraud litigation. Mr. Noll received his law degree from the Southwestern University School of Law and his undergraduate degree in Communications from Temple University. Prior to joining the Firm, Mr. Noll was a staff attorney at Grant & Eisenhofer, P.A. and also worked in pharmaceutical litigation.

ELAINE M. OLDENETTEL, a staff attorney of the Firm, concentrates her practice in consumer and ERISA litigation. She received her law degree from the University of Maryland School of Law and her undergraduate degree in International Studies from the University of Oregon. While attending law school, Ms. Oldenettel served as a law clerk for the Honorable Robert H. Hodges of the United States Court of Federal Claims and the Honorable Marcus Z. Shar of the Baltimore City Circuit Court. Ms. Oldenettel is licensed to practice in Pennsylvania and Virginia.

ALLYSON M. ROSSEEL, a staff attorney of the Firm, concentrates her practice at Kessler Topaz in the area of securities litigation. She received her law degree from Widener University School of Law, and earned her B.A. in Political Science from Widener University. Ms. Rosseel is licensed to practice law in Pennsylvania and New Jersey. Prior to joining the Firm, Ms. Rosseel was employed as general counsel for a boutique insurance consultancy/brokerage focused on life insurance sales, premium finance and structured settlements.

DANIEL B. ROTKO, an associate of the Firm, concentrates his practice in the area of securities-related litigation matters. Prior to joining Kessler Topaz, Daniel was an associate for over five years at Drinker Biddle & Reath LLP (now known as Faegre Drinker Biddle & Reath LLP) and his practice primarily concerned representing insurers in civil matters litigated across the country. Daniel received his law degree from the University of Pennsylvania and his undergraduate degree from Gettysburg College. Daniel is admitted to practice in Pennsylvania and New Jersey.

KARRISA J. SAUDER, an associate of the Firm, concentrates her practice on new matter development with a focus on analyzing securities, consumer, and antitrust class action lawsuits, as well as direct (or opt-out) actions. Prior to joining the firm, Karissa was an associate with Berger Montague, where she litigated complex antitrust class action lawsuits, and served as a judicial law clerk to the Honorable Eduardo C. Robreno, United States District Judge for the Eastern District of Pennsylvania. Karissa received her law degree from Harvard Law School in 2014 and her undergraduate degree from Eastern Mennonite University in 2010. While in law school, Karissa served as Managing Editor of the Harvard Law Review.

MICHAEL J. SECHRIST, a staff attorney at the Firm, concentrates his practice in the area of securities litigation. Mr. Sechrist received his law degree from Widener University School of Law in 2005 and his undergraduate degree in Biology from Lycoming College in 1998. Mr. Sechrist is licensed to practice law in Pennsylvania. Prior to joining Kessler Topaz, Mr. Sechrist worked in pharmaceutical litigation.

IGOR SIKAVICA, a staff attorney of the Firm, practices in the area of corporate governance litigation, with a focus on transactional and derivative cases. Mr. Sikavica received his J.D. from the Loyola University Chicago School of Law and his LL.B. from the University of Belgrade Faculty Of Law. Mr. Sikavica is licensed to practice in Pennsylvania. Mr. Sikavica's licenses to practice law in Illinois and the former Yugoslavia are no longer active.

Prior to joining Kessler Topaz, Mr. Sikavica has represented clients in complex commercial, civil and criminal matters before trial and appellate courts in the United States and the former Yugoslavia. Also, Mr. Sikavica has represented clients before international courts and tribunals, including – the International Criminal Tribunal for the Former Yugoslavia (ICTY), European Court of Human Rights and the UN Committee Against Torture.

NATHANIEL SIMON, an associate of the Firm, concentrates his practice in securities litigation. Before joining the firm, Nathaniel served as a judicial law clerk to the Honorable Mark A. Kearney, United States District Judge for the Eastern District of Pennsylvania. Nathaniel received his law degree from Villanova University, Charles Widger School of Law in 2018 and his undergraduate degree from Gettysburg College in 2014. While in law school, Nathaniel served as an Articles Editor for the *Villanova Law Review*.

MELISSA J. STARKS, a staff attorney of the Firm, concentrates her practice in the area of securities litigation. Ms. Starks earned her Juris Doctor degree from Temple University--Beasley School of Law, her LLM from Temple University--Beasley School of Law, and her undergraduate degree from Lincoln University. Ms. Starks is licensed to practice in Pennsylvania.

MARIA THEODORA STARLING, a staff attorney of the Firm, concentrates her practice in the area of corporate governance litigation. Ms. Starling graduated from the Villanova University Charles Widger School of Law in 2020. While in law school, Ms. Starling interned as a law clerk to the Hon. Steven C. Tolliver of the Montgomery County Court of Common Pleas and as a summer associate at Fox Rothschild. Ms. Starling was also a member of the Villanova Law Moot Court Board and the Vice President of the Fashion Law Society.

MICHAEL P. STEINBRECHER, a staff attorney of the Firm, concentrates his practice in the area of securities litigation. Mr. Steinbrecher earned his Juris Doctor from Temple University James E. Beasley School of Law, and received his Bachelors of Arts in Marketing from Temple University. Mr. Steinbrecher is licensed to practice in Pennsylvania and New Jersey. Prior to joining Kessler Topaz, he worked in pharmaceutical litigation.

BRIAN W. THOMER, a staff attorney of the Firm, concentrates his practice in the area of securities litigation. Mr. Thomer received his Juris Doctor degree from Temple University Beasley School of Law, and his undergraduate degree from Widener University. Mr. Thomer is licensed to practice in Pennsylvania.

ALEXANDRA H. TOMICH, a staff attorney of the Firm, concentrates her practice in the area of securities litigation. She received her law degree from Temple Law School and her undergraduate degree from Columbia University with a B.A. in English. She is licensed to practice law in Pennsylvania.

Prior to joining Kessler Topaz, she worked as an associate at Trujillo, Rodriguez, and Richards, LLC in Philadelphia. Ms. Tomich volunteers as an advocate for children through the Support Center for Child Advocates in Philadelphia and at Philadelphia VIP.

JACQUELINE A. TRIEBL, a staff attorney of the Firm, concentrates her practice in the area of securities litigation. Ms. Triebel received her law degree, cum laude, from Widener University School of Law in 2007 and her undergraduate degree in English from The Pennsylvania State University in 1990. Ms. Triebel is licensed to practice law in Pennsylvania and New Jersey.

KURT WEILER, a staff attorney of the Firm, concentrates his practice in the area of securities litigation. He received his law degree from Duquesne University School of Law, where he was a member of the Moot Court Board and McArdle Wall Honoree, and received his undergraduate degree from the University of Pennsylvania. Mr. Weiler is licensed to practice law in Pennsylvania.

Prior to joining Kessler Topaz, Mr. Weiler was associate corporate counsel for a Philadelphia-based mortgage company, where he specialized in the area of foreclosures and bankruptcy.

ANNE M. ZANESKI*, a staff attorney of the Firm, concentrates her practice in the area of securities litigation. Ms. Zaneski received her J.D. from Brooklyn Law School where she was a recipient of the CALI Award of Excellence, and her B.A. from Wellesley College. She is licensed to practice law in New York and Pennsylvania.

Prior to joining the Firm, she was an associate with a boutique securities litigation law firm in New York City and served as a legal counsel with the New York City Economic Development Corporation in the areas of bond financing and complex litigation.

* Admitted as Anne M. Zaniewski in Pennsylvania.

PROFESSIONALS

WILLIAM MONKS, CPA, CFF, CVA, Director of Investigative Services at Kessler Topaz Meltzer & Check, LLP (“Kessler Topaz”), brings nearly 30 years of white collar investigative experience as a Special Agent of the Federal Bureau of Investigation (FBI) and “Big Four” Forensic Accountant. As the Director, he leads the Firm’s Investigative Services Department, a group of highly trained professionals dedicated to investigating fraud, misrepresentation and other acts of malfeasance resulting in harm to institutional and individual investors, as well as other stakeholders.

William's recent experience includes being the corporate investigations practice leader for a global forensic accounting firm, which involved widespread investigations into procurement fraud, asset misappropriation, financial statement misrepresentation, and violations of the Foreign Corrupt Practices Act (FCPA).

While at the FBI, William worked on sophisticated white collar forensic matters involving securities and other frauds, bribery, and corruption. He also initiated and managed fraud investigations of entities in the manufacturing, transportation, energy, and sanitation industries. During his 25 year FBI career, William also conducted dozens of construction company procurement fraud and commercial bribery investigations, which were recognized as a "Best Practice" to be modeled by FBI offices nationwide.

William also served as an Undercover Agent for the FBI on long term successful operations targeting organizations and individuals such as the KGB, Russian Organized Crime, Italian Organized Crime, and numerous federal, state and local politicians. Each matter ended successfully and resulted in commendations from the FBI and related agencies.

William has also been recognized by the FBI, DOJ, and IRS on numerous occasions for leading multi-agency teams charged with investigating high level fraud, bribery, and corruption investigations. His considerable experience includes the performance of over 10,000 interviews incident to white collar criminal and civil matters. His skills in interviewing and detecting deception in sensitive financial investigations have been a featured part of training for numerous law enforcement agencies (including the FBI), private sector companies, law firms and accounting firms.

Among the numerous government awards William has received over his distinguished career is a personal commendation from FBI Director Louis Freeh for outstanding work in the prosecution of the West New York Police Department, the largest police corruption investigation in New Jersey history.

William regards his work at Kessler Topaz as an opportunity to continue the public service that has been the focus of his professional life. Experience has shown and William believes, one person with conviction can make all the difference. William looks forward to providing assistance to any aggrieved party, investor, consumer, whistleblower, or other witness with information relative to a securities fraud, consumer protection, corporate governance, qui-tam, anti-trust, shareholder derivative, merger & acquisition or other matter.

Education

Pace University: Bachelor of Business Administration (cum laude)

Florida Atlantic University: Master's in Forensic Accounting (cum laude)

BRAM HENDRIKS, European Client Relations Manager at Kessler Topaz Meltzer & Check, LLP ("Kessler Topaz"), guides European institutional investors through the intricacies of U.S. class action litigation as well as securities litigation in Europe and Asia. His experience with securities litigation allows him to translate complex document and discovery requirements into straightforward, practical action. For shareholders who want to effect change without litigation, Bram advises on corporate governance issues and strategies for active investment.

Bram has been involved in some of the highest-profile U.S. securities class actions of the last 20 years. Before joining Kessler Topaz, he handled securities litigation and policy development for NN Group N.V., a publicly-traded financial services company with approximately EUR 197 billion in assets under management. He previously oversaw corporate governance activities for a leading Amsterdam pension fund manager with a portfolio of more than 4,000 corporate holdings.

A globally-respected investor advocate, Bram has co-chaired the International Corporate Governance Network Shareholder Rights Committee since 2009. In that capacity, he works with investors from more than 50 countries to advance public policies that give institutional investors a voice in decision-making. He is a sought-after speaker, panelist and author on corporate governance and responsible investment policies. Based in the Netherlands, Bram is available to meet with clients personally and provide hands-on-assistance when needed.

Education

University of Amsterdam, MSc International Finance, specialization Law & Finance, 2010

Maastricht Graduate School of Governance, MSc in Public Policy and Human Development, specialization WTO law, 2006 Tilburg University, Public Administration and administrative law B.A., 2004

Exhibit 5

EXHIBIT 5

In re Baxter International Inc. Securities Litigation,
Case No. 1:19-cv-07786 (N.D. Ill.)

BREAKDOWN OF ALL EXPENSES BY CATEGORY

CATEGORY	AMOUNT
Court Fees	\$ 850.00
Service of Process	206.25
On-Line Factual Research	18,216.22
On-Line Legal Research	16,248.32
Telephone	87.13
Postage & Express Mail	312.19
Document Hosting & Management	1,004.64
Internal Copying and Printing	545.00
Working Meals	161.12
Experts & Consultants	48,907.50
Mediation Fees	10,000.00
TOTAL EXPENSES:	\$96,538.37

Exhibit 6

CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

Securities Class Action Filings

2020 Year in Review

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Executive Summary

As courts and firms sought to adapt to operating in a worldwide pandemic, the total number of securities class action filings fell below 400—to 334—for the first time since 2016.

Despite the lower filing activity, market capitalization losses were comparable to the elevated levels seen over the past three years and were driven by several mega filings.

Number and Size of Filings

- Plaintiffs filed 334 **new class action securities cases** (filings) across federal and state courts in 2020, a 22% decline from 427 in 2019. The 2020 total, however, is still 49% higher than the 1997–2019 average. “Core” filings—those excluding M&A filings—fell 12% to 234. (page 5)
- Federal and state court class actions alleging **claims under the Securities Act of 1933** (1933 Act) fell dramatically in the fourth quarter of 2020, contributing to the overall reduction in filings. (page 21)
- **Disclosure Dollar Loss (DDL)** decreased by 13% to \$245 billion in 2020. (pages 8–9)
- **Maximum Dollar Loss (MDL)** increased by 33% to \$1,584 billion due to several mega filings. (page 10)
- Although the number of **mega DDL filings** increased from eight in 2019 to 13 in 2020, total DDL from mega filings decreased by \$1 billion. There were 30 **mega MDL filings** in 2020, more than twice the historical average. (page 31)

Other Measures of Filing Intensity

- The percentage of **U.S. exchange-listed companies** subject to filings decreased for the first time in eight years, from a record high of 8.9% in 2019 to 6.3% in 2020. (page 12)
- 4.4% of **S&P 500** companies were defendants in a core federal filing during 2020, the lowest percentage since 2015. (pages 13–14)
- Monthly filing activity in 2020 had very large fluctuations, with both the lowest (November) and highest (April) monthly totals of core filings in the last three years. (page 6)

Class action securities filing activity in 2020 fell 22% from 2019.

Figure 1: Federal and State Class Action Filings Summary

(Dollars in Billions)

	Annual (1997–2019)			2019	2020
	Average	Maximum	Minimum		
Class Action Filings	224	427	120	427	334
Core Filings	190	267	120	267	234
Disclosure Dollar Loss (DDL)	\$136	\$331	\$42	\$282	\$245
Maximum Dollar Loss (MDL)	\$662	\$2,046	\$145	\$1,187	\$1,584

Note: This figure presents data on a combined federal and state filings basis. Filings in federal courts may have parallel cases filed in state courts. When parallel cases are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure's filing counts may not match those in Figures 18, 21, 27, 31, or 32.

Key Trends in Federal Filings

The percentage of U.S. exchange-listed companies subject to filings experienced the largest one-year drop on record. Core filings in federal courts against non-U.S. issuers (i.e., companies headquartered outside the U.S. with securities trading on U.S. exchanges) reached record levels.

U.S. Companies

- In 2020, the likelihood of core filings and M&A filings targeting **U.S. exchange-listed companies** dropped to their lowest combined level since 2016. (page 12)
- Core federal filings against **S&P 500 firms** in 2020 occurred at a rate of 4.4%, falling below the 2001–2019 average of 5.5%. (page 13)

Non-U.S. Companies

- Core federal filings against **non-U.S. companies** rose to 74, the highest level on record. (page 28)
- The likelihood of a core federal filing against a non-U.S. company surpassed the likelihood of such a filing against an S&P 500 company, largely driven by a decrease in likelihood of filings against S&P 500 companies. (page 30)

By Industry

- The majority of sectors saw a similar number of core federal filings in 2020 as in 2019. (page 32)
- 2020 core federal filings in the **Consumer Non-Cyclical, Communications, and Industrial** categories were lower than 2019 numbers. (page 32)

By Circuit

- There were 77 and 79 core federal filings in the **Second and Ninth Circuits**, respectively. Ninth Circuit core federal filings were the highest on record for that circuit. (page 33)
- Core federal filings in the **First Circuit** were the lowest on record with just two filings in 2020 compared with the 1997–2019 historical average of nine. (page 33)

M&A Filings

- Federal filings of **M&A class actions**—those involving M&A transactions with Section 14 claims but no Rule 10b-5, Section 11, or Section 12(a) claims—decreased again, from 160 in 2019 to 100 in 2020. (page 5)
- M&A filings continued to be concentrated in the **Third Circuit**. In 2020, 86% of M&A filings were filed in Delaware courts. (page 15)
- M&A filings had a much higher rate of dismissal (90%) than core federal filings (47%) from 2010 to 2019. (page 17)

Dismissal Rates by Plaintiffs' Counsel

- Complaints filed by the **three plaintiff law firms** that have most frequently filed first identified complaints have higher dismissal rates than those filed by other plaintiffs' counsel. (page 34)

Federal Filing Lag

- The median **filing lag** has remained higher than the 1997–2019 median, but is much lower for the three plaintiff law firms that have most frequently filed first identified complaints. (page 27)

New Developments

- Four California trial courts have followed the Delaware Supreme Court's decision in *Salzberg v. Sciabacucchi* (*Sciabacucchi*) enforcing federal forum-selection provisions in corporate charters. (page 35)
- The SEC's Division of Corporation Finance issued "CF Disclosure Guidance: Topic No. 10," which identified disclosure considerations for China-based companies that list on U.S. exchanges. (page 35)
- The explosion of IPOs involving special purpose acquisition companies (SPACs) in 2020 may lead to a higher number of Section 11 filings in 2021 and beyond. (page 35)

Featured: Annual Rank of Filing Intensity

Filing activity in 2020 declined dramatically from the record high filing counts observed in 2019. M&A filings have continued to decline since reaching their peak in 2017, but were also lower in 2020 than in the two previous years due to fewer large mergers.¹ Core filings in state courts have also fallen sharply, likely in response to the Delaware Supreme Court ruling in *Sciabacucchi*.

Core federal filings against companies in the S&P 500 index occurred with much lower frequency than in 2019, falling below the 2001–2019 average. Maximum Dollar Loss (MDL) reached its highest point since 2002. Disclosure Dollar Loss (DDL) remained elevated as well, but fell from the record highs seen in 2018–2019.

Figure 2: Annual Rank of Measurements of Federal and State Filing Intensity

	2018	2019	2020
Number of Total Filings	2nd	1st	4th
Core Filings	3rd	1st	4th
M&A Filings	2nd	3rd	4th
Size of Core Filings			
Disclosure Dollar Loss	1st	2nd	3rd
Maximum Dollar Loss	4th	5th	2nd
Percentage of U.S. Exchange-Listed Companies Sued			
Total Filings	2nd	1st	4th
Core Filings	2nd	1st	3th
Percentage of S&P 500 Companies Subject to Core Federal Filings	2nd	4th	14th

Note: Rankings cover 1997 through 2020 with the exceptions of M&A filings, which have been tracked as a separate category since 2009, and analysis of the litigation likelihood of S&P 500 companies, which began in 2001. M&A filings are securities class actions filed in federal courts that have Section 14 claims, but no Rule 10b-5, Section 11, or Section 12(a) claims, and involve merger and acquisition transactions. Core filings are all state 1933 Act class actions and all federal securities class actions excluding those defined as M&A filings. 1933 Act filings brought in state courts are included in the rankings in all categories beginning in 2010, except the Percentage of S&P 500 Companies Subject to Core Federal Filings.

1. The number of non-withdrawn mergers over \$100 million with a public company target whose shares or American depository receipts (ADRs) traded on a U.S. exchange fell from approximately 140 with announcement dates in 2019 to fewer than 100 with announcement dates in 2020.

Featured: State Court 1933 Act Filings

State court securities class action filings with 1933 Act claims decreased substantially in 2020, likely due to the March 2020 Delaware Supreme Court decision in *Sciabacucchi* regarding the validity and enforceability of federal forum-selection provisions in corporate charters. This decline is in sharp contrast to the substantial increase in state 1933 Act securities filings in the last few years, which reached a historic high in 2019.

- The number of state 1933 Act filings in 2020 fell sharply from 53 to 17, particularly in the second half of 2020 when only four filings occurred, likely in response to two factors: (1) the *Sciabacucchi* ruling, and (2) strong stock market performance that makes it less likely that a company's stock price will fall below its price as of the time of the registration statement. (pages 5, 21, 24)
- State 1933 Act filings in California courts continued to decline in 2020 with only four such filings, all but one of which had a parallel action in federal courts.
- New York remained the preferred venue for state 1933 Act filings, with seven of the 10 filings that were only filed in state courts.
- The number of state 1933 Act filings in 2020 dropped by 68% from 2019, reverting to roughly the average level from 2010 through 2019.

The number of state court 1933 Act filings decreased sharply in 2020, likely in response to the Sciabacucchi ruling.

Figure 3: State Court 1933 Act Class Action Filings Summary

	Average 2010–2019	2019	2020
State Court 1933 Act Class Action Filings			
Filings in State Courts Only	8	28	10
California	4	5	1
New York	2	13	7
All Other States	2	10	2
Parallel Filings in State and Federal Courts	9	25	7
Total	16	53	17

Note:

1. This figure presents combined federal and state data. Filings in federal courts may have parallel cases filed in state courts. When parallel cases are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure's filing counts may not match those in Figures 18, 21, 27, 31, or 32.
2. Beginning in 2018, the Securities Class Action Clearinghouse began tracking 1933 Act filings in California state courts containing Section 11 or Section 12 claims; there were six filings in California state courts with only Section 12 claims in 2018. Filings in other state courts are currently only those with Section 11 claims.
3. Figures may not sum due to rounding.

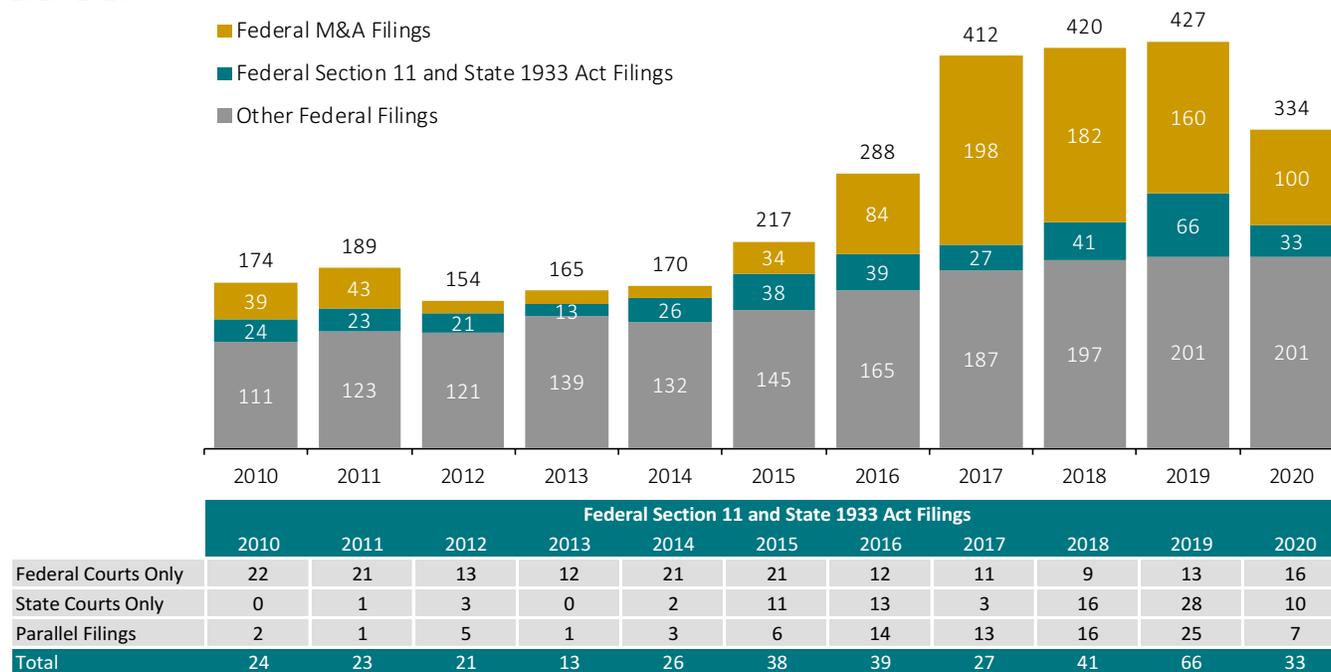
Combined Federal and State Filing Activity

- Plaintiffs filed 334 new securities class actions across federal and state courts, a 20% drop from the 2017–2019 average of 420, but still higher than 2010–2016 levels.

The number of class action filings across federal and state venues dropped largely due to a decline in M&A and state 1933 Act filings.

- The 234 new core securities class actions (consisting of 33 federal Section 11 and state 1933 Act filings, and 201 other federal filings) was only slightly lower than the 2017–2019 average of 240. However, M&A filings fell 38% from 2019.
- Of the 33 federal Section 11 and state 1933 Act filings, only 10 were filed exclusively in state courts—a 64% decrease from 2019.
- 48% of all federal Section 11 and state 1933 Act filings were federal-only filings, compared to 20% in 2019.
- Parallel filings in state and federal courts plummeted from 25 filings in 2019 to seven filings in 2020.

Figure 4: Federal Section 11 and State 1933 Act Class Action Filings by Venue 2010–2020



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Bloomberg Law; Institutional Shareholder Services’ Securities Class Action Services (ISS’ SCAS)

Note:

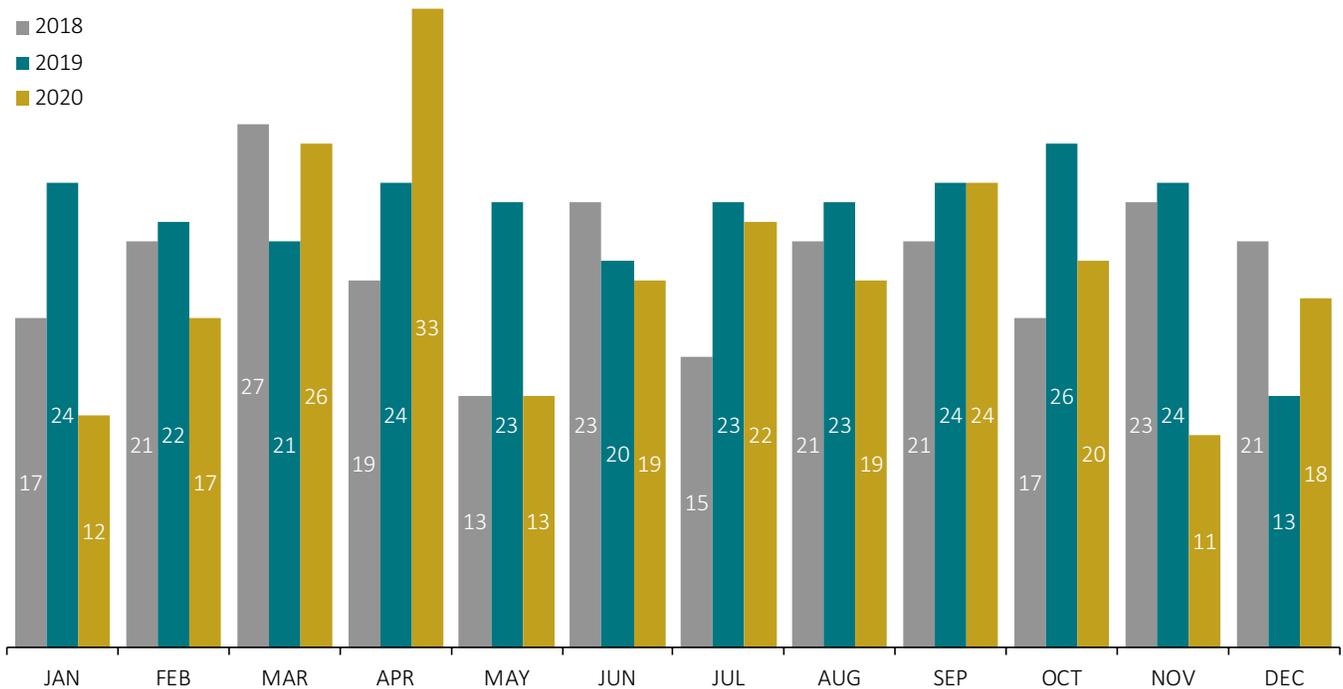
1. The federal Section 11 data displayed may contain Rule 10b-5 claims, but state 1933 Act filings do not.
2. This figure presents combined federal and state data. Filings in federal courts may have parallel cases filed in state courts. When parallel cases are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure’s filing counts may not match those in Figures 18, 21, 27, 31, or 32.
3. Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims.

Filing Counts by Month

- After lower filing activity in January, the number of filings steadily increased through April before declining again in May. Filings in June then rebounded to monthly totals higher than those in January and February. From July through October, filings were roughly in line with the monthly number of filings in the past two years, but in November, filings sharply declined to less than half of what they were in 2018 and 2019. The year ended with 18 filings in December, five more than in 2019.
- The peak in April was influenced by the filings on April 3, 2020, of 11 similar securities class actions brought by two law firms against companies that had initial coin offerings or that provided exchanges for the trading of cryptocurrencies.
- Monthly filing activity may generally be explained by stock market performance. Market performance was strong in January and February, followed by a sharp decline in March due to the onset of the COVID-19 pandemic. The S&P 500 index hit its lowest point for the year in late March, but then rose by 68% to finish the year up more than 16% compared to the beginning of the year, despite the pandemic.

Filing activity in 2020 had very large fluctuations, with both the lowest (November) and highest (April) monthly totals of core filings in the last three years.

Figure 5: Number of Core Filings by Month 2018–2020



Note:

1. Counts include core filings in federal court and 1933 Act filings in state court. Core filings exclude M&A filings.
2. This figure presents combined federal and state data. Filings in federal courts may have parallel cases filed in state courts. When parallel cases are filed in different months, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure’s filing counts may not match those in Figures 18, 21, 27, 31, or 32.
3. On April 3, 2020, 11 similar securities class actions brought by two law firms were filed against companies that had initial coin offerings or that provided exchanges for the trading of cryptocurrencies.

Summary of Trend Cases

This figure highlights different trends that have appeared in core filing activity in recent years.

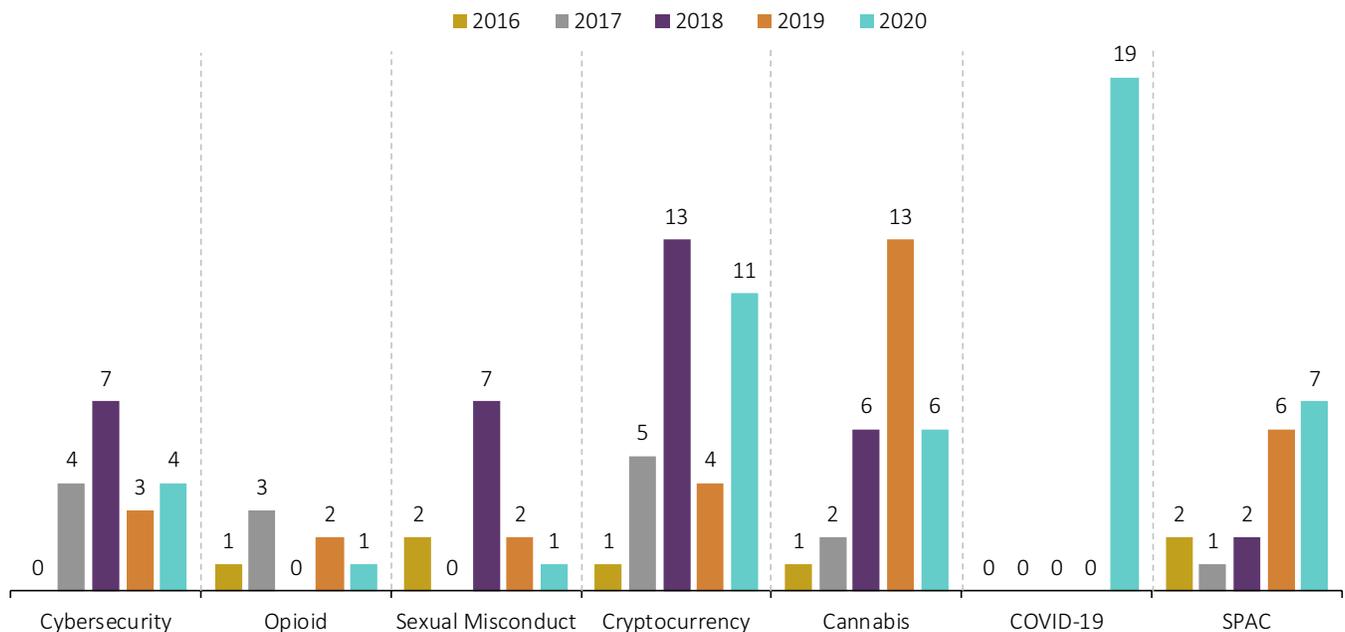
- Cybersecurity filings are those in which allegations relate to data breaches or security vulnerabilities.
- Opioid filings involve allegations related to opiate drugs that are addictive, were falsely marketed as non-addictive, or caused other opiate-related issues.
- Sexual misconduct filings involve allegations of sexual harassment that are central to the claims.
- Cryptocurrency filings include blockchain or cryptocurrency companies that engaged in the sale or exchange of tokens (commonly initial coin offerings), cryptocurrency mining, cryptocurrency derivatives, or that designed blockchain-focused software.
- Cannabis filings include companies financing, farming, distributing, or selling cannabis and cannabidiol products.
- COVID-19 filings include allegations related to companies negatively impacted by the virus or looking to address demand for products as a result of the virus.

- SPAC filings concern companies that went public for the express purpose of acquiring an existing company in the future.

Aside from a flurry of cryptocurrency filings, previous trend cases subsided while COVID-19-related cases surged.

- The most dominant trend in 2020 was COVID-19, with 19 filings. Cryptocurrency was the next most common trend with 11 filings.
- The seven SPAC filings in 2020 represent an upward trend in such filings since 2016 and may continue to rise in response to the explosion of SPAC IPOs in 2020. (pages 23, 35)
- Opioid and sexual misconduct filings continued their downward trend in 2020, both dropping from two to one filing.

Figure 6: Summary of Trend Cases—Core Filings 2016–2020



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse

Note: There were six filings that appeared in multiple trend categories. SPAC counts include M&A filings. There were two M&A SPAC filings in 2020, five in 2019, and one in 2018. This figure has been updated to reflect new data on SPAC filings.

Market Capitalization Losses for Federal and State Filings

Disclosure Dollar Loss Index® (DDL Index®)

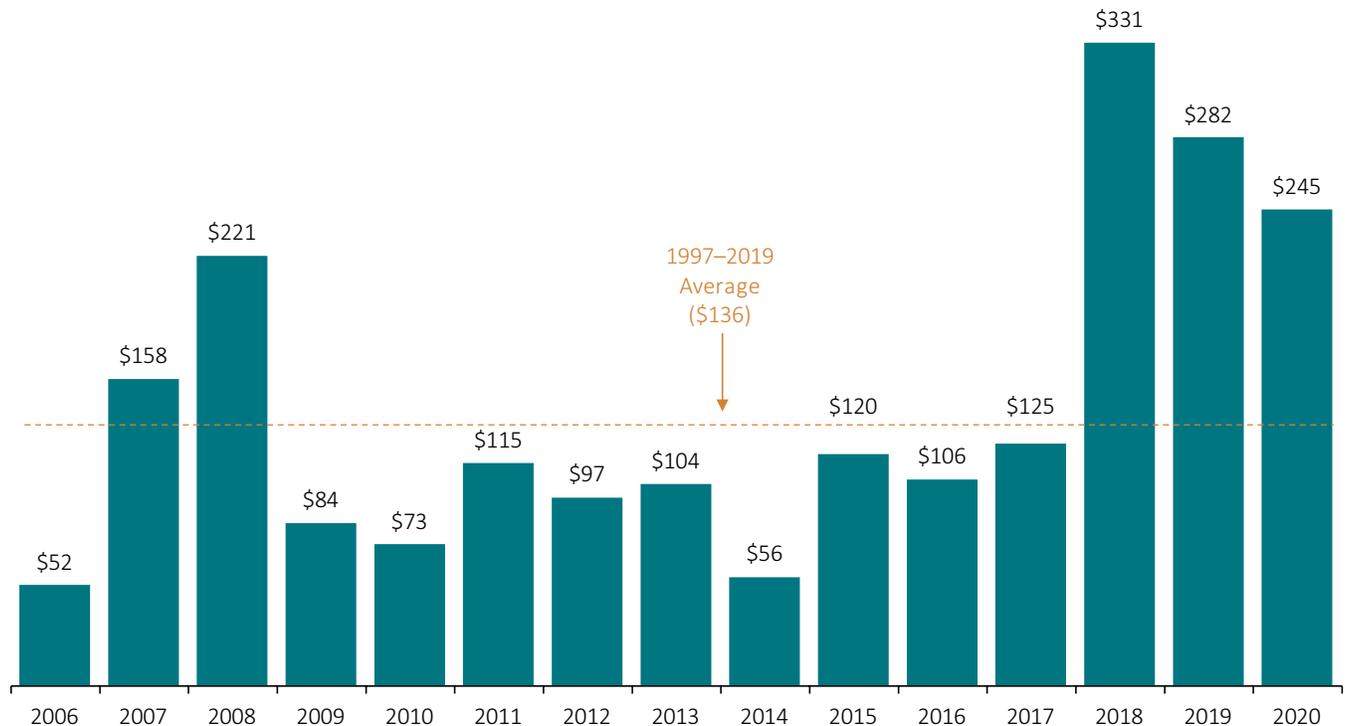
This index measures the aggregate annual DDL for all federal and state filings. DDL is the dollar value change in the defendant firm’s market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. See the Glossary for additional discussion on market capitalization losses and DDL.

- The DDL Index fell for the second consecutive year to \$245 billion, down 13% from 2019 and 26% from 2018, but remained almost double the 1997–2019 average.
- As shown in Appendix 1, median DDL per filing in 2020 also fell for the second consecutive year, down 14% from last year and 38% from 2018, but remained above 2009–2017 levels and 32% above the 1997–2019 average. See Appendix 1 for DDL totals, averages, and medians from 1997 to 2020.

The DDL Index remained well above historical averages, despite a continued decline from the record high in 2018.

Figure 7: Disclosure Dollar Loss Index® (DDL Index®) 2006–2020

(Dollars in Billions)

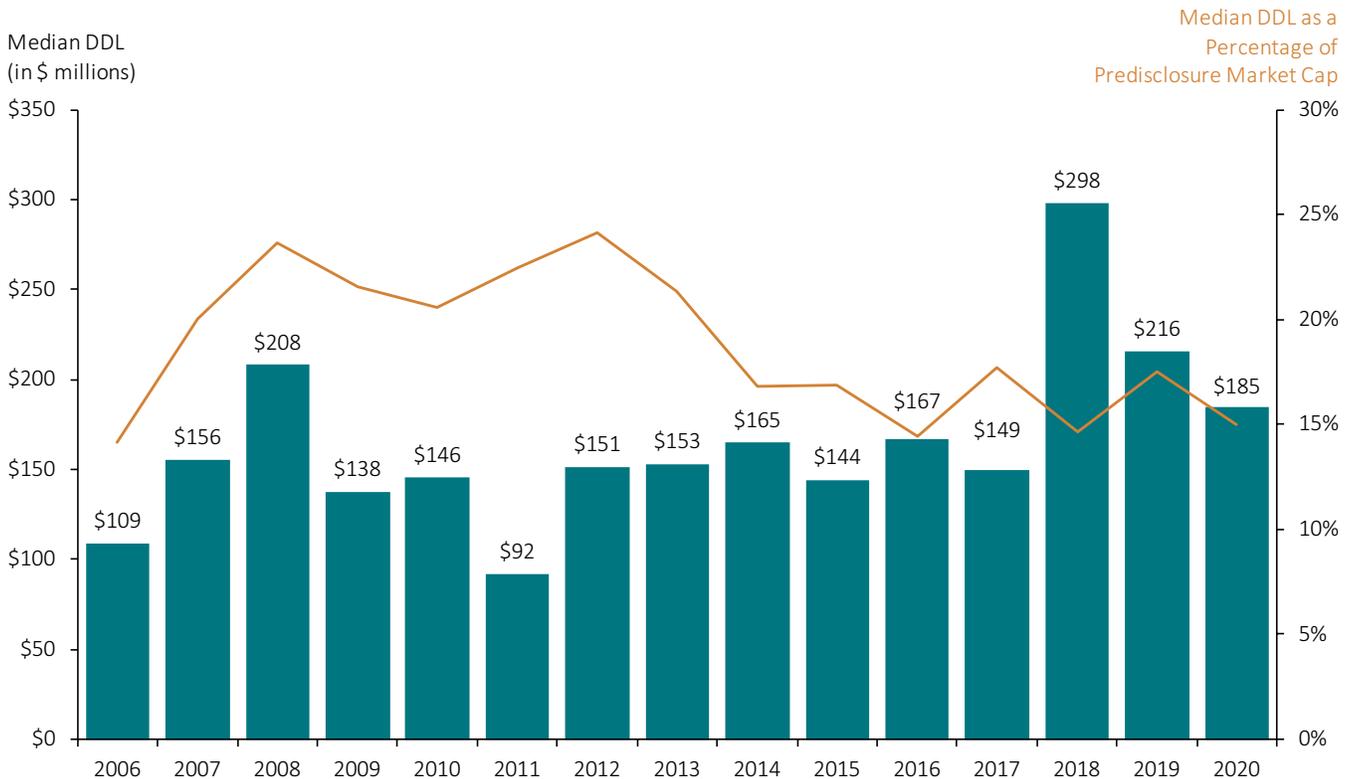


Note: This figure begins including DDL associated with state 1933 Act filings in 2010. DDL associated with parallel class actions is only counted once.

- As shown by the gold line in the figure below, since 2014 the typical (i.e., median) percentage stock price drop at the end of the class period has oscillated between about 15% and 18% of the predisdisclosure market cap. That measure was 15% in 2020, similar to 2016 and 2018 levels.

Median DDL fell for the second consecutive year while the median value of DDL as a percentage of predisdisclosure market capitalization continued to oscillate between about 15% and 18%.

Figure 8: Median Disclosure Dollar Loss 2006–2020



Note: This figure begins including DDL associated with state 1933 Act filings in 2010. DDL associated with parallel class actions is only counted once.

Maximum Dollar Loss Index® (MDL Index®)

This index measures the aggregate annual MDL for all federal and state filings. MDL is the dollar value change in the defendant firm’s market capitalization from the trading day with the highest market capitalization during the class period to the trading day immediately following the end of the class period. See the Glossary for additional discussion on market capitalization losses and MDL.

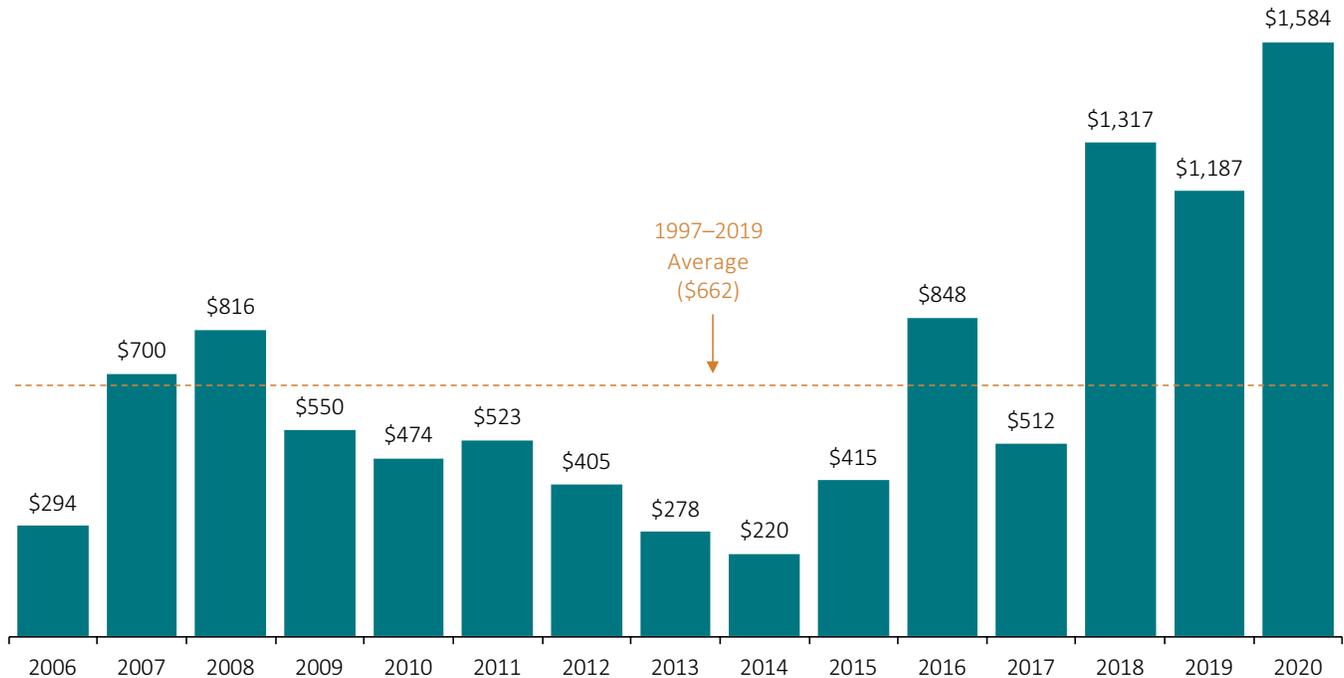
- The MDL Index reached \$1.6 trillion in 2020, the second-largest year on record, trailing only 2002. The 2020 MDL Index is well over twice the historical average. See Appendix 1 for MDL totals, averages, and medians from 1997 to 2020.

- There were 30 mega MDL filings in 2020, which accounted for \$1,309 billion, or 83%, of total MDL (see Figure 30).
- For the third consecutive year, there were at least 20 mega MDL filings, compared to the historical average of 14.

The MDL Index eclipsed \$1 trillion for a third consecutive year.

Figure 9: Maximum Dollar Loss Index® (MDL Index®) 2006–2020

(Dollars in Billions)



Note: This figure begins including MDL associated with state 1933 Act filings in 2010. MDL associated with parallel class actions is only counted once.

Classification of Federal Complaints

- Only 10% of core federal filings contained a Section 11 claim (down from 16% in 2019).
- Section 12(a) claims increased from 7% of core federal filings in 2019 to 11% in 2020.
- Allegations of misrepresentations in financial documents fell sharply from 98% in 2019 to only 90%, the lowest level over the last five years.
- For the fourth consecutive year, around a quarter of core federal filings included allegations related to accounting violations.

Section 11 claims were asserted in only 10% of core federal filings in 2020, down from 16% in 2019.

- Allegations of announced internal control weaknesses decreased from 10% to 7% of core federal filings.

Figure 10: Allegations Box Score—Core Federal Filings

	Percentage of Filings ¹				
	2016	2017	2018	2019	2020
Allegations in Core Federal Filings²					
Rule 10b-5 Claims	94%	93%	86%	87%	85%
Section 11 Claims	12%	12%	10%	16%	10%
Section 12(a) Claims	6%	4%	10%	7%	11%
Misrepresentations in Financial Documents	99%	100%	95%	98%	90%
False Forward-Looking Statements	45%	46%	48%	47%	43%
Trading by Company Insiders	10%	3%	5%	5%	4%
Accounting Violations ³	30%	22%	23%	23%	27%
Announced Restatement ⁴	10%	6%	5%	8%	5%
Internal Control Weaknesses ⁵	21%	14%	18%	18%	18%
Announced Internal Control Weaknesses ⁶	7%	7%	7%	10%	7%
Underwriter Defendant	7%	8%	8%	11%	9%
Auditor Defendant ⁷	2%	0%	0%	0%	0%

Note:

1. The percentages do not add to 100% because complaints may include multiple allegations.
2. Core federal filings are all federal securities class actions excluding those defined as M&A filings.
3. First identified complaint (FIC) includes allegations of U.S. GAAP violations or violations of other reporting standards such as IFRS. In some cases, plaintiff(s) may not have expressly referenced violations of U.S. GAAP or other reporting standards; however, the allegations, if true, would represent violations of those standards.
4. FIC includes allegations of Accounting Violations and refers to an announcement during or subsequent to the class period that the company will restate, may restate, or has unreliable financial statements.
5. FIC includes allegations of internal control weaknesses over financial reporting.
6. FIC includes allegations of internal control weaknesses and refers to an announcement during or subsequent to the class period that the company has internal control weaknesses over financial reporting.
7. In each of 2018, 2019, and 2020, there was one filing with allegations against an auditor defendant.

U.S. Exchange-Listed Companies

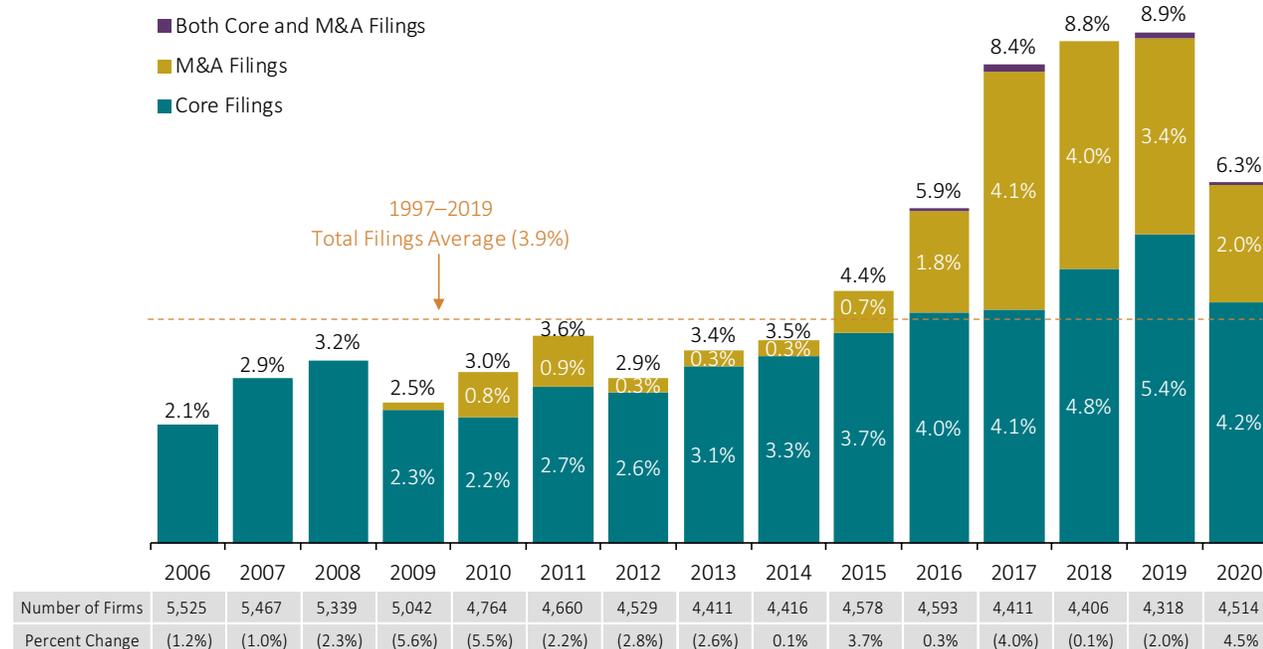
The percentage of companies subject to filings is calculated as the unique number of companies listed on the NYSE or Nasdaq subject to federal or state securities fraud class actions in a given year divided by the unique number of companies listed on the NYSE or Nasdaq in the same year.

- The percentage of companies subject to filings decreased for the first time in eight years, from a historic high of 8.9% in 2019 to 6.3% in 2020. This was also the largest one-year drop on record. Nonetheless, the 6.3% in 2020 remains well above the 1997–2019 average of 3.9%.

Although the likelihood of filings targeting U.S. exchange-listed companies dropped to its lowest level since 2016, it remained well above the historical average.

- The percentage of all companies subject to M&A filings decreased for the third consecutive year to 2.1%, but remained well above levels prior to 2016.
- Approximately one in 23 companies listed on U.S. exchanges was the subject of a core filing in 2020.

Figure 11: Percentage of U.S. Exchange-Listed Companies Subject to Federal or State Filings 2006–2020



Source: Securities Class Action Clearinghouse; Center for Research in Security Prices (CRSP)

Note:

- Percentages are calculated by dividing the count of issuers listed on the NYSE or Nasdaq subject to filings by the number of companies listed on the NYSE or Nasdaq as of the beginning of the year. Percentages may not sum due to rounding.
- Core Filings and M&A Filings do not include instances in which a company has been subject to both a core and M&A filing in the same year. These are reported separately in the category labeled Both Core and M&A Filings. Since 2009 there have been 21 instances in which a company has been subject to both core and M&A filings in the same year. In 2016, 2017, 2019, and 2020, these filings represented 0.1% of exchange listed-companies. In 2009, 2010, 2013, and 2015, these filings accounted for less than 0.1% of exchange-listed companies.
- Listed companies were identified by taking the count of listed securities at the beginning of each year and accounting for cross-listed companies or companies with more than one security traded on a given exchange. Securities were counted if they were classified as common stock or ADRs and listed on the NYSE or Nasdaq.
- This figure presents combined federal and state data. Filings in federal courts may have parallel cases filed in state courts. When parallel cases are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. The figure begins including issuers facing suits in state 1933 Act filings in 2010.

Heat Maps: S&P 500 Securities Litigation™ for Federal Core Filings

The Heat Maps analysis illustrates federal court securities class action activity by industry sector for companies in the S&P 500 index. Starting with the composition of the S&P 500 at the beginning of each year, the Heat Maps examine each sector by:

- (1) The percentage of these companies subject to new securities class actions in federal court during each calendar year.
 - (2) The percentage of the total market capitalization of these companies subject to new securities class actions in federal court during each calendar year.
- Of companies in the S&P 500 at the beginning of 2020, approximately one in 23 companies (4.4%) was a defendant in a core federal filing. This percentage is the lowest it has been since 2015. See Appendix 2A for percentage of companies by sector from 2001 to 2020.

The likelihood of an S&P 500 company being sued continued to decline after a decade high in 2018.

- The Consumer Staples, Industrials, and Communication Services/Telecommunications/Information Technology sectors all experienced large drops in the rate of federal filings compared to 2019.
- The companies in the Consumer Discretionary, Financials/Real Estate, and Utilities sectors have nearly the same or higher likelihoods of core federal filings this year compared to 2019, while rates in all other sectors have fallen, many of which are now the lowest they have been since 2015.
- Over the period 2011–2020, Energy/Materials is the only sector in which the percentage of companies subject to core federal filings (1.9% in 2020) has never risen above 5%.

Figure 12: Heat Maps of S&P 500 Securities Litigation™ Percentage of Companies Subject to Core Federal Filings

	Average 2001–2019	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Consumer Discretionary	5.2%	3.8%	4.9%	8.4%	1.2%	0.0%	3.6%	8.5%	10.0%	3.1%	8.1%
Consumer Staples	3.8%	2.4%	2.4%	0.0%	0.0%	5.0%	2.6%	2.7%	11.8%	12.1%	3.1%
Energy/Materials	1.6%	0.0%	2.7%	0.0%	1.3%	0.0%	4.5%	3.3%	1.8%	3.7%	1.9%
Financials/Real Estate	7.6%	1.2%	3.7%	0.0%	1.2%	1.2%	6.9%	3.3%	7.0%	2.0%	5.3%
Health Care	9.1%	2.0%	1.9%	5.7%	0.0%	1.9%	17.9%	8.3%	16.1%	12.9%	6.3%
Industrials	4.2%	1.7%	1.6%	0.0%	4.7%	0.0%	6.1%	8.7%	8.8%	10.1%	2.7%
Communication Services/ Telecommunications/ Information Technology	6.5%	7.1%	3.8%	9.1%	0.0%	4.2%	6.8%	8.5%	12.7%	10.0%	2.0%
Utilities	5.2%	0.0%	0.0%	0.0%	0.0%	3.4%	3.4%	7.1%	7.1%	6.9%	7.1%
All S&P 500 Companies	5.5%	2.6%	3.0%	3.4%	1.2%	1.6%	6.6%	6.4%	9.4%	7.2%	4.4%

0% 0–5% 5–15% 15–25% 25%+

Note:

1. The figure is based on the composition of the S&P 500 as of the last trading day of the previous year.
2. Sectors are based on the Global Industry Classification Standard (GICS).
3. Percentage of Companies Subject to New Filings equals the number of companies subject to new securities class action filings in federal courts in each sector divided by the total number of companies in that sector.
4. In August 2016, GICS added a new industry sector, Real Estate. This analysis begins using the Real Estate industry sector in 2017. In 2018, the Telecommunication Services sector was incorporated into a new sector, Communication Services. With this name change, all companies previously classified as Telecommunication Services and some companies classified as Consumer Discretionary (such as Netflix, Comcast, and CBS) and Information Technology (such as Alphabet and Facebook) were reclassified into the Communication Services sector.

- The percentage of total market capitalization of S&P 500 companies subject to core federal filings fell from 10% in 2019 to 4.3% in 2020. See Appendix 2B for market capitalization percentage by sector from 2001 to 2020.
- The percentage of companies in the Financials/Real Estate sector subject to core federal filings more than doubled relative to 2019, while the percentage of this sector’s market capitalization subject to core federal filings increased more than sevenfold year-over-year.
- All sectors other than the Financials/Real Estate and Consumer Discretionary sectors saw a decrease in the percentage of market capitalization subject to core federal filings compared to 2019.

In six of the eight sectors, the percentage of market capitalization subject to core federal filings fell from the previous year.

Figure 13: Heat Maps of S&P 500 Securities Litigation™ Percentage of Market Capitalization Subject to Core Federal Filings

	Average 2001–2019	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Consumer Discretionary	4.8%	4.6%	1.6%	4.4%	2.5%	0.0%	2.8%	8.2%	4.7%	0.5%	2.2%
Consumer Staples	4.4%	0.8%	14.0%	0.0%	0.0%	1.9%	1.0%	6.7%	15.2%	9.1%	1.8%
Energy/Materials	2.8%	0.0%	0.9%	0.0%	0.2%	0.0%	19.8%	2.3%	1.4%	1.2%	0.4%
Financials/Real Estate	14.3%	6.9%	11.0%	0.0%	0.3%	3.0%	11.9%	1.5%	12.5%	2.2%	16.9%
Health Care	12.3%	0.7%	0.8%	4.4%	0.0%	3.1%	13.2%	2.7%	26.3%	6.6%	4.7%
Industrials	9.3%	2.1%	1.2%	0.0%	1.7%	0.0%	8.7%	22.3%	19.4%	21.6%	4.9%
Communication Services/ Telecommunications/ Information Technology	10.4%	13.4%	2.2%	16.6%	0.0%	7.0%	12.3%	4.4%	19.4%	18.0%	1.6%
Utilities	6.1%	0.0%	0.0%	0.0%	0.0%	3.7%	4.4%	9.6%	6.5%	7.9%	6.6%
All S&P 500 Companies	9.0%	5.0%	4.3%	4.7%	0.6%	2.8%	10.0%	6.1%	14.9%	10.0%	4.3%



Note:

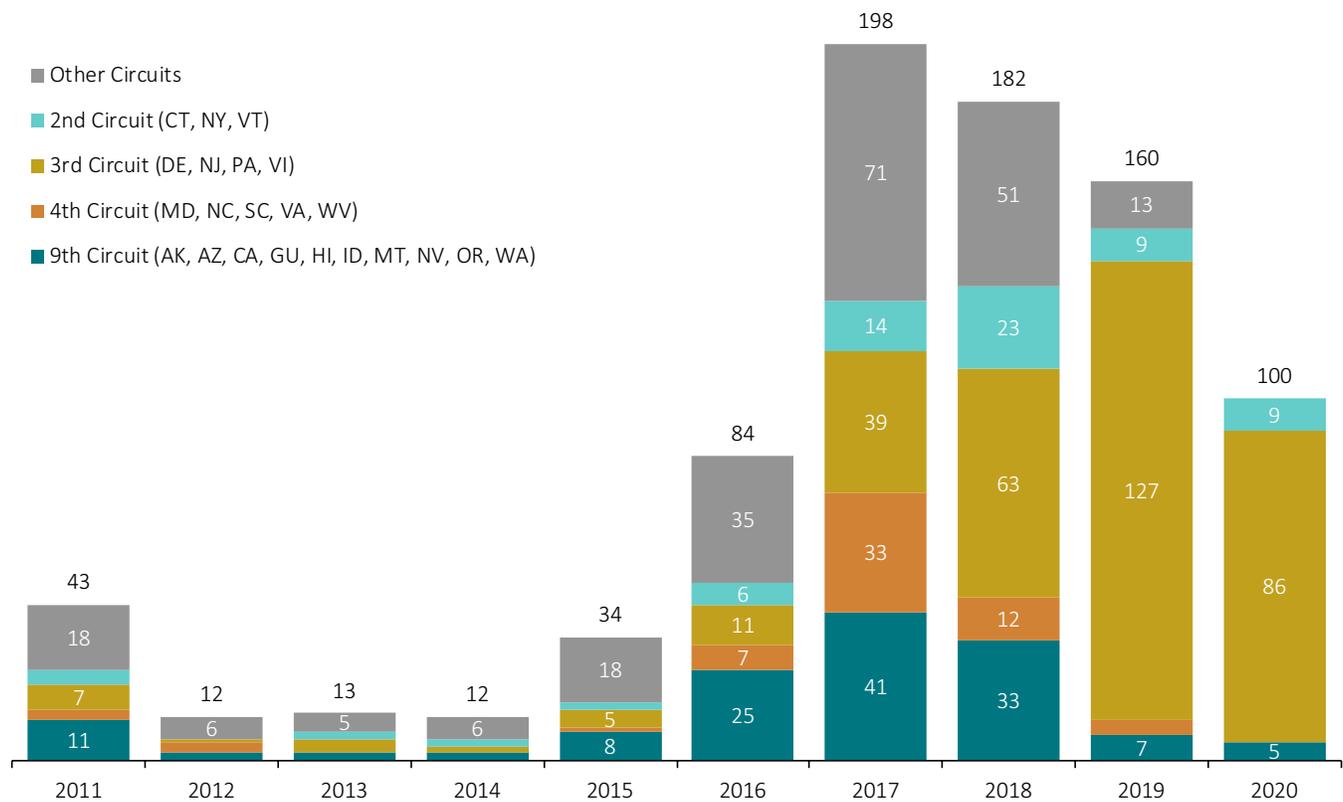
1. The figure is based on the composition of the S&P 500 as of the last trading day of the previous year.
2. Sectors are based on the Global Industry Classification Standard (GICS).
3. Percentage of Market Capitalization Subject to New Filings equals the market capitalization of companies subject to new securities class action filings in federal courts in each sector divided by the total market capitalization of companies in that sector.
4. In August 2016, GICS added a new industry sector, Real Estate. This analysis begins using the Real Estate industry sector in 2017. In 2018, the Telecommunication Services sector was incorporated into a new sector, Communication Services. With this name change, all companies previously classified as Telecommunication Services and some companies classified as Consumer Discretionary (such as Netflix, Comcast, and CBS) and Information Technology (such as Alphabet and Facebook) were reclassified into the Communication Services sector.

M&A Filings by Federal Circuit

- In January 2016, the Delaware Court of Chancery rejected a disclosure-only settlement in Zillow’s acquisition of Trulia.¹ This appears to have resulted in some venue shifting for M&A lawsuits from state to federal courts.
- There were 100 federal M&A filings in 2020, the fewest since 2016.
- Of all M&A filings in 2020, 86% were in the Third Circuit, the highest percentage attributable to one circuit since tracking began in 2009. All of these filings were brought in Delaware federal courts.
- There were no M&A filings in circuits other than the Second, Third, and Ninth Circuits. This is the first time this has occurred, and only the third time that there were no filings in the Fourth Circuit since tracking began.
- Of total filings in the Third Circuit in 2020, 78% were M&A filings, by far the highest percentage of any circuit.

86% of M&A filings in 2020 occurred in Delaware courts.

Figure 14: Annual M&A Filings by Federal Circuit 2011–2020



Note: The Securities Class Action Clearinghouse began tracking M&A filings as a separate category in 2009.

1. See *In re Trulia Inc. Stockholder Litigation*, C.A. No. 10020-CB (Del. Ch. Jan. 22, 2016), <http://courts.delaware.gov/opinions/download.aspx?ID=235370>.

Most Frequent Plaintiff Counsel on M&A Filings in Federal Courts

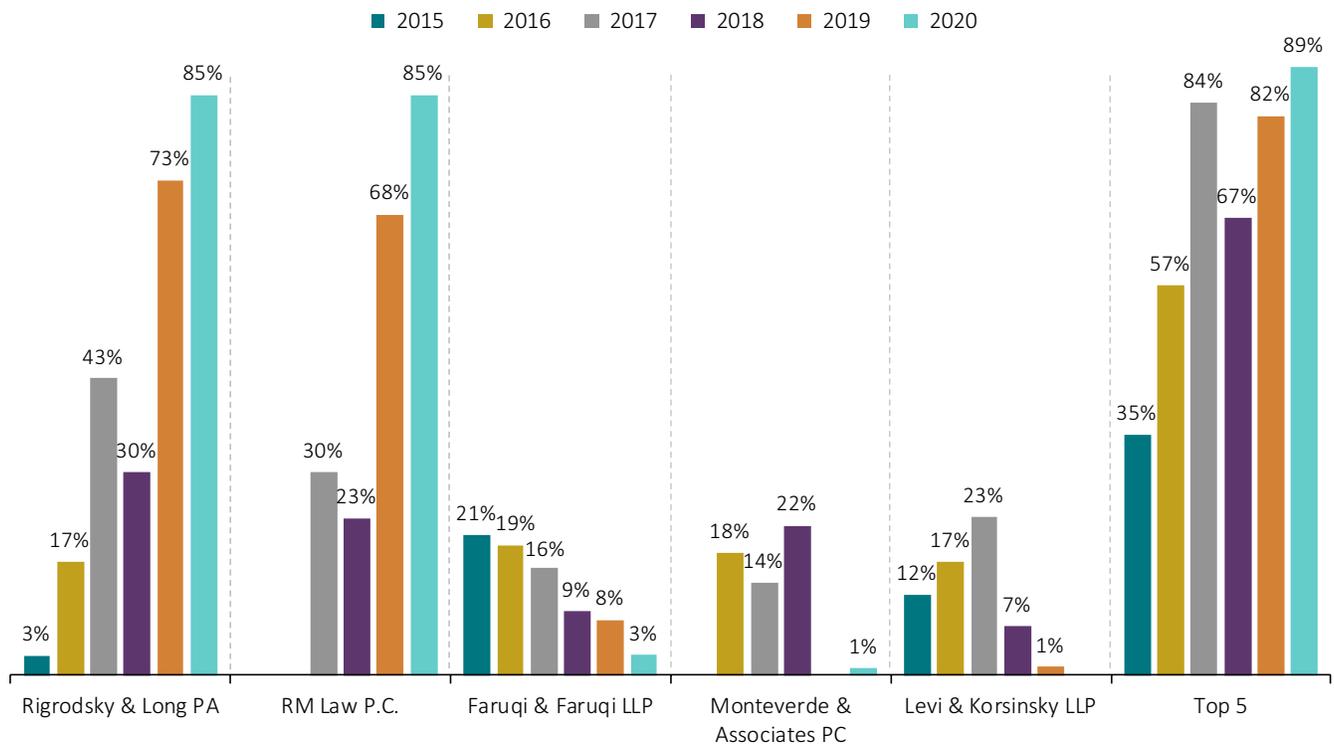
This analysis shows the five plaintiff firms listed most frequently on federal first identified M&A complaints against a given company from 2015 through 2020. Each instance in which they are counsel or co-counsel on a first identified complaint is presented.

- There were 100 M&A filings in federal courts in 2020. These five plaintiff firms were listed as counsel or co-counsel on 89 first identified complaints.
- The shares of first identified complaints filed by Faruqi & Faruqi LLP, Monteverde & Associates PC, and Levi & Korsinsky LLP—frequent filers in some of the prior years—have fallen dramatically, and are each under 4% of total federal M&A filings.

At least one of the top five firms was listed as plaintiff counsel or co-counsel on 89% of first identified M&A complaints in 2020.

- Rigrodsky & Long PA and RM Law P.C. have commonly been co-counsel. They were co-counsel on all 85 of their filings and were responsible for an absolute majority of federal first identified M&A complaints in 2020.
- Since 2015, at least one of these five plaintiff firms has been listed as counsel or co-counsel on 75% of M&A filings.

Figure 15: Most Frequent Plaintiff Counsel or Co-counsel on M&A Filings 2015–2020



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse

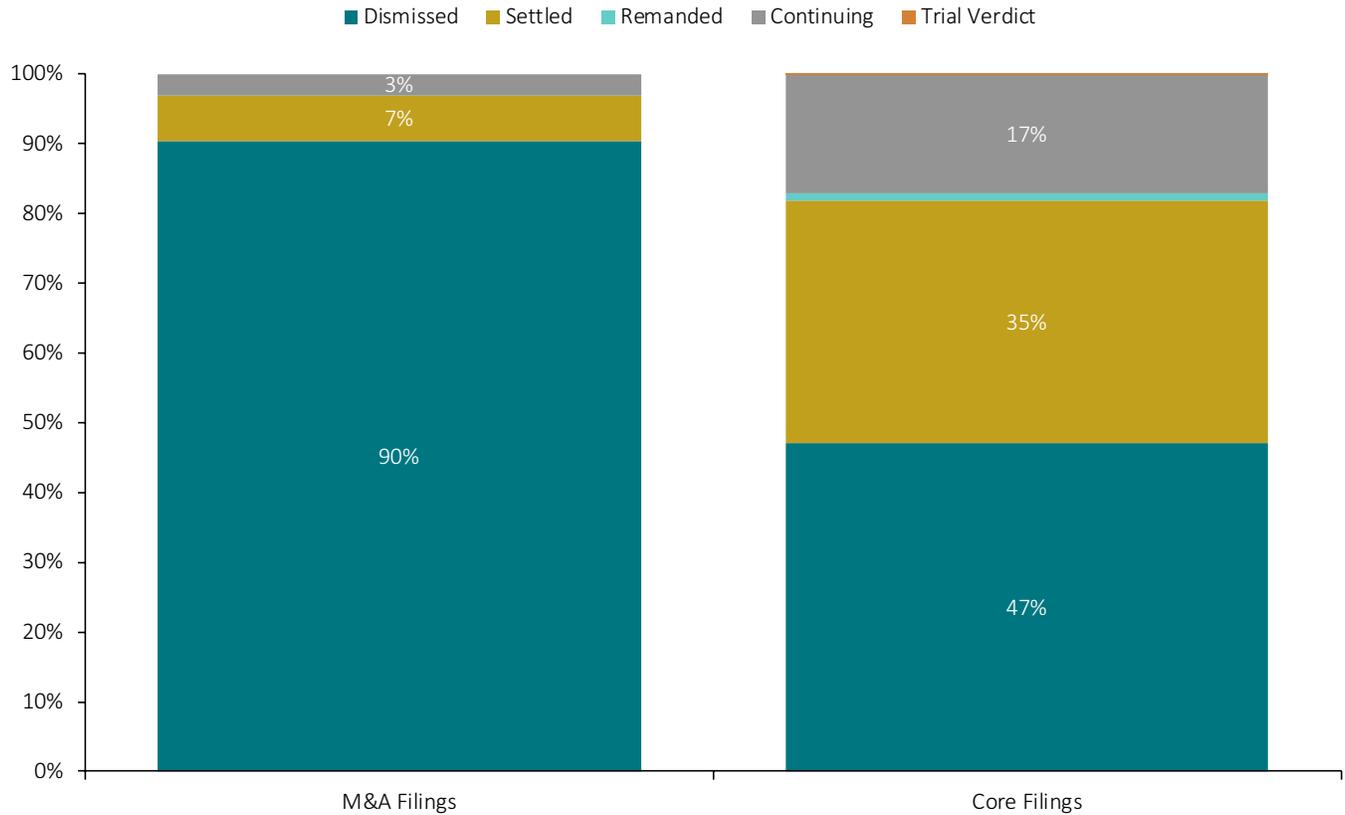
Note: These firms are the top five most frequent firms listed on first identified complaints from 2015 through 2020, not necessarily the five most frequent filers in each year. More than one plaintiff law firm can be listed on the first identified complaint. Therefore, the sums of individual filer shares presented may exceed the share of filings involving any one of the top five plaintiff firms.

Status of M&A Filings in Federal Courts

- There were 777 M&A filings between 2010 and 2019, compared to 1,763 core federal filings over the same period.
- From 2010 to 2019, about 97% of M&A filings were resolved as compared to about 82% of core filings.
- M&A filings exhibited settlement rates 28 percentage points below core federal filings. On the other hand, M&A filings exhibited dismissal rates 43% above (almost double) core federal filings. See Appendix 3 for a year-by-year overview of M&A and core filings status.

M&A filings were dismissed at a much higher rate and settled at a much lower rate than core federal filings.

Figure 16: Status of M&A Filings Compared to Core Federal Filings 2010–2019



Note:

1. The Securities Class Action Clearinghouse began tracking M&A filings as a separate category in 2009.
2. The 2020 filing cohort is excluded since a large percentage of cases are ongoing.
3. Since 2010, there have only been two cases tried to a verdict, both of which were core filings. One of these cases settled after trial and is categorized as settled in the data.
4. Percentages may not sum to 100% due to rounding.

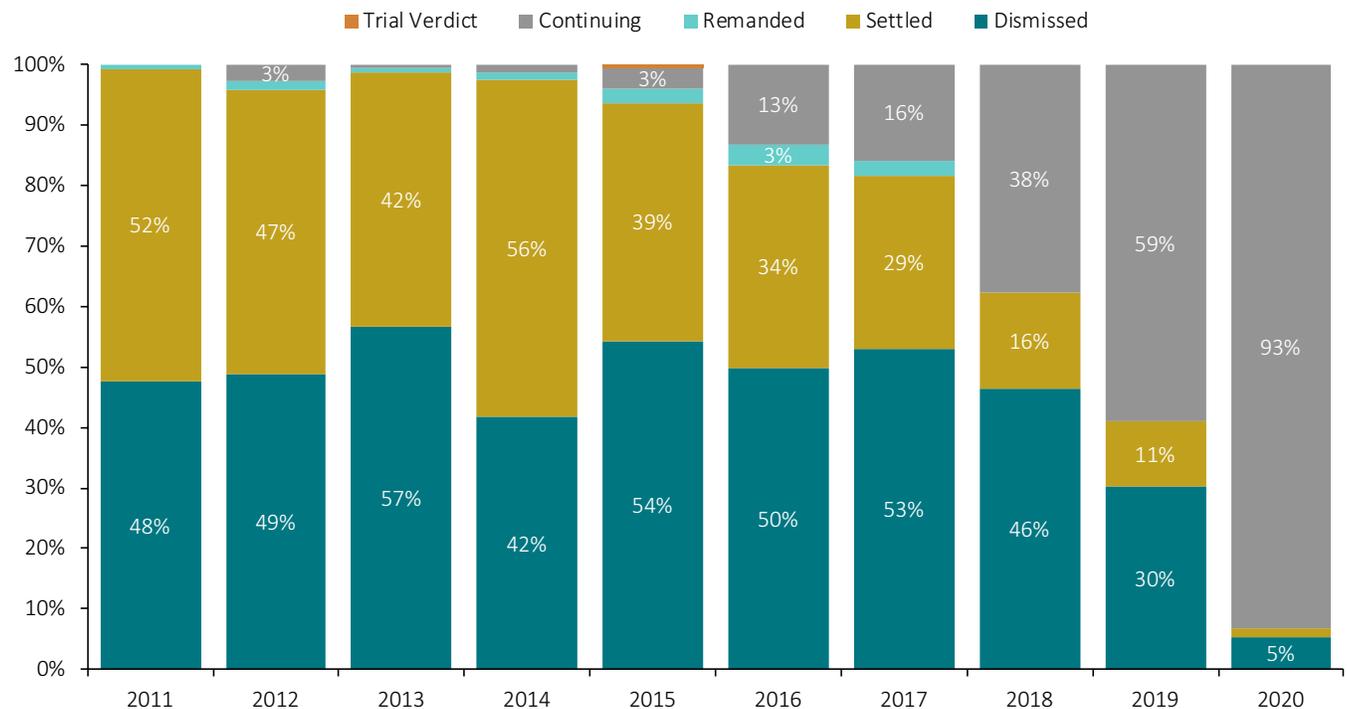
Status of Core Federal Securities Class Action Filings

This analysis compares filing groups to determine whether filing outcomes have changed over time. As each cohort ages, a larger percentage of filings are resolved—whether through dismissal, settlement, remand, or trial verdict.

The dismissal rate for the 2018 core federal filings cohort is currently nearly half of all cases, despite 38% of cases still continuing.

- From 1997 to 2020, 46% of core federal filings were settled, 42% were dismissed, less than 1% were remanded, and 11% are continuing. During this time, only 0.4% of core federal filings (or 19 cases) reached trial, and 0.2% (11 cases) were tried to a verdict.
- Recent annual dismissal rates have been closer to 50%. From 2011 to 2018 the cohorts with the most divergent dismissal rates were 2014 (at 42%) and 2013 (at 57%).
- More recent cohorts have too many ongoing cases to determine their ultimate dismissal rates. However, the 2017 cohort will end up having a dismissal rate of at least 53%.

Figure 17: Status of Filings by Year—Core Federal Filings 2011–2020



Note:

1. Percentages may not sum to 100% due to rounding.
2. Since 2010, there have only been two cases tried to a verdict, both of which were core filings. One of these cases settled after trial and is categorized as settled in the data.
3. Since 2001, 14 cases have gone to trial. Since *Halliburton II* was decided on June 30, 2014, only one case has gone to trial.

1933 Act Cases Filed in State Courts

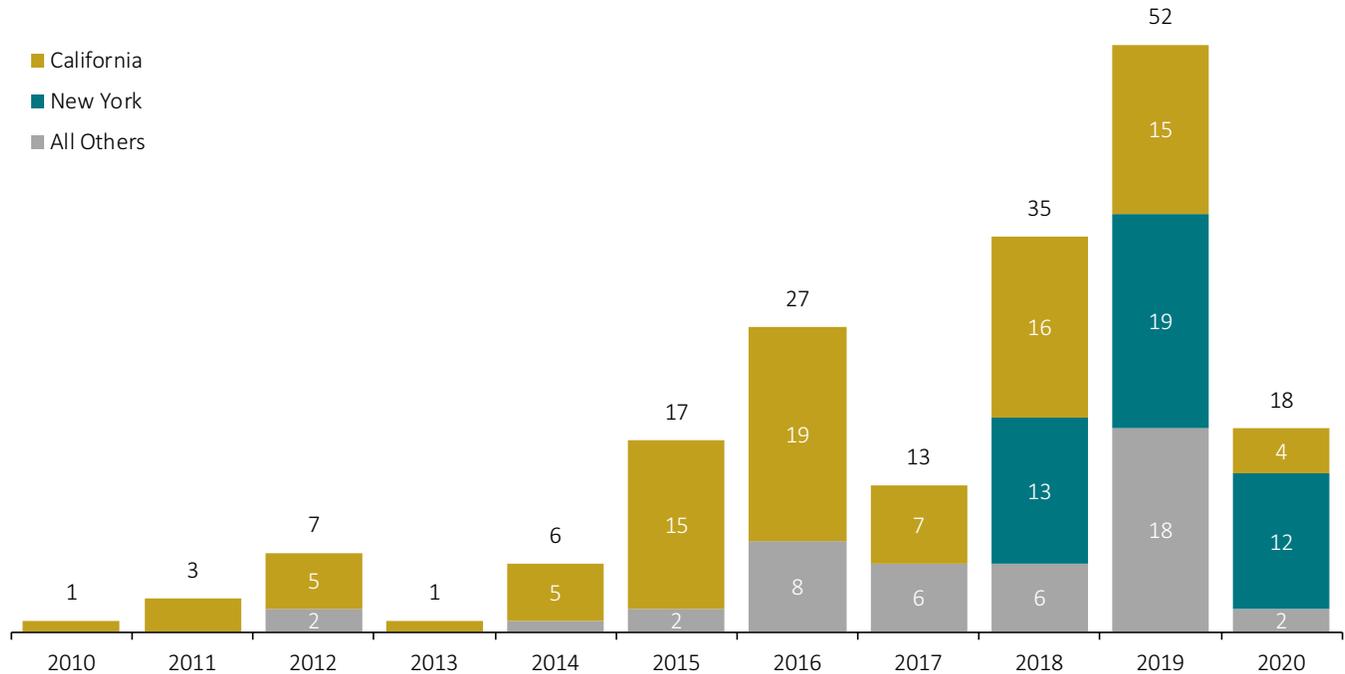
The following data include 1933 Act filings in California, New York, and other state courts. Filings from prior years are added retrospectively when identified. These filings may include Section 11, Section 12, and Section 15 claims, but do not include Rule 10b-5 claims.

- In 2020, the number of state 1933 Act filings dropped dramatically with only four filings in California state courts, 12 filings in New York state courts, and only two filings in other state courts.

- Filings in New York state courts accounted for the vast majority of state filings in 2020.
- State filings in states outside of New York and California dropped to the lowest level since 2015. Massachusetts and Ohio each accounted for one state filing.

State 1933 Act filing activity decreased by 65% from 2019, driven largely by reduced filings in state courts outside of New York.

Figure 18: State 1933 Act Filings by State 2010–2020



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note:

1. This analysis counts all filings in state courts. It does not present data on a combined federal and state basis, nor does it identify or account for cases that have parallel filings in both state and federal courts. As a result, totals in this analysis may not match Figures 3, 4, 20, or 22.
2. All Others contains filings in Alabama, Arizona, Colorado, Florida, Georgia, Illinois, Iowa, Massachusetts, Michigan, Nevada, New Hampshire, New Jersey, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Washington, West Virginia, and Wisconsin.
3. Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims.

Dollar Loss on Offered Shares™ (DLOS Index™) in Federal Section 11–Only and State 1933 Act Filings

This analysis calculates the loss of market value of class members’ shares offered in securities issuances that are subject to 1933 Act claims. It is calculated as the shares offered at issuance (e.g., in an initial public offering (IPO), a seasoned equity offering (SEO), or a corporate merger or spinoff) acquired by class members multiplied by the difference between the offering price of the shares and their price at the end of the class period.

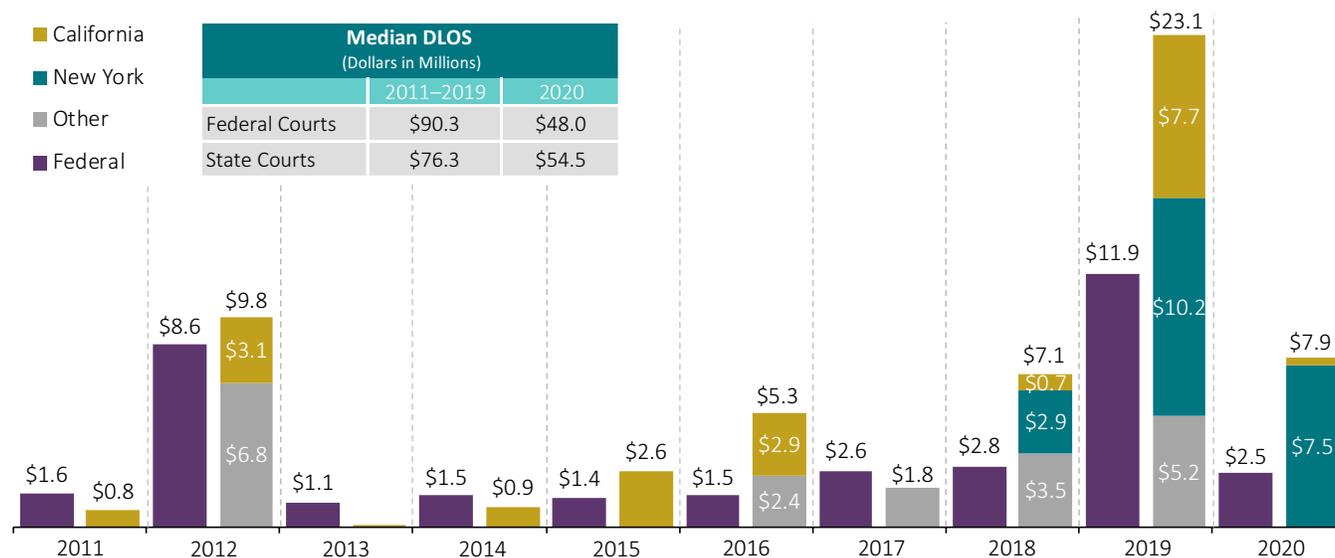
This alternative measure of losses has been calculated for federal filings involving only Section 11 claims (i.e., no Section 10(b) claims) and 1933 Act filings in state courts. This measure, Dollar Loss on Offered Shares (DLOS), aims to capture, more precisely than MDL, the dollar loss associated with the specific shares at issue as alleged in a complaint.

In 2020, the Dollar Loss on Offered Shares for filings in New York was nearly three times the amount in all federal courts, a first for any state.

- While total DLOS for federal filings fell below the 2011–2019 average of \$3.7 billion, total DLOS for state 1933 Act filings was above the 2011–2019 average of \$5.7 billion.
- In 2020, 1933 Act filings in New York accounted for 95% of all state 1933 Act DLOS, the highest percentage for any one state since 2015.

Figure 19: Dollar Loss on Offered Shares™ (DLOS Index™) for Federal Section 11–Only and State 1933 Act Filings 2011–2020

(Dollars in Billions)



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Bloomberg Law; ISS’ SCAS; CRSP; SEC EDGAR
 Note:

1. This analysis compares all Section 11 filings in federal courts with all 1933 Act filings in state courts. It does not present data on a combined federal and state basis, nor does it identify or account for cases that have parallel filings in both state and federal courts.
2. Federal filings included in this analysis must contain a Section 11 claim and may contain a Section 12 claim, but do not contain Section 10(b) claims. Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims.

Comparison of Federal Section 11 Filings with State 1933 Act Filings

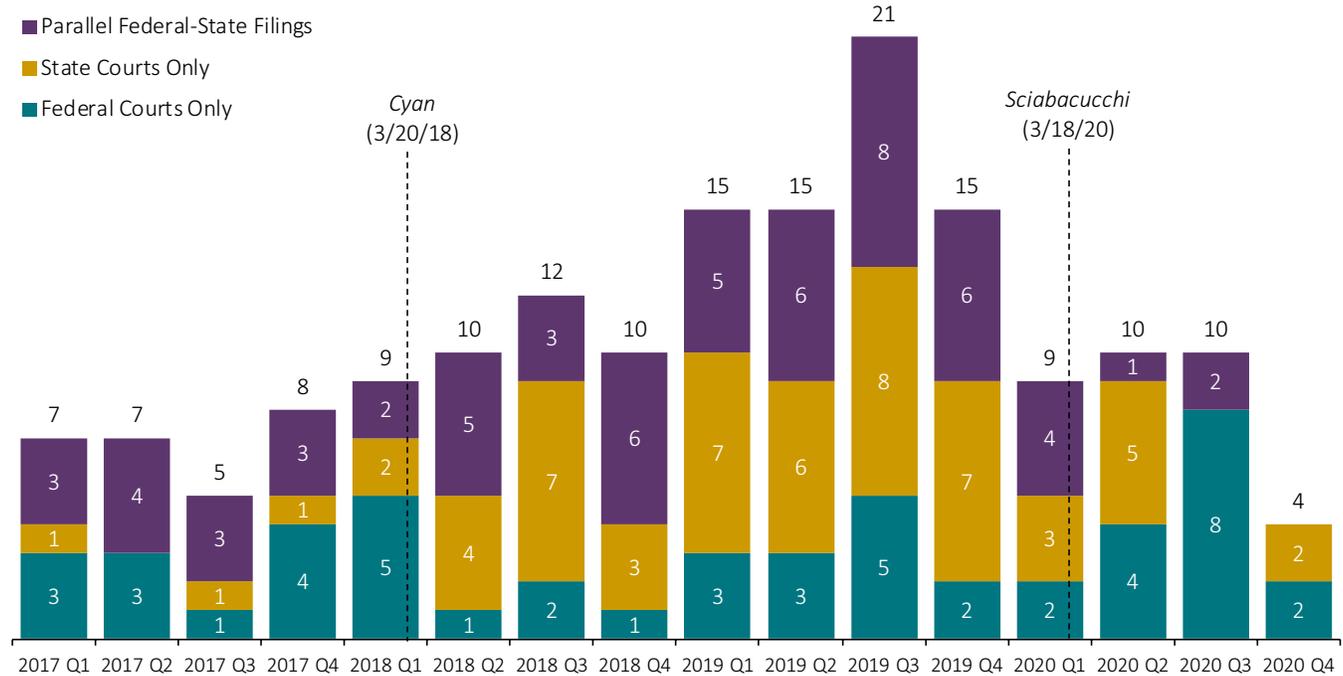
The figure below is a combined measure of Section 11 filing activity in federal courts and 1933 Act filings in state courts. It highlights parallel (or related) class actions in federal and state courts.

- Following *Cyan* but before the *Sciabacucchi* decision (i.e., 2018 Q2–2019 Q4), 43% were state-only filings and 40% were parallel filings. However, since *Sciabacucchi*, the percentage of state-only filings decreased to 29%, and the percentage of parallel filings decreased to 13%. During this same period, federal-only filings increased from 17% to 58%.

- In 2020, the combined number of federal Section 11 filings and state 1933 Act filings was 33, a 50% decrease from 2019. This consisted of seven parallel filings, 10 state-only filings, and 16 federal-only filings.
- Overall, the decrease in these filings can be attributed to decreases in parallel and state-only filings.

The third quarter of 2020 had the largest quarterly number of federal-only Section 11 filings since 2011, likely the effect of the Sciabacucchi decision.

Figure 20: Quarterly Federal Section 11 and State 1933 Act Filings 2017–2020



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note:

- The federal Section 11 filings displayed may include Rule 10b-5 claims, but state 1933 Act filings do not.
- This figure presents combined federal and state data. Filings in federal courts may have parallel cases filed in state courts. When parallel cases are filed in different quarters, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure's filing counts may not match those in Figures 18 or 21.
- Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims.

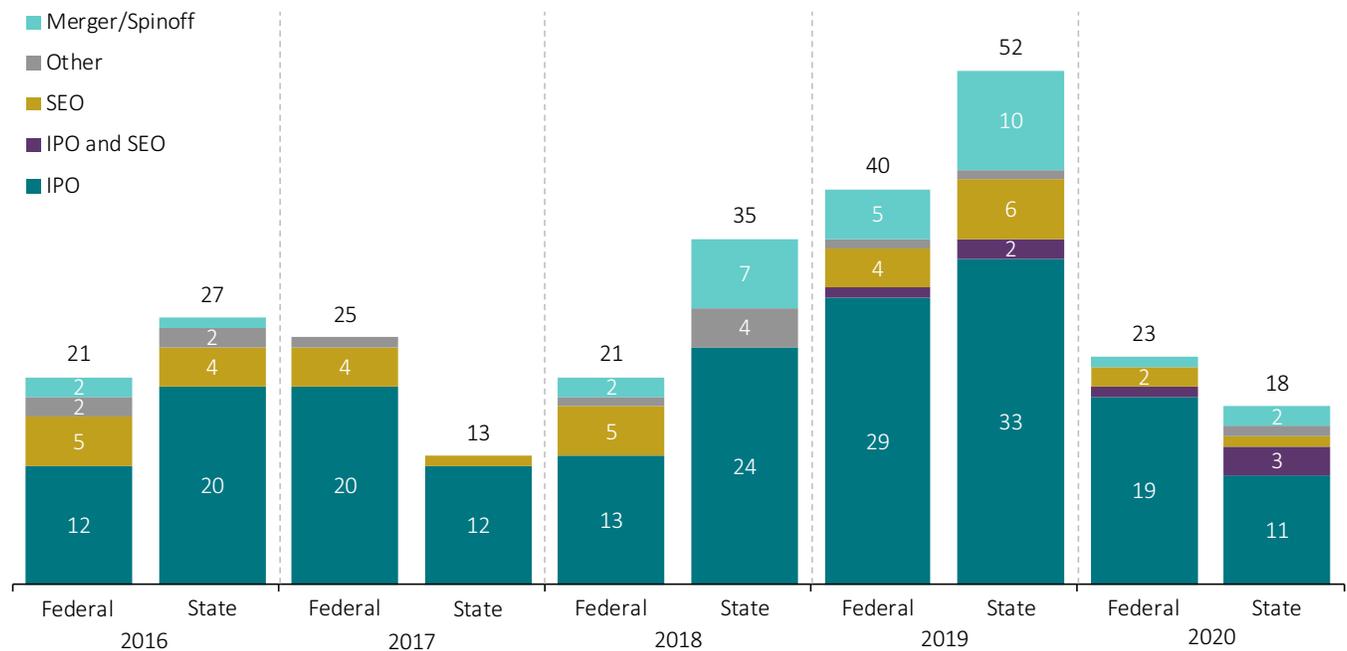
Type of Security Issuance Underlying Federal Section 11 and State 1933 Act Filings

The figure below illustrates Section 11 claims in federal courts and 1933 Act claims in state courts based on the type of security issuance underlying the lawsuit.

- Filings related to mergers and spinoffs fell substantially in 2020, from 10 to two in state courts and from five to one in federal courts. It is unclear how long this low level of merger-related filings will last given the likely increase in stock-for-stock mergers associated with SPACs. See discussion of IPOs and SPACs on the following page and on page 35.

Filings related to mergers and spinoffs in both federal and state courts fell from last year's all-time high.

Figure 21: Federal Section 11 and State 1933 Act Class Action Filings by Type of Security Issuance 2016–2020



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note:

- This analysis compares all Section 11 filings in federal courts with all 1933 Act filings in state courts. It does not present data on a combined federal and state basis, nor does it identify or account for cases that have parallel filings in both state and federal courts. As a result, this figure's filing counts may not match Figures 3, 4, 20, or 22.
- The federal Section 11 data displayed may contain Rule 10b-5 claims, but state 1933 Act filings do not.
- Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims.
- There was one federal court filing in 2019 related to both a merger-related issuance and SEO. This analysis categorizes this filing as relating to a merger-related issuance to avoid double-counting.

IPO Activity and Federal Section 11 and State 1933 Act Filings

This figure compares IPO activity (operating company IPOs and SPAC IPOs) with counts of federal Section 11 and state 1933 Act filings.

- With 165 IPOs, the number of operating company IPOs increased 47% from 2019 to 2020, the largest percentage increase since 2013, and 50% above the 2001–2019 average of 110 operating company IPOs.
- Although historically SPACs have represented only a small portion of IPOs, in 2020 the number of SPAC IPOs more than quadrupled, increasing from 59 to 248.
- Generally, heavier IPO activity appears to be correlated with increased levels of federal Section 11 and state 1933 Act filings in ensuing years. Although the number of operating company IPOs increased to 165 from 112 in 2020, the number of federal Section 11 and state 1933 Act filings decreased from 66 to 33.

While the number of IPOs rose in 2020, filings with 1933 Act claims fell for the first time since 2017.

- In addition to the effect of the *Sciabacucchi* decision, 1933 Act filings were less numerous perhaps due to the fact that market declines in the first quarter of 2020 were driven by the COVID-19 pandemic—which was presumably unanticipated at the time of prior public offerings, followed by overall favorable market conditions beginning in April 2020—and the fact that a majority of IPOs occurred in the second half of 2020. The boom of SPACs in 2020 may lead to substantial future litigation.

Figure 22: Number of IPOs on Major U.S. Exchanges and Number of Filings of Federal Section 11 and State 1933 Act Claims 2011–2020



Source: Jay R. Ritter, "Initial Public Offerings: Updated Statistics," University of Florida, January 10, 2021

Note:

1. Operating company IPOs exclude the following offerings: those with an offer price of below \$5.00, ADRs, unit offers, closed-end funds, REITs, natural resource limited partnerships, small best efforts offers, banks and S&Ls, and stocks not included in the CRSP database (CRSP includes Amex, NYSE, and Nasdaq stocks).
2. SPAC IPOs include unit and non-unit SPAC IPOs, as defined by Professor Ritter.
3. This figure presents combined federal and state data. Filings in federal courts may have parallel cases filed in state courts. When parallel cases are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure's filing counts may not match those in Figures 18 or 21. The federal Section 11 cases displayed may include Rule 10b-5 claims, but state 1933 Act filings do not.

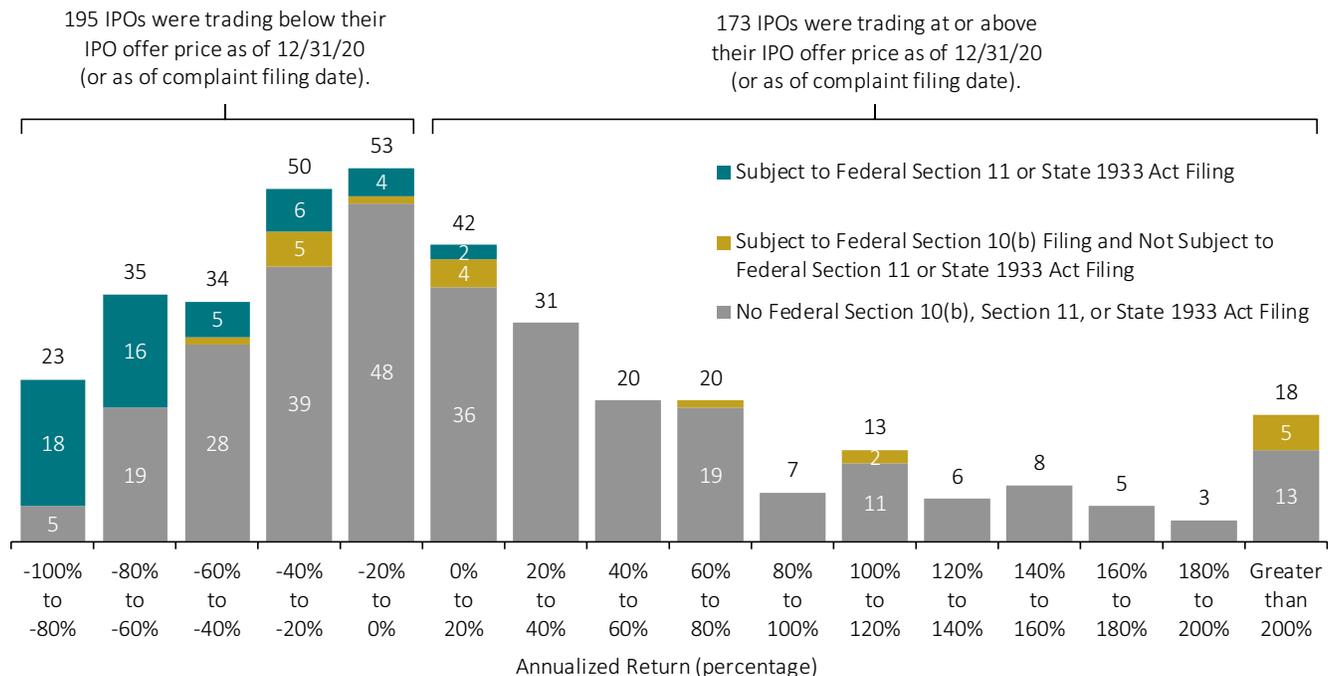
Performance of Recent IPOs

This analysis explores the relationship between a company's performance following its IPO and the degree to which these companies were the subject of a federal Section 11 filing, state 1933 Act filing, or federal Section 10(b) filing. IPOs from January 2018 to December 2019 are analyzed. The performance of these IPOs is evaluated through December 2020.

- Post-IPO performance indicates that 53% of all companies that had undertaken an IPO and had not been delisted since January 2018 were trading below their IPO offer price at the time of a securities fraud complaint or as of December 31, 2020. Twelve companies were delisted as of December 31, 2020.
- Perhaps not surprisingly, companies with poorer post-IPO returns were more likely to be the target of a federal Section 11 or state 1933 Act filing.
- Nearly all (49 out of 51) companies that were subject to a federal Section 11 or state 1933 Act filing were trading below their IPO offer price as of the complaint filing date.

Fifty-one of 380 companies (13%) that undertook an IPO between January 2018 and December 2019 were later subject to a federal Section 11 or state 1933 Act filing.

Figure 23: Performance of Recent IPOs 2018–2019



Source: Nasdaq; Bloomberg Law; ISS' SCAS; Refinitiv Eikon
 Note:

1. IPOs examined exclude special-purpose acquisition companies, blank-check companies, and companies that were delisted or acquired before December 31, 2020. Bars without a number label represent one filing. Companies that were subject to a federal Section 11 filing or state 1933 Act filing have their returns calculated as the most recent closing stock price as of the complaint filing date, divided by the split-adjusted IPO offer price, minus one. Otherwise, returns are calculated as the closing stock price on December 31, 2020, divided by the split-adjusted IPO offer price, minus one. Returns are then annualized using the following formula: $\text{annualized return} = (1 + \text{nominal return})^{1 / \text{return period in years}}$. For simplicity, this analysis does not account for dividends.
2. The median lag between the IPO date and the date of an IPO-related Section 11 or state 1933 Act filing from 2010 to 2019 was roughly nine months (see Figure 24). The sample is therefore restricted to IPOs before December 31, 2019, one year before the publication of this report, to account for IPO filing lag.

Lag between IPO and Federal Section 11 and State 1933 Act Filings

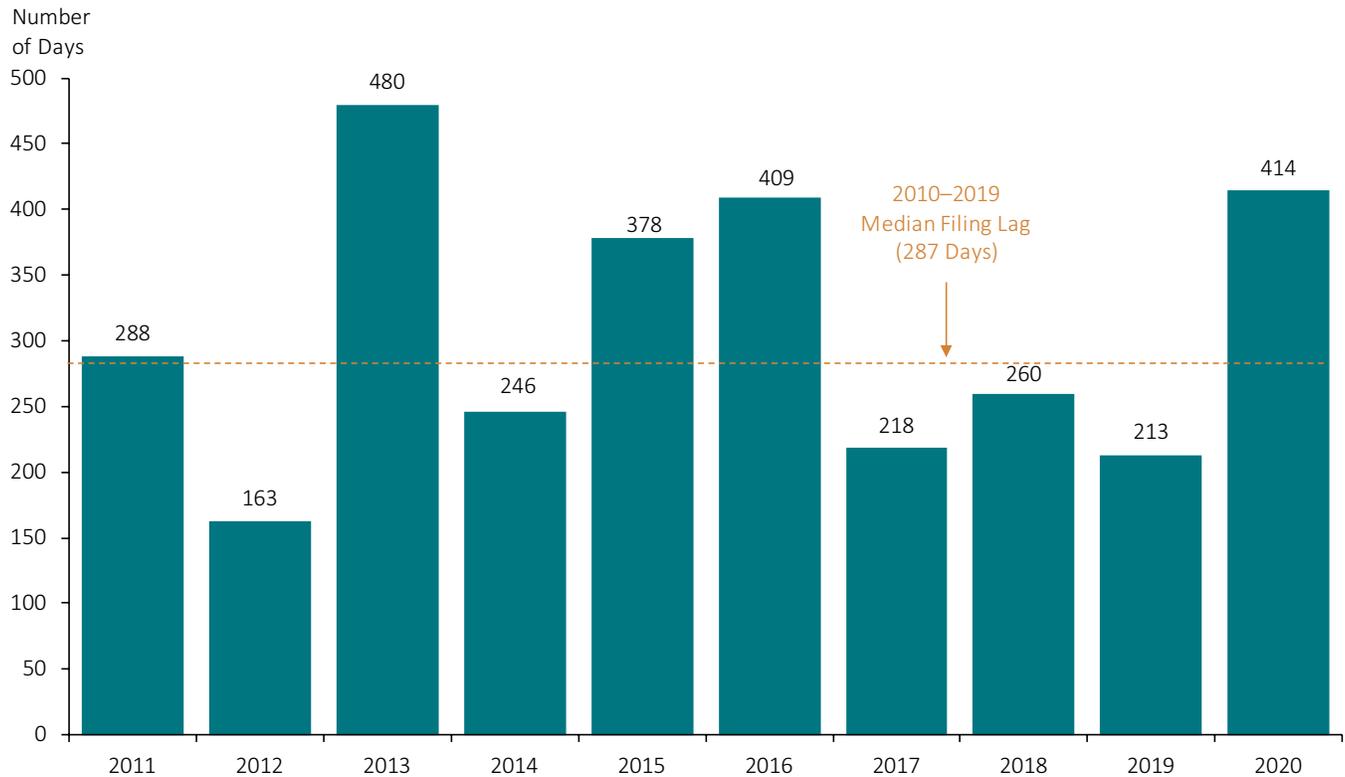
This analysis reviews the number of days between the IPO of a company and the filing date of a federal Section 11 or state 1933 Act securities class action.

- The IPO filing lag has varied substantially since 2010, but is fairly centered around the median filing lag of 287 days.
- The IPO filing lag grew 94% relative to 2019.

- 2020 is the first year to have an IPO filing lag greater than the 2010–2019 median filing lag since 2016.

During the period 2010–2019, the median filing lag for an IPO subject to a federal Section 11 or state 1933 Act claim was roughly nine months.

Figure 24: Lag between IPO and Federal Section 11 and State 1933 Act Filings 2011–2020



Note:

1. These data only consider IPOs with a subsequent federal Section 11 or state 1933 Act class action complaint. Only complaints that exclusively were in reference to an IPO were considered. Federal filings that also include Rule 10b-5 allegations are not considered.
2. Year refers to the year in which the complaint was filed.

IPO Litigation Likelihood

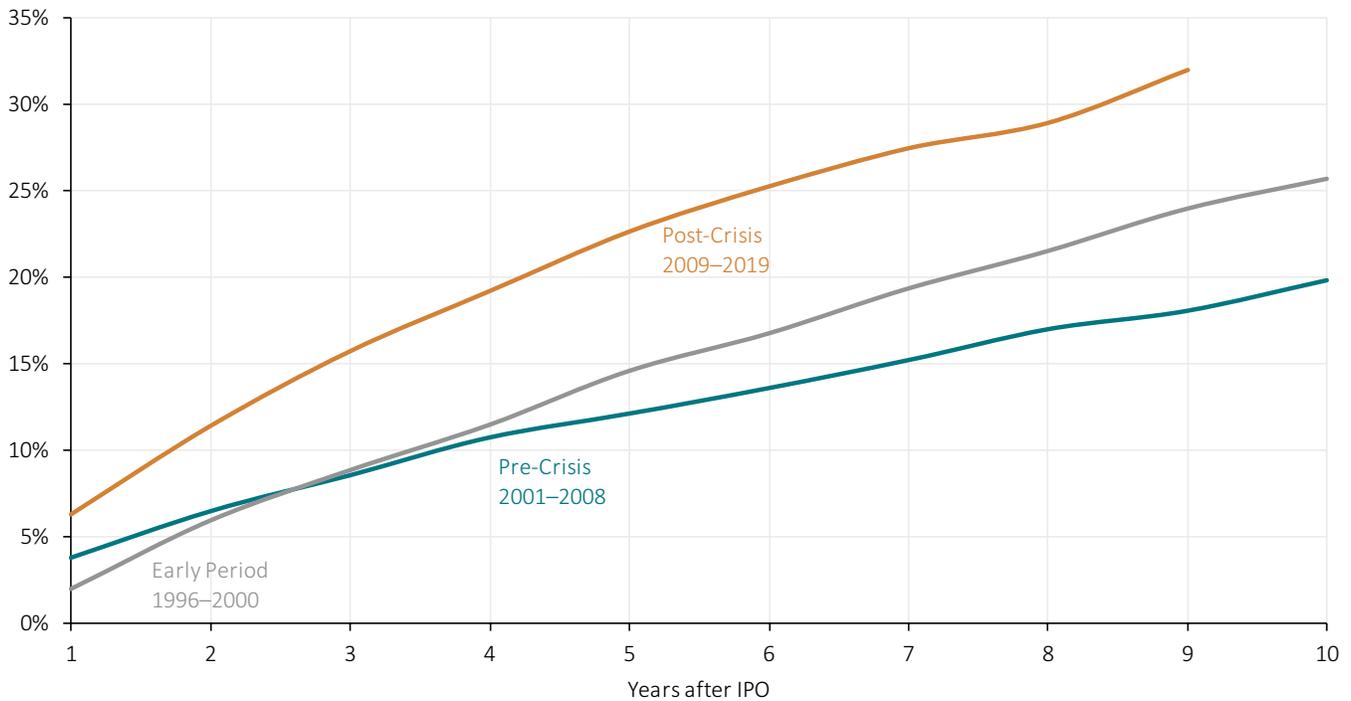
This figure compares the cumulative litigation exposure of IPOs to core federal and state 1933 Act filings since the 2008 credit crisis (post-crisis: 2009–2019) with two other groups of IPOs—core federal filings prior to the credit crisis (pre-crisis: 2001–2008) and prior to the dot-com collapse (early period: 1996–2000). 1933 Act filings exclusively in state courts enter into this analysis beginning in 2010.

- Post-crisis IPOs have faced higher litigation exposure in the first few years after an offering than IPOs in prior periods. For example, 19.2% of post-crisis IPOs have been subject to a core filing within four years of the IPO, compared to 10.8% for the pre-crisis cohort and 11.5% for the early period cohort.

IPOs from 2009 through 2019 have been subject to litigation at a steadily higher rate than earlier cohorts.

- For each IPO grouping, the incremental litigation exposure generally decreased with each year further removed from the IPO. See Appendix 5 for incremental exposure litigation values.

Figure 25: Likelihood of Litigation against Recent IPOs—Core Filings
2009–2019 IPOs versus Prior-Period IPOs



Source: Jay R. Ritter, “Founding Dates for Firms Going Public in the U.S. during 1975–2020,” University of Florida, January 2020; CRSP

Note:

1. Cumulative litigation exposure measures the probability that a surviving company will be a defendant in at least one securities class action during the analysis period. For a detailed explanation about the methodology, see Cornerstone Research, *Securities Class Action Filings—2014 Midyear Assessment*, page 10 and Appendix 3.
2. The post-crisis IPO cumulative litigation exposure is not presented for 10 years after the IPO due to limited data for cohorts with an IPO date toward the end of this period.
3. State 1933 Act filings enter into this analysis beginning in 2010.

Federal Filing Lag

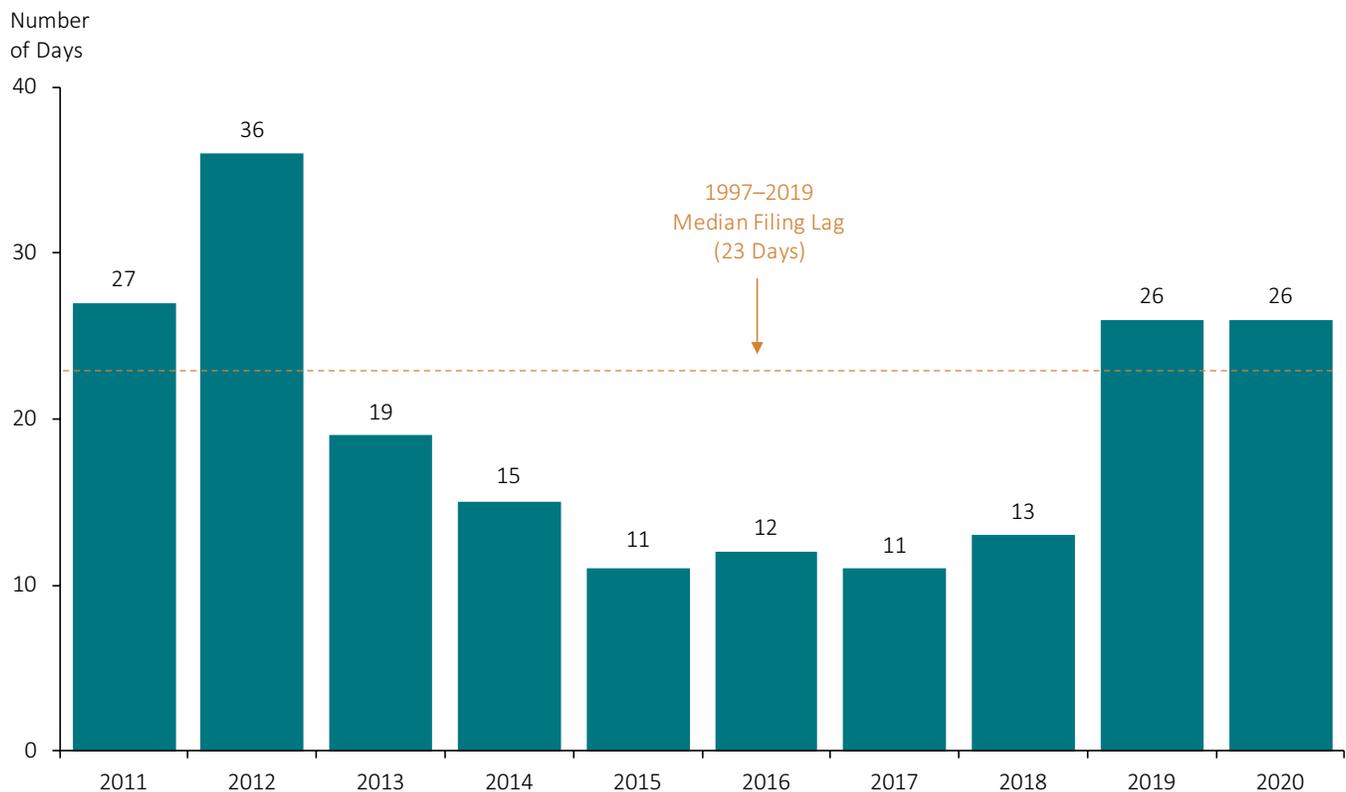
This analysis considers the number of days between the end of the class period and the filing date of a core federal securities class action.

- The median filing lag in 2020 remained at 26 days, which is slightly above the historical median value.
- From 2015 to 2018, the median filing lag fluctuated between 11 and 13 days.
- A comparison of MDL and DDL data with filing lag data indicates that, in 2020, filings with a lag greater than the median (26 days) had median MDL and DDL values that were more than double the median MDL and DDL values for filings with a lag lower than the median.

- The median filing lag for the three plaintiff firms listed most frequently on federal first identified complaints was 14 days, much lower than that for all other plaintiff firms (34 days).

The median filing lag in 2020 was 26 days, unchanged from 2019.

Figure 26: Annual Median Lag between Class Period End Date and Filing Date—Core Federal Filings 2011–2020



Note: This analysis excludes filings with only Section 11 claims and filings related to initial coin offerings or cryptocurrency because there is often no specified end of the class period.

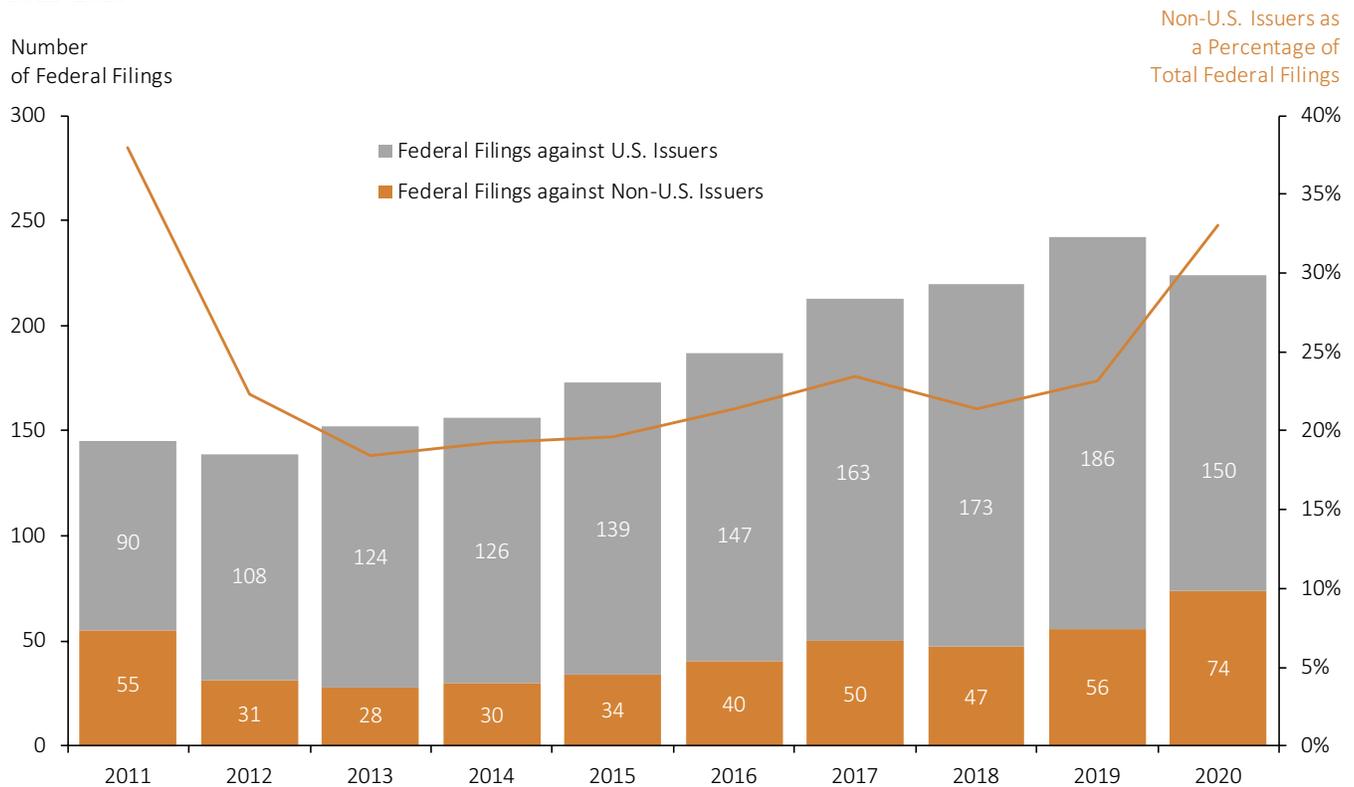
Non-U.S. Core Federal Filings

This index tracks the number of core federal filings against companies headquartered outside the United States relative to total core federal filings.

- The number of filings against non-U.S. issuers as a percentage of total filings has generally been trending upwards since 2013.
- As a percentage of total core federal filings, core federal filings against non-U.S. issuers increased to 33% in 2020, the highest since 2011 and the second highest on record.

The number of core federal filings against non-U.S. issuers reached a record high of 74.

Figure 27: Annual Number of Class Action Filings by Location of Headquarters—Core Federal Filings 2011–2020



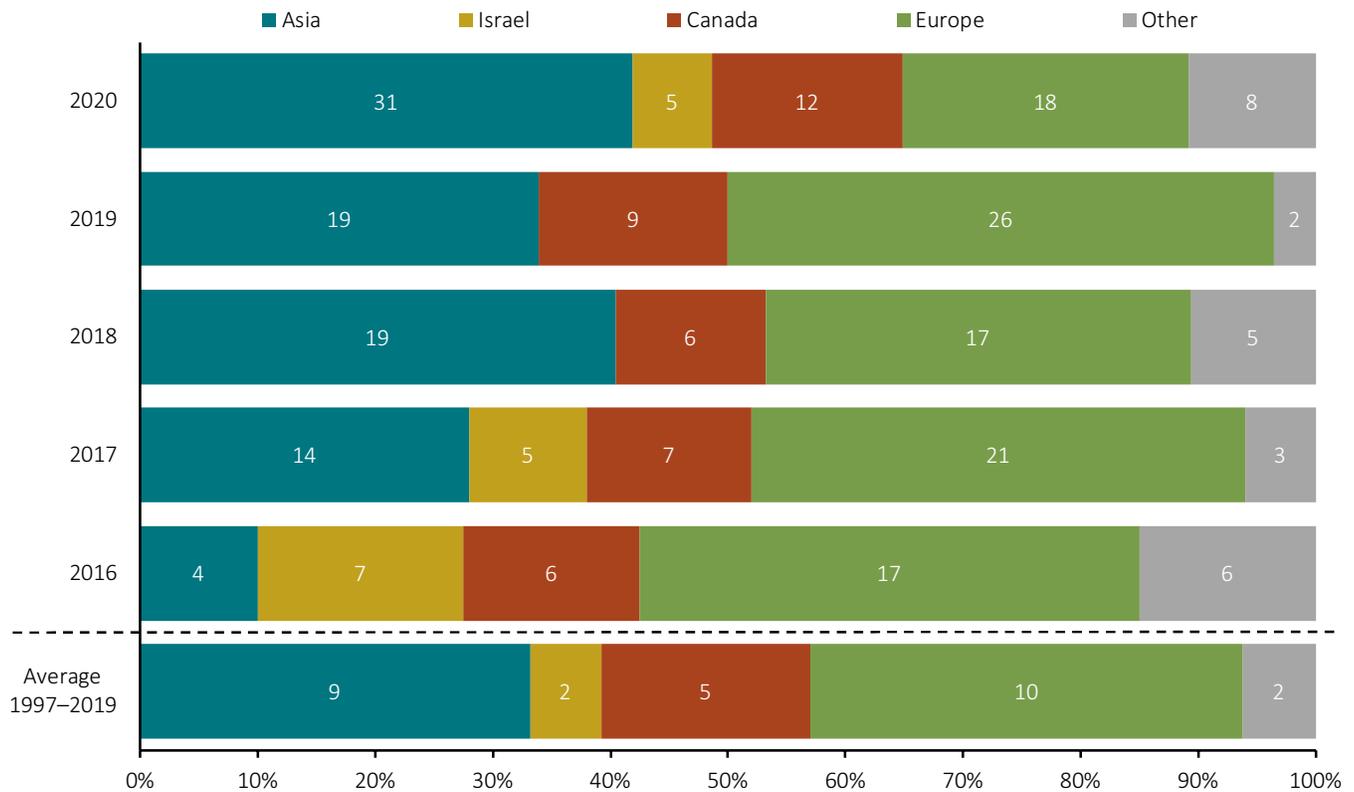
Note: This analysis only considers federal filings. It does not present combined federal and state data, and cases are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel cases identified in state courts. In those analyses, when parallel cases are filed in different years, only the earlier filing date is reflected in the analysis. As a result, this figure's filing counts may not match Figures 1, 3, 4, or 5.

- There were 31 core federal filings against Asian firms, the highest since a spike in Chinese reverse merger filings in 2011. Of these 31 filings, 24 involved Chinese firms. All four of the Singaporean filings had allegations related to cryptocurrency or SPACs.
- Of the 18 core federal filings against European firms, there were no more than four filings against companies headquartered in any one country.
- There were 12 core federal filings against Canadian firms, the highest since tracking began in 1997.

- Overall, this year’s percentage breakdown by region was fairly standard with all regions (excluding Europe), within 9 percentage points of their respective 1997–2019 averages.

The number of filings against Asian firms was the highest since 2011.

Figure 28: Non-U.S. Filings by Location of Headquarters—Core Federal Filings



Source: United Nations, “Regional Groups of Member States”

Note:

1. The “Asia” category includes filings for companies headquartered in Hong Kong.
2. In 2020, the definition for region was changed to use groupings set by the United Nations. As a result, counts in this figure may not match those in prior reports.
3. This analysis only considers federal filings. It does not present combined federal and state data, and cases are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel cases identified in state courts. In those analyses, when parallel cases are filed in different years, only the earlier filing date is reflected in the analysis. As a result, this figure’s filing counts may not match Figures 1, 3, 4, or 5.

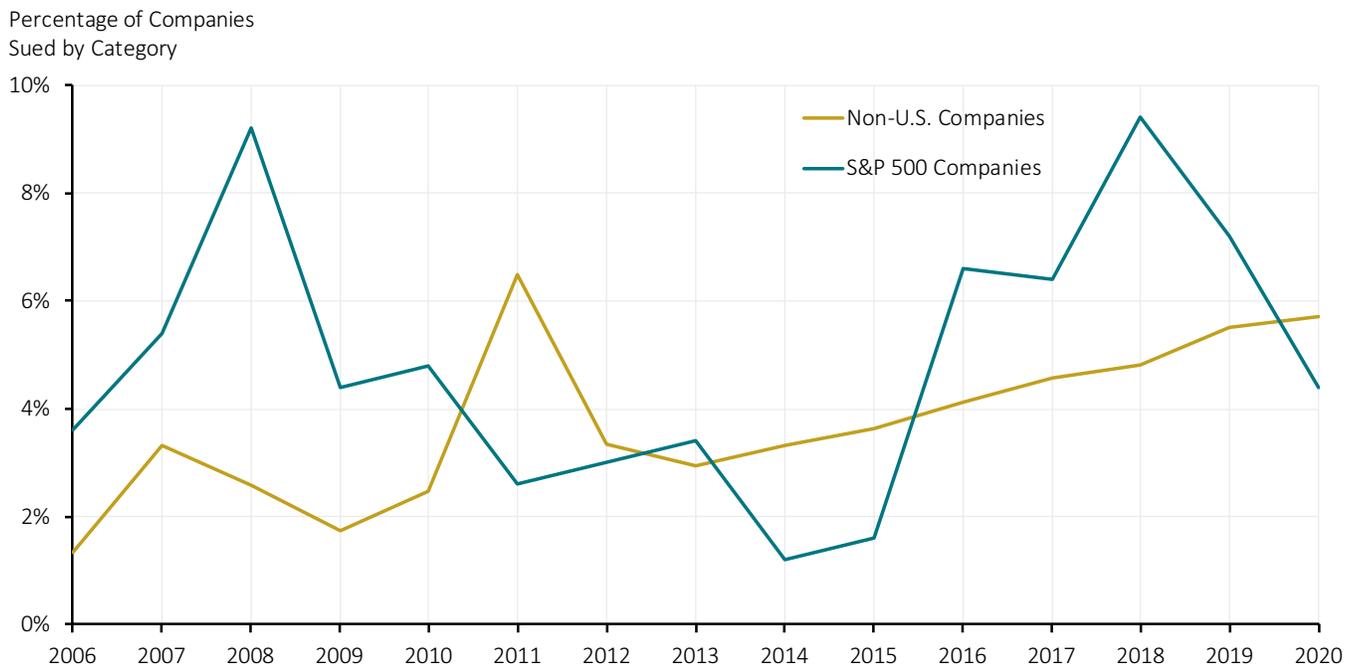
Non-U.S. Company Litigation Likelihood of Federal Filings

This figure examines the incidence of non-U.S. core federal filings relative to the likelihood of S&P 500 companies being the subject of a class action.

The percentage of S&P 500 companies sued dropped to 4.4%, falling below the percentage for non-U.S. companies for the first time since 2015.

- The percentage of non-U.S. companies subject to core federal filings increased for the seventh consecutive year, rising to the second-highest level since tracking began in 1997.
- The percentage of S&P 500 companies sued in 2020 was less than the 2000–2019 yearly average of 5.5% for the first time since 2015.

Figure 29: Percentage of Companies Sued by Listing Category or Domicile—Core Federal Filings 2006–2020



Source: CRSP; Yahoo Finance

Note:

1. Non-U.S. companies are defined as companies with headquarters outside the United States, Puerto Rico, and Virgin Islands. Companies were counted if they issue common stock or ADRs and are listed on the NYSE or Nasdaq.
2. Percentage of companies sued is calculated as the number of filings against unique companies in each category divided by the total number of companies in each category in a given year.

Mega Federal Filings

Mega DDL filings have a DDL of at least \$5 billion. Mega MDL filings have an MDL of at least \$10 billion. MDL and DDL are only presented for core federal filings.

- Although the number of mega DDL filings increased from eight in 2019 to 13 in 2020, total DDL from mega filings decreased by \$1 billion.
- There were 30 mega MDL filings in 2020, more than twice the historical average.
- In 2020, total MDL for mega core federal filings was \$1,309 billion, a noticeable increase from 2019 and nearly three times the 1997–2019 average.

- In 2020, the percentages of total federal DDL and MDL represented by mega filings were higher than the historical average. The MDL for mega filings represented 83% of total federal MDL, compared to the historical average of 70%. The DDL for mega filings represented 60% of total federal DDL, compared to the historical average of 54%.

The number of mega DDL and MDL filings was significantly higher than the historical average.

Figure 30: Mega Filings—Core Federal Filings

(Dollars in Billions)

	Average 1997–2019	2018	2019	2020
Mega Disclosure Dollar Loss (DDL) Filings³				
Mega DDL Filings	6	17	8	13
DDL for Mega Core Federal Filings	\$73	\$212	\$147	\$146
Percentage of Total Federal DDL	54%	64%	53%	60%
Mega Maximum Dollar Loss (MDL) Filings⁴				
Mega MDL Filings	14	27	20	30
MDL for Mega Core Federal Filings	\$461	\$963	\$825	\$1,309
Percentage of Total Federal MDL	70%	73%	71%	83%

Note:

1. This figure does not present data on a combined federal and state filings basis.
2. There are core filings for which data are not available to estimate MDL and DDL accurately. These core filings are excluded from MDL and DDL analysis and counts.
3. Mega DDL filings have a disclosure dollar loss of at least \$5 billion.
4. Mega MDL filings have a maximum dollar loss of at least \$10 billion.

Industry Comparison of Federal Filings

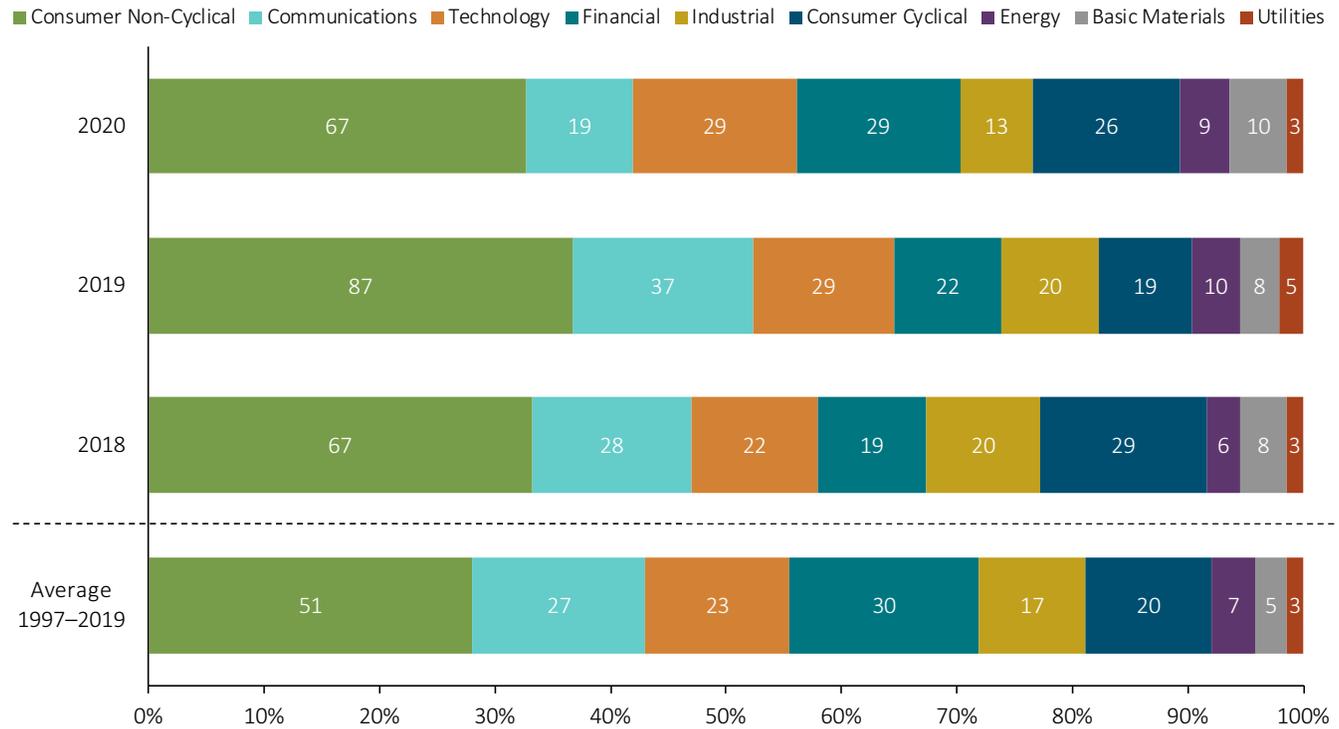
This analysis of core federal filings encompasses both smaller companies and the large capitalization companies of the S&P 500.

- The DDL from Utilities and Financial filings in 2020 was significantly higher than in the two years preceding and when compared to the 1997–2019 average (see Appendix 6).
- Although Consumer Non-Cyclical companies (primarily composed of pharmaceutical, healthcare, and biotechnology firms) had fewer filings in 2020 (67) than in 2016, 2017, and 2019, that number still surpassed the 1997–2019 average by over 31%.
- There were 19 Communications filings in 2020, far fewer than in the previous two years and also below the 1997–2019 average of 27.

- The number of Basic Materials filings in 2020 was the highest that it has been since 2017.
- From 1997 to 2019 the average number of Consumer Non-Cyclical filings was about the same as the number of Technology and Communications filings. In 2020, as in the previous two years, there were significantly more Consumer Non-Cyclical filings than Technology and Communications filings.

The majority of industries had a similar number of filings in 2020 as in the previous two years.

Figure 31: Filings by Industry—Core Federal Filings



Note:

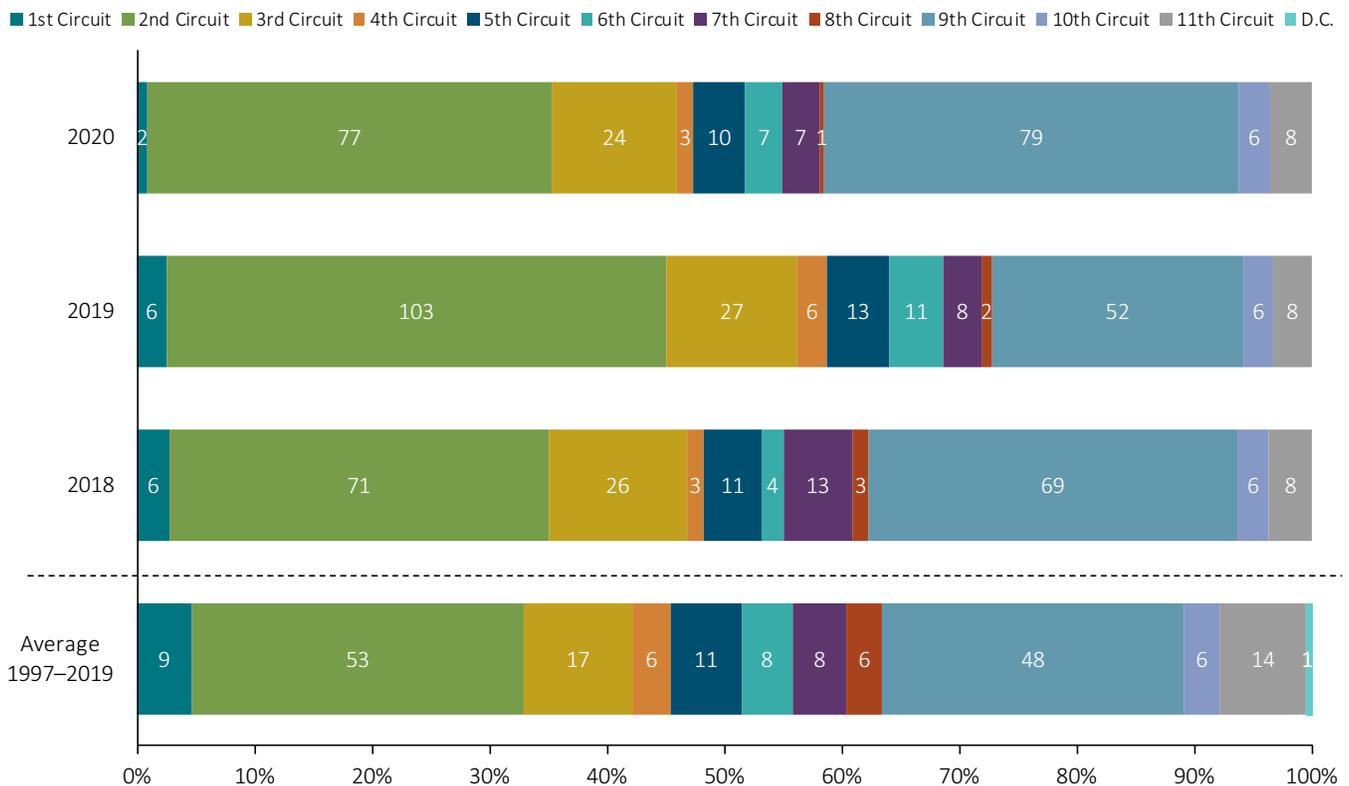
1. This analysis only considers federal filings. It does not present combined federal and state data, and cases are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel cases identified in state courts. In those analyses, when parallel cases are filed in different years, only the earlier filing date is reflected in the analysis. As a result, this figure’s filing counts may not match Figures 1, 3, 4, or 5.
2. Filings with missing sector information or infrequently used sectors may be excluded. As a result, numbers in this chart may not match other total counts listed in the report.
3. Sectors are based on the Bloomberg Industry Classification System.

Federal Filings by Circuit

- The Second and Ninth Circuits combined made up 70% of all core federal filings in 2020, roughly in line with 2019 (64%) and above the 1997–2019 average of 54%.
- Core federal filings in the Ninth Circuit increased by 52% to 79 filings, the highest number on record for that circuit. Core filings in the Second Circuit decreased by 25% from the record high of 103 in 2019 to 77 filings, which is still above the 1997–2019 average of 53.
- Core federal filings in the First Circuit decreased by 67% to two filings, well below the 1997–2019 average of nine filings. DDL and MDL in this circuit were below \$1 billion.
- The total MDL for the Ninth Circuit increased from \$501 billion in 2019 to \$586 billion in 2020, three times the 1997–2019 average. See Appendix 7.
- Total MDL for the Second Circuit increased by 70% from \$360 billion in 2019 to \$612 billion in 2020. See Appendix 7.

Core federal filings in the Ninth Circuit were the highest on record, while in the Second Circuit, core federal filings fell from last year's record high.

Figure 32: Filings by Circuit—Core Federal Filings



Note: This analysis only considers federal filings. It does not present combined federal and state data, and cases are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel cases identified in state courts. In those analyses, when parallel cases are filed in different years, only the earlier filing date is reflected in the analysis. As a result, this figure's filing counts may not match Figures 1, 3, 4, or 5.

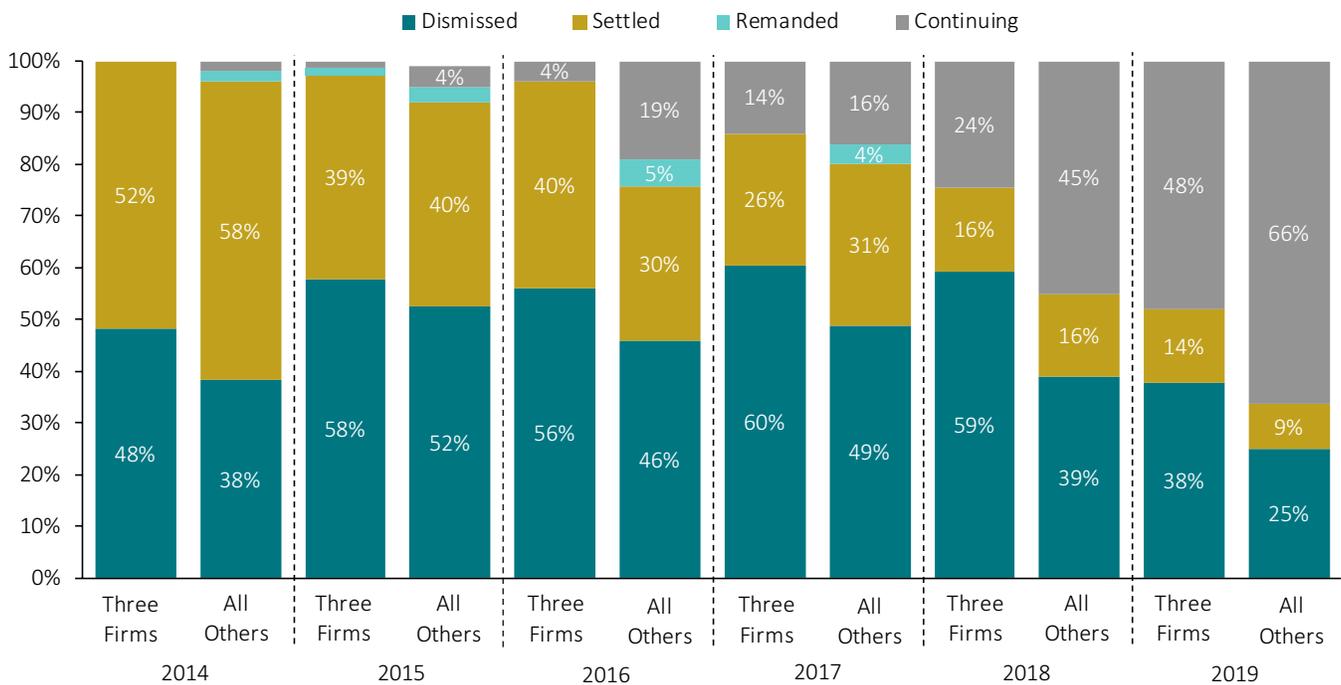
Federal Case Status by Plaintiffs’ Counsel

Three law firms—The Rosen Law Firm, Pomerantz LLP, and Glancy Prongay & Murray LLP—have been responsible for more than half of first filed securities class action complaints in federal courts since 2015. See Cornerstone Research, *Securities Class Action Filings—2020 Midyear Assessment*, Figure 23. The figure below examines case outcomes for core federal filings for which these three firms were listed as counsel of record on the operative complaint. These case outcomes are compared with filings for which other plaintiff law firms are the counsel of record.

- From 2014 through 2019, these three firms have had 53% of their class actions dismissed, compared to 41% for all other plaintiff firms. However, a larger set of filings and more careful consideration of other factors such as circuit, court, industry, type of allegation, and other factors would be necessary to determine if these differences are statistically significant.
- Prior analysis of these three firms by Michael Klausner, Professor of Law at Stanford Law School, and Jason Hegland, Executive Director of Stanford Securities Litigation Analytics, indicated these firms had higher dismissal rates between 2006 and 2015 as well. See “Guest Post: Deeper Trends in Securities Class Actions 2006–2015,” The D&O Diary, June 23, 2016.

Complaints filed by these three plaintiff law firms have been dismissed more frequently than other law firms for all years analyzed.

Figure 33: Case Status by Plaintiff Law Firm of Record on the Operative Complaint—Core Federal Filings 2014–2019



Note:

1. The analysis relies on the counsel of record on the operative complaint.
2. 1% of core federal filings in 2018 and 1% of core federal filings in 2019 do not have counsel of record assigned yet. These filings are not included in this analysis.
3. Percentages may not sum to 100% due to rounding.

New Developments

State Court 1933 Act Claims

As reported in Cornerstone Research’s *Securities Class Action Filings—2020 Midyear Assessment*, on March 18, 2020, the Delaware Supreme Court held in *Sciabacucchi* that forum-selection provisions in corporate charters requiring that some class action securities claims under the 1933 Act be adjudicated in federal courts are enforceable.

In the last six months, four trial courts in California have enforced these federal forum-selection provisions; no trial court has ruled that they are unenforceable. In the future, other courts will likely consider this issue. Courts may also consider related issues, such as whether corporate charters can require arbitration of internal corporate claims, including those involving violations of securities laws.

SEC Guidance Regarding Disclosures of China-Based Companies Listing on U.S. Exchanges

In November 2020, the SEC’s Division of Corporation Finance issued CF Disclosure Guidance: Topic No. 10, which identified disclosure considerations for China-based companies that list on U.S. exchanges. According to the SEC, due to limitations on the SEC’s ability to enforce disclosure standards for China-based issuers, there is substantially greater risk that disclosures by such issuers will be incomplete and misleading and that investors will have substantially less recourse relative to what they have with other non-U.S. issuers. The SEC stated that China-based issuers must fully disclose material risks related to their operations in China, and identified specific disclosure guidelines.

The SEC’s guidance follows legislation and executive action that would (i) prohibit listing of securities if the issuer’s auditor has not been inspected by the Public Company Accounting Oversight Board, or when the auditor does not demonstrate sufficient resources, geographic reach, or experience; and (ii) prohibit U.S. persons from holding investments in certain Chinese companies affiliated with the Chinese military.

Surge of SPAC IPO Activity in 2020

SPACs exploded in popularity in 2020. Also known as “blank check” companies, SPACs are used as vehicles to take companies public without going through the traditional IPO process. Over half of all IPOs in 2020 involved SPACs, with over \$75.3 billion raised across 248 SPAC IPOs.¹ Although there were relatively few SPAC-related filings in 2020, that trend will likely change given the large number of 2020 SPAC IPOs.

1. Jay R. Ritter, “IPOs 2020 SPACs,” University of Florida, December 31, 2020.

Glossary

Annual Number of Class Action Filings by Location of Headquarters (formerly known as the Class Action Filings Non-U.S. Index) tracks the number of core federal filings against non-U.S. issuers (companies headquartered outside the United States) relative to total core federal filings.

Class Action Filings Index® (CAF Index®) tracks the number of federal securities class action filings.

Cohort is the group of securities class actions all filed in a particular calendar year.

Core filings are all state 1933 Act class actions and all federal securities class actions excluding those defined as M&A filings.

Cyan refers to *Cyan Inc. v. Beaver County Employees Retirement Fund*. In this March 2018 opinion, the U.S. Supreme Court ruled that 1933 Act claims may be brought to state venues and are not removable to federal court.

Disclosure Dollar Loss Index® (DDL Index®) measures the aggregate DDL for all federal and state filings over a period of time. DDL is the dollar value change in the defendant firm's market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. DDL should not be considered an indicator of liability or measure of potential damages. Instead, it estimates the impact of all information revealed at the end of the class period, including information unrelated to the litigation.

Dollar Loss on Offered Shares Index™ (DLOS Index™) measures the aggregate DLOS for federal filings with only Section 11 claims and for state 1933 Act filings. DLOS is the change in the dollar value of shares acquired by class members. It is the difference in the price of offered shares (i.e., from the date of the registration statement until the complaint filing date) multiplied by the shares offered. DLOS should not be considered an indicator of liability or measure of potential damages. Instead, it estimates the impact of all information revealed between the date of the registration statement and the complaint filing date, including information unrelated to the litigation.

Filing lag is the number of days between the end of a class period and the filing date of the securities class action.

First identified complaint is the first complaint filed of one or more securities class action complaints with the same underlying allegations filed against the same defendant or set of defendants.

Halliburton II refers to *Halliburton Co. v. Erica P. John Fund Inc.*, decided June 30, 2014, by the U.S. Supreme Court.

Heat Maps of S&P 500 Securities Litigation™ analyze securities class action activity by industry sector. The analysis focuses on companies in the Standard & Poor's 500 (S&P 500) index, which comprises 500 large, publicly traded companies in all major sectors. Starting with the composition of the S&P 500 at the beginning of each year, the Heat Maps examine each sector by: (1) the percentage of these companies subject to new securities class actions in federal court during each calendar year, and (2) the percentage of the total market capitalization of these companies subject to new securities class actions in federal court during each calendar year.

Market capitalization losses measure changes to market values of the companies subject to class action filings. This report tracks market capitalization losses for defendant firms during and at the end of class periods. They are calculated for publicly traded common equity securities, closed-ended mutual funds, and exchange-traded funds where data are available. Declines in market capitalization may be driven by market, industry, and/or firm-specific factors. To the extent that the observed losses reflect factors unrelated to the allegations in class action complaints, indices based on class period losses would not be representative of potential defendant exposure in class actions. This is especially relevant in the post-*Dura* securities litigation environment. In April 2005, the U.S. Supreme Court ruled that plaintiffs in a securities class action are required to establish a causal connection between alleged wrongdoing and subsequent shareholder losses. This report tracks market capitalization losses at the end of each class period using DDL, and market capitalization losses during each class period using MDL.

Maximum Dollar Loss Index® (MDL Index®) measures the aggregate MDL for all federal and state filings over a period of time. MDL is the dollar value change in the defendant firm's market capitalization from the trading day with the highest market capitalization during the class period to the trading day immediately following the end of the class period. MDL should not be considered an indicator of liability or measure of potential damages. Instead, it estimates the impact of all information revealed during or at the end of the class period, including information unrelated to the litigation.

Mega filings include mega DDL filings, securities class action filings with a DDL of at least \$5 billion; and mega MDL filings, securities class action filings with an MDL of at least \$10 billion.

Merger and acquisition (M&A) filings are securities class actions filed in federal courts that have Section 14 claims, but no Rule 10b-5, Section 11, or Section 12(a) claims, and involve merger and acquisition transactions.

Sciabacucchi refers to *Salzberg v. Sciabacucchi*. On March 18, 2020, the Delaware Supreme Court held that forum-selection provisions in corporate charters requiring that some class action securities claims under the 1933 Act be adjudicated in federal courts are enforceable.

Securities Class Action Clearinghouse is an authoritative source of data and analysis on the financial and economic characteristics of federal securities fraud class action litigation, cosponsored by Cornerstone Research and Stanford Law School.

State 1933 Act filing is a class action filed in a state court that asserts claims under Section 11 and/or Section 12 of the Securities Act of 1933. These filings may also have Section 15 claims, but do not have Rule 10b-5 claims.

Appendices

Appendix 1: Basic Filings Metrics

Year	Class		Disclosure Dollar Loss			Maximum Dollar Loss			U.S. Exchange-Listed Firms: Core Filings		
	Action Filings	Core Filings	DDL Total (\$ Billions)	Average (\$ Millions)	Median (\$ Millions)	MDL Total (\$ Billions)	Average (\$ Millions)	Median (\$ Millions)	Number	Number of Listed Firms Sued	Percentage of Listed Firms Sued
1997	174	174	\$42	\$272	\$57	\$145	\$940	\$405	8,113	165	2.0%
1998	242	242	\$80	\$365	\$61	\$224	\$1,018	\$294	8,190	225	2.7%
1999	209	209	\$140	\$761	\$101	\$364	\$1,978	\$377	7,771	197	2.5%
2000	216	216	\$240	\$1,251	\$119	\$761	\$3,961	\$689	7,418	205	2.8%
2001	180	180	\$198	\$1,215	\$93	\$1,487	\$9,120	\$771	7,197	168	2.3%
2002	224	224	\$201	\$989	\$136	\$2,046	\$10,080	\$1,494	6,474	204	3.2%
2003	192	192	\$77	\$450	\$100	\$575	\$3,363	\$478	5,999	181	3.0%
2004	228	228	\$144	\$739	\$108	\$726	\$3,722	\$498	5,643	210	3.7%
2005	182	182	\$93	\$595	\$154	\$362	\$2,321	\$496	5,593	168	3.0%
2006	120	120	\$52	\$496	\$109	\$294	\$2,827	\$413	5,525	114	2.1%
2007	177	177	\$158	\$1,013	\$156	\$700	\$4,489	\$715	5,467	158	2.9%
2008	224	224	\$221	\$1,516	\$208	\$816	\$5,591	\$1,077	5,339	170	3.2%
2009	164	157	\$84	\$830	\$138	\$550	\$5,447	\$1,066	5,042	118	2.3%
2010	174	135	\$73	\$691	\$146	\$474	\$4,515	\$598	4,764	107	2.2%
2011	189	146	\$115	\$850	\$92	\$523	\$3,876	\$439	4,660	127	2.7%
2012	154	142	\$97	\$758	\$151	\$405	\$3,139	\$647	4,529	119	2.6%
2013	165	152	\$104	\$750	\$153	\$278	\$2,011	\$532	4,411	137	3.1%
2014	170	158	\$56	\$378	\$165	\$220	\$1,489	\$528	4,416	144	3.3%
2015	217	183	\$120	\$671	\$144	\$415	\$2,332	\$512	4,578	169	3.7%
2016	288	204	\$106	\$554	\$167	\$848	\$4,418	\$1,038	4,593	188	4.1%
2017	412	214	\$125	\$637	\$149	\$512	\$2,613	\$665	4,411	186	4.2%
2018	420	238	\$331	\$1,584	\$298	\$1,317	\$6,299	\$1,063	4,406	211	4.8%
2019	427	267	\$282	\$1,190	\$216	\$1,187	\$5,008	\$1,010	4,318	237	5.5%
2020	334	234	\$245	\$1,209	\$185	\$1,584	\$7,803	\$1,008	4,514	193	4.3%
Average (1997–2019)	224	190	\$136	\$807	\$140	\$662	\$3,937	\$687	5,602	170	3.1%

Note:

1. 1933 Act filings in state courts are included in the data beginning in 2010.
2. Average and median numbers are calculated only for filings with MDL and DDL data. Filings without MDL and DDL data include M&A-only filings, initial coin offering filings, and other filings where calculations of MDL and DDL are non-obvious.
3. The number and percentage of U.S. exchange-listed firms sued are based on core filings and include companies that were subject to both an M&A filing and a core filing in the same year.

Appendix 2A: S&P 500 Securities Litigation—Percentage of S&P 500 Companies Subject to Core Federal Filings

Year	Consumer Discretionary	Consumer Staples	Energy/ Materials	Financials/ Real Estate	Health Care	Industrials	Telecomm./ Comm./IT	Utilities	All S&P 500 Companies
2001	2.4%	8.3%	0.0%	1.4%	7.1%	0.0%	18.0%	7.9%	5.6%
2002	10.2%	2.9%	3.1%	16.7%	15.2%	6.0%	11.0%	40.5%	12.0%
2003	4.6%	2.9%	1.7%	8.6%	10.4%	3.0%	5.6%	2.8%	5.2%
2004	3.4%	2.7%	1.8%	19.3%	10.6%	8.5%	3.2%	5.7%	7.2%
2005	10.3%	8.6%	1.7%	7.3%	10.7%	1.8%	6.7%	3.0%	6.6%
2006	4.4%	2.8%	0.0%	2.4%	6.9%	0.0%	8.1%	0.0%	3.6%
2007	5.7%	0.0%	0.0%	10.3%	12.7%	5.8%	2.3%	3.1%	5.4%
2008	4.5%	2.6%	0.0%	31.2%	13.7%	3.6%	2.5%	3.2%	9.2%
2009	3.8%	4.9%	1.5%	9.5%	3.7%	6.9%	1.2%	0.0%	4.2%
2010	5.1%	0.0%	4.3%	10.3%	13.5%	0.0%	2.4%	0.0%	4.8%
2011	3.8%	2.4%	0.0%	1.2%	2.0%	1.7%	7.1%	0.0%	2.6%
2012	4.9%	2.4%	2.7%	3.7%	1.9%	1.6%	3.8%	0.0%	3.0%
2013	8.4%	0.0%	0.0%	0.0%	5.7%	0.0%	9.1%	0.0%	3.4%
2014	1.2%	0.0%	1.3%	1.2%	0.0%	4.7%	0.0%	0.0%	1.2%
2015	0.0%	5.0%	0.0%	1.2%	1.9%	0.0%	4.2%	3.4%	1.6%
2016	3.6%	2.6%	4.5%	6.9%	17.9%	6.1%	6.8%	3.4%	6.6%
2017	8.5%	2.7%	3.3%	3.3%	8.3%	8.7%	8.5%	7.1%	6.4%
2018	10.0%	11.8%	1.8%	7.0%	16.1%	8.8%	12.7%	7.1%	9.4%
2019	3.1%	12.1%	3.7%	2.0%	12.9%	10.1%	10.0%	6.9%	7.2%
2020	8.1%	3.1%	1.9%	5.3%	6.3%	2.7%	2.0%	7.1%	4.4%
Average 2001–2019	5.2%	3.8%	1.6%	7.6%	9.1%	4.2%	6.5%	5.2%	5.5%

Appendix 2B: S&P 500 Securities Litigation—Percentage of Market Capitalization of S&P 500 Companies Subject to Core Federal Filings

Year	Consumer Discretionary	Consumer Staples	Energy/ Materials	Financials/ Real Estate	Health Care	Industrials	Telecomm./ Comm./IT	Utilities	All S&P 500 Companies
2001	1.3%	6.3%	0.0%	0.8%	5.4%	0.0%	32.6%	17.4%	10.9%
2002	24.7%	0.3%	1.2%	29.2%	35.2%	13.3%	9.1%	51.0%	18.8%
2003	2.0%	2.3%	0.4%	19.9%	16.3%	4.6%	1.7%	4.3%	8.0%
2004	7.9%	0.1%	29.7%	46.1%	24.1%	8.8%	1.2%	4.8%	17.7%
2005	5.7%	11.4%	1.6%	22.2%	10.1%	5.6%	10.3%	5.6%	10.7%
2006	8.9%	0.8%	0.0%	8.2%	18.1%	0.0%	8.3%	0.0%	6.7%
2007	4.4%	0.0%	0.0%	18.1%	22.5%	2.2%	3.4%	5.5%	8.2%
2008	7.2%	2.6%	0.0%	55.0%	20.0%	26.4%	1.4%	4.0%	16.2%
2009	1.9%	3.9%	0.8%	30.7%	1.7%	23.2%	0.3%	0.0%	7.6%
2010	4.9%	0.0%	5.2%	31.1%	32.7%	0.0%	5.9%	0.0%	11.1%
2011	4.6%	0.8%	0.0%	6.9%	0.7%	2.1%	13.4%	0.0%	5.0%
2012	1.6%	14.0%	0.9%	11.0%	0.8%	1.2%	2.2%	0.0%	4.3%
2013	4.4%	0.0%	0.0%	0.0%	4.4%	0.0%	16.6%	0.0%	4.7%
2014	2.5%	0.0%	0.2%	0.3%	0.0%	1.7%	0.0%	0.0%	0.6%
2015	0.0%	1.9%	0.0%	3.0%	3.1%	0.0%	7.0%	3.7%	2.8%
2016	2.8%	1.0%	19.8%	11.9%	13.2%	8.7%	12.3%	4.4%	10.0%
2017	8.2%	6.7%	2.3%	1.5%	2.7%	22.3%	4.4%	9.6%	6.1%
2018	4.7%	15.2%	1.4%	12.5%	26.3%	19.4%	19.4%	6.5%	14.9%
2019	0.5%	9.1%	1.2%	2.2%	6.6%	21.6%	18.0%	7.9%	10.0%
2020	2.2%	1.8%	0.4%	16.9%	4.7%	4.9%	1.6%	6.6%	4.3%
Average 2001–2019	4.8%	4.4%	2.8%	14.3%	12.3%	9.3%	10.4%	6.1%	9.0%

Note: Average figures are calculated as the sum of the market capitalization subject to core filings in a given sector from 2001 to 2019 divided by the sum of market capitalization in that sector from 2001 to 2019

Appendix 3: M&A Federal Filings Overview

Year	M&A Filings	M&A Case Status					Case Status of All Other Federal Filings				
		Dismissed	Settled	Remanded	Continuing	Trial Verdict	Dismissed	Settled	Remanded	Continuing	Trial Verdict
2010	39	33	6	0	0	0	69	65	1	1	0
2011	43	40	3	0	0	0	69	75	1	0	0
2012	12	9	3	0	0	0	68	65	2	4	0
2013	13	7	6	0	0	0	86	64	1	1	0
2014	12	9	3	0	0	0	65	87	2	2	0
2015	34	27	7	0	0	0	94	68	4	6	1
2016	84	67	14	0	3	0	93	63	6	25	0
2017	198	189	5	1	3	0	113	61	5	34	0
2018	182	173	4	0	5	0	102	35	0	83	0
2019	160	148	0	0	12	0	73	26	0	143	0
2020	100	88	0	0	12	0	12	3	0	209	0

Note:

1. The Securities Class Action Clearinghouse began tracking M&A filings as a separate category in 2009.
2. Case status is as of the end of 2020.
3. Since 2010, there have only been two cases tried to a verdict, both of which were core filings. One of these cases settled after trial and is categorized as settled in the data.

Appendix 4: Case Status by Year—Core Federal Filings

Filing Year	In the First Year				In the Second Year				In the Third Year				Total Resolved within Three Years
	Settled	Dismissed	Other	Total Resolved	Settled	Dismissed	Other	Total Resolved	Settled	Dismissed	Other	Total Resolved	
1997	0.0%	7.5%	0.6%	8.0%	14.9%	8.6%	0.0%	31.6%	16.7%	4.0%	0.0%	52.3%	
1998	0.8%	7.4%	0.0%	8.3%	16.1%	12.4%	0.0%	36.8%	15.7%	7.9%	0.0%	60.3%	
1999	0.5%	6.7%	0.0%	7.2%	11.0%	12.0%	0.0%	30.1%	18.2%	9.1%	0.0%	57.4%	
2000	1.9%	4.2%	0.0%	6.0%	11.6%	13.0%	0.0%	30.6%	15.7%	10.6%	0.5%	57.4%	
2001	1.7%	6.7%	0.0%	8.3%	11.7%	10.6%	0.0%	30.6%	17.8%	5.0%	0.0%	53.3%	
2002	0.9%	5.8%	0.4%	7.1%	6.7%	9.4%	0.0%	23.2%	15.2%	11.6%	0.0%	50.0%	
2003	0.5%	7.8%	0.0%	8.3%	7.8%	13.5%	0.0%	29.7%	14.6%	14.6%	0.0%	58.9%	
2004	0.0%	10.5%	0.0%	10.5%	9.6%	16.2%	0.0%	36.4%	12.3%	9.6%	0.0%	58.3%	
2005	0.5%	11.5%	0.0%	12.1%	8.2%	19.8%	0.0%	40.1%	17.6%	8.8%	0.0%	66.5%	
2006	0.8%	9.2%	0.0%	10.0%	8.3%	16.7%	0.0%	35.0%	14.2%	6.7%	0.0%	55.8%	
2007	0.6%	6.8%	0.0%	7.3%	7.9%	13.0%	0.0%	28.2%	17.5%	14.7%	0.0%	60.5%	
2008	0.0%	13.0%	0.9%	13.9%	3.6%	18.4%	0.0%	35.9%	9.9%	11.2%	0.0%	57.0%	
2009	0.0%	9.6%	0.0%	9.6%	4.5%	19.7%	0.0%	33.8%	8.3%	6.4%	0.0%	48.4%	
2010	1.5%	11.8%	0.7%	14.0%	7.4%	15.4%	0.0%	36.8%	3.7%	14.7%	0.0%	55.1%	
2011	0.0%	11.7%	0.7%	12.4%	2.8%	15.9%	0.0%	31.0%	18.6%	12.4%	0.0%	62.1%	
2012	0.7%	12.2%	1.4%	14.4%	4.3%	22.3%	0.0%	41.0%	8.6%	10.1%	0.0%	59.7%	
2013	0.0%	17.1%	0.7%	17.8%	5.3%	19.7%	0.0%	42.8%	9.2%	9.9%	0.0%	61.8%	
2014	0.6%	7.7%	1.3%	9.6%	5.1%	18.6%	0.0%	33.3%	9.0%	10.3%	0.0%	52.6%	
2015	0.0%	13.9%	2.3%	16.2%	2.3%	21.4%	0.0%	39.9%	9.2%	6.4%	0.0%	55.5%	
2016	0.0%	12.8%	1.6%	14.4%	4.3%	17.1%	0.5%	36.4%	9.1%	9.1%	1.1%	55.6%	
2017	0.0%	18.8%	1.9%	20.7%	2.3%	16.4%	0.5%	39.9%	12.7%	10.8%	0.0%	63.4%	
2018	0.0%	12.7%	0.0%	12.7%	5.9%	21.8%	0.0%	40.5%	10.0%	11.8%	0.0%	62.3%	
2019	0.4%	14.9%	0.0%	15.3%	10.3%	15.3%	0.0%	40.9%	-	-	-	-	
2020	1.3%	5.4%	0.0%	6.7%	-	-	-	-	-	-	-	-	

Note: Percentages may not sum due to rounding. Percentages below the dashed lines indicate cohorts for which data are not complete. “Other” represents cases that were remanded or went to trial. Case Status is reported as of the last significant docket update as determined by the Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse.

Appendix 5: Litigation Exposure for IPOs in the Given Periods—Core Filings

Years Since IPO	Cumulative Exposure			Incremental Exposure		
	2009–2019	2001–2008	1996–2000	2009–2019	2001–2008	1996–2000
1	6.3%	3.8%	2.0%	6.3%	3.8%	2.0%
2	11.5%	6.5%	5.9%	5.1%	2.7%	4.0%
3	15.8%	8.6%	8.8%	4.3%	2.1%	2.9%
4	19.2%	10.8%	11.5%	3.5%	2.2%	2.6%
5	22.7%	12.2%	14.6%	3.5%	1.4%	3.1%
6	25.3%	13.6%	16.7%	2.6%	1.5%	2.2%
7	27.5%	15.3%	19.3%	2.2%	1.6%	2.6%
8	29.0%	17.0%	21.5%	1.5%	1.8%	2.2%
9	32.0%	18.1%	24.0%	3.1%	1.1%	2.5%
10	-	19.9%	25.7%	-	1.8%	1.7%

Note:

1. The post-crisis IPO cumulative litigation exposure is not presented for 10 years after the IPO due to limited data for cohorts with an IPO date toward the end of this period. 1933 Act filings that are exclusively in the state courts enter into this analysis beginning in 2010.
2. Cumulative litigation exposure correcting for survivorship bias is calculated using the following formula:

$$(\text{cumulative litigation exposure in year } t) = 1 - \prod_{i=1}^t (1 - p_i), \text{ where:}$$

$$p_i = \frac{\text{number of companies sued in year } i}{\text{number of companies surviving at the end of year } (i - 1)}$$

Appendix 6: Filings by Industry—Core Federal Filings

(Dollars in Billions)

Industry	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
	Average 1997–2019	2018	2019	2020	Average 1997–2019	2018	2019	2020	Average 1997–2019	2018	2019	2020
Financial	30	19	22	29	\$18	\$25	\$10	\$43	\$108	\$138	\$41	\$784
Consumer Non-Cyclical	51	67	87	67	\$40	\$104	\$68	\$68	\$157	\$435	\$324	\$309
Industrial	17	20	20	13	\$13	\$28	\$22	\$16	\$50	\$240	\$105	\$45
Technology	23	22	29	29	\$23	\$65	\$100	\$69	\$95	\$150	\$426	\$126
Consumer Cyclical	20	29	19	26	\$10	\$28	\$9	\$12	\$52	\$120	\$38	\$125
Communications	27	28	37	19	\$24	\$65	\$55	\$16	\$148	\$166	\$163	\$98
Energy	7	6	10	9	\$4	\$1	\$5	\$5	\$22	\$4	\$25	\$40
Basic Materials	5	8	8	10	\$2	\$10	\$9	\$4	\$15	\$33	\$23	\$15
Utilities	3	3	5	3	\$1	\$3	\$2	\$11	\$10	\$25	\$20	\$25
Unknown/Unclassified	3	18	5	19	\$0	\$0	\$0	\$1	\$0	\$2	\$0	\$4
Total	186	220	242	224	\$136	\$330	\$280	\$244	\$657	\$1,311	\$1,165	\$1,571

Note: Figures may not sum due to rounding.

Appendix 7: Filings by Circuit—Core Federal Filings

(Dollars in Billions)

Circuit	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
	Average 1997–2019	2018	2019	2020	Average 1997–2019	2018	2019	2020	Average 1997–2019	2018	2019	2020
1st	9	6	6	2	\$7	\$3	-\$1	\$0	\$21	\$18	\$30	\$0
2nd	53	71	103	77	\$44	\$88	\$82	\$40	\$234	\$494	\$360	\$612
3rd	17	26	27	24	\$18	\$44	\$18	\$21	\$68	\$190	\$99	\$107
4th	6	3	6	3	\$2	\$3	\$1	\$1	\$12	\$11	\$9	\$4
5th	11	11	13	10	\$7	\$3	\$4	\$5	\$35	\$11	\$20	\$48
6th	8	4	11	7	\$7	\$6	\$8	\$13	\$26	\$19	\$24	\$34
7th	8	13	8	7	\$8	\$11	\$29	\$10	\$31	\$50	\$106	\$105
8th	6	3	2	1	\$3	\$2	\$2	\$0	\$12	\$7	\$5	\$1
9th	48	69	52	79	\$33	\$162	\$133	\$145	\$181	\$489	\$501	\$586
10th	6	6	6	6	\$2	\$2	\$2	\$1	\$12	\$9	\$7	\$13
11th	14	8	8	8	\$5	\$5	\$1	\$7	\$21	\$14	\$4	\$61
D.C.	1	0	0	0	\$1	\$0	\$0	\$0	\$3	\$0	\$0	\$0
Total	186	220	242	224	\$136	\$330	\$280	\$244	\$657	\$1,311	\$1,165	\$1,571

Note: Figures may not sum due to rounding.

Appendix 8: Filings by Exchange Listing—Core Federal Filings

	Average (1997–2019)		2019		2020	
	NYSE/Amex	Nasdaq	NYSE	Nasdaq	NYSE	Nasdaq
Class Action Filings	91	113	193	187	121	175
Core Filings	76	94	116	111	85	112
Disclosure Dollar Loss						
DDL Total (\$ Billions)	\$89	\$47	\$115	\$164	\$121	\$121
Average (\$ Millions)	\$1,277	\$501	\$1,069	\$1,543	\$1,526	\$1,128
Median (\$ Millions)	\$276	\$108	\$338	\$150	\$524	\$129
Maximum Dollar Loss						
MDL Total (\$ Billions)	\$426	\$227	\$541	\$623	\$1,136	\$413
Average (\$ Millions)	\$6,076	\$2,420	\$5,006	\$5,874	\$14,380	\$3,862
Median (\$ Millions)	\$1,368	\$482	\$1,758	\$735	\$2,588	\$651

Note:

1. Average and median numbers are calculated only for filings with MDL and DDL data.
2. NYSE/Amex was renamed NYSE MKT in May 2012.

Research Sample

- The Securities Class Action Clearinghouse, cosponsored by Cornerstone Research and Stanford Law School, has identified 5,911 federal securities class action filings between January 1, 1996, and December 31, 2020 (securities.stanford.edu). The analysis in this report is based on data identified by Stanford as of January 10, 2021.
- The sample used in this report includes federal filings that typically allege violations of Sections 11 or 12 of the Securities Act of 1933, or Sections 10(b) or 14(a) of the Securities Exchange Act of 1934.
- The sample is referred to as the “classic filings” sample and excludes IPO allocation, analyst, and mutual fund filings (313, 68, and 25 filings, respectively).
- Multiple filings related to the same allegations against the same defendant(s) are consolidated in the database through a unique record indexed to the first identified complaint.
- In addition to federal filings, class actions filed in state courts since January 1, 2010, alleging violations of the Securities Act of 1933 are also separately tracked.
- An additional 186 state class action filings in state courts from January 1, 2010, to December 31, 2020, have also been identified.

The views expressed in this report are solely those of the authors, who are responsible for the content, and do not necessarily represent the views of Cornerstone Research.

The authors request that you reference Cornerstone Research and the Stanford Law School Securities Class Action Clearinghouse in any reprint of the information or figures included in this study.

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Cornerstone Research

Cornerstone Research provides economic and financial consulting and expert testimony in all phases of complex litigation and regulatory proceedings. The firm works with an extensive network of prominent faculty and industry practitioners to identify the best-qualified expert for each assignment. Cornerstone Research has earned a reputation for consistent high quality and effectiveness by delivering rigorous, state-of-the-art analysis for more than thirty years. The firm has over 700 staff and offices in Boston, Chicago, London, Los Angeles, New York, San Francisco, Silicon Valley, and Washington.

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Exhibit 7

CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

Securities Class Action Settlements

2020 Review and Analysis

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Analyses in this report are based on 1,925 securities class actions filed after passage of the Private Securities Litigation Reform Act of 1995 (Reform Act) and settled from 1996 through year-end 2020. See page 16 for a detailed description of the research sample. For purposes of this report and related research, a settlement refers to a negotiated agreement between the parties to a securities class action that is publicly announced to potential class members by means of a settlement notice.

Highlights

The median total settlement amount dipped from a historic high in 2019, but remained 19% above the 2011–2019 median. And, continuing a trend observed in 2019, the size of issuer defendant firms (measured by median total assets) for 2020 settled cases increased 34% over the prior year.

- There were 77 settlements totaling \$4.2 billion in 2020. (page 3)
- The median settlement in 2020 of \$10.1 million fell 13% from 2019 (adjusted for inflation) but was still 19% higher than the prior nine-year median. (page 4)
- While the average settlement doubled from \$27.8 million in 2019 to \$54.5 million in 2020 (due to a few very large settlements), it was only 15% higher than the prior nine-year average. (page 4)
- There were six mega settlements (settlements equal to or greater than \$100 million) in 2020, ranging from \$149 million to \$1.2 billion. (page 3)
- For cases with Rule 10b-5 claims, the median settlement as a percentage of “simplified tiered damages” was 5.3% in 2020, slightly higher than prior years. (page 6)
- Median “simplified statutory damages” for cases involving only Section 11 and/or Section 12(a)(2) claims (‘33 Act claim cases) in 2020 was 32% lower than in 2019. (page 7)
- The proportion of settled cases alleging Generally Accepted Accounting Principles (GAAP) violations in 2020 was 42%, among the lowest of all post–Reform Act years. (page 9)
- Of settled cases in 2020, 55% involved an accompanying derivative action, the second-highest rate over the last 10 years.¹ (page 10)
- The average time from filing to settlement approval for 2020 settlements was 3.3 years. (page 13)

Figure 1: Post–Reform Act Settlement Statistics

(Dollars in millions)

	1996–2019	2019	2020
Number of Settlements	1,848	74	77
Total Amount	\$107,296.4	\$2,055.1	\$4,199.8
Minimum	\$0.2	\$0.5	\$0.3
Median	\$9.0	\$11.6	\$10.1
Average	\$58.1	\$27.8	\$54.5
Maximum	\$9,285.7	\$394.4	\$1,210.0

Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used.

Author Commentary

2020 Findings

Despite the unprecedented economic disruption caused by the COVID-19 pandemic in 2020, settlements in securities class actions generally continued at a pace typical of recent years. The exception was a substantial drop in the number of settlements that were announced during the month of April, but this was followed by a sharp rebound in May (see Appendix 1).²

Additionally, as described below, in several respects settlement amounts and characteristics returned to patterns more consistent with historical trends than the results observed for 2019.

In particular, the median settlement amount in 2019 was at a historically high level, driven primarily by a reduction in the number of small settlements. The reduced level of small settlements reversed in 2020, with over 30% of cases settling for amounts less than \$5 million.

In addition, public pension plan involvement as lead plaintiffs rebounded from the all-time low in 2019 to 40% of all settled cases in 2020—in line with earlier years in the last decade. Among the larger cases in 2020 (cases with “simplified tiered damages” greater than \$250 million), nearly 60% had a public pension plan as lead plaintiff.

Our research also examines the number of docket entries as a proxy for the time and effort by plaintiff counsel and/or case complexity. For 2019 settled cases, average docket entries were the highest in the last 10 years. However, in 2020, this also reversed to levels consistent with prior years.

On the other hand, continuing a trend noted in our 2019 report, the size of issuer defendant firms (measured by median total assets) for 2020 settled cases increased by 34% over 2019 and more than 125% over the prior nine years. As observed in last year’s report, the population of public firms has been declining, and those companies that remain are larger.³

In several respects, after an unusual year in 2019, settlements in 2020 represented a return to levels prevalent in prior years. However, one prominent trend continuing from 2019 is an increase in the size of issuer defendant firms.

*Dr. Laarni T. Bulan
Principal, Cornerstone Research*

Any disruption in settlement rates as a result of the COVID-19 pandemic appears to have been temporary, with the overall number of settlements for 2020 in line with recent years. It will likely be at least a couple of years before we learn whether COVID-19-related allegations have had an impact on other settlement trends.

*Dr. Laura E. Simmons
Senior Advisor, Cornerstone Research*

Looking Ahead

On average, cases take just over three years to reach settlement. Thus, trends in case filings during the last few years are relevant to anticipating developments in settlements in upcoming years.

As discussed in *Securities Class Action Filings—2020 Year in Review*, overall, both the number and size of case filings alleging Rule 10b-5 and/or Section 11 claims were elevated in 2018–2020 compared to earlier years. Thus, we anticipate relatively high levels of settlements in upcoming years in terms of the count and dollar amounts, absent an increase in dismissal rates or developments that might affect settlement size.

In recent years, several trends in nontraditional case allegations have been observed in case filings, including allegations related to cybersecurity, cryptocurrency, and special purpose acquisition companies (SPACs). A small number of these cases have reached settlement to date but a large portion remains active. Accordingly, we expect that cases involving these issues will reach the settlement stage in future years. In addition, the emergence of cases with COVID-19-related allegations in 2020 may also affect settlement trends.

Further, as discussed in this report, the proportion of settled cases involving accompanying Securities and Exchange Commission (SEC) actions declined in 2020. However, this decline may not continue given recent findings of an increase in filings of SEC actions alleging issuer reporting and disclosure issues. (See *SEC Enforcement Activity: Public Companies and Subsidiaries—Fiscal Year 2020 Update*, Cornerstone Research.)

—Laarni T. Bulan and Laura E. Simmons

Total Settlement Dollars

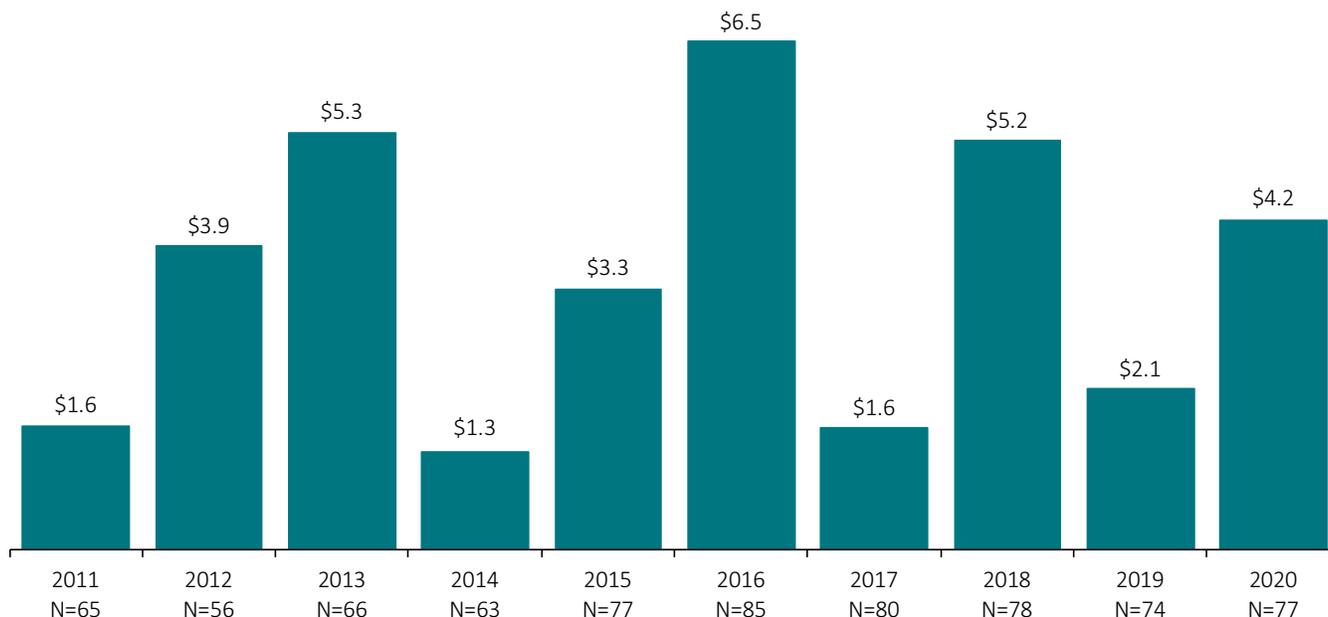
- The total value of settlements approved by courts in 2020 doubled from 2019 due to the presence of a few very large settlements. However, excluding settlements over \$1 billion, total settlement dollars declined 4% in 2020 over 2019 (adjusted for inflation).
- There were six mega settlements (equal to or greater than \$100 million) in 2020, with settlements ranging from \$149 million to \$1.2 billion. (See Appendix 6 for additional information on mega settlements.)

75% of total settlement dollars in 2020 came from mega settlements.

- The number of settlements approved in 2020 (77 cases) represented a modest increase from the prior nine-year average (72 cases).

Figure 2: Total Settlement Dollars 2011–2020

(Dollars in billions)



Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used. N refers to the number of cases.

Settlement Size

As discussed above, the median settlement amount declined from 2019. Generally, the median is more stable from year to year than the average, since the average can be affected by the presence of even a small number of large settlements.

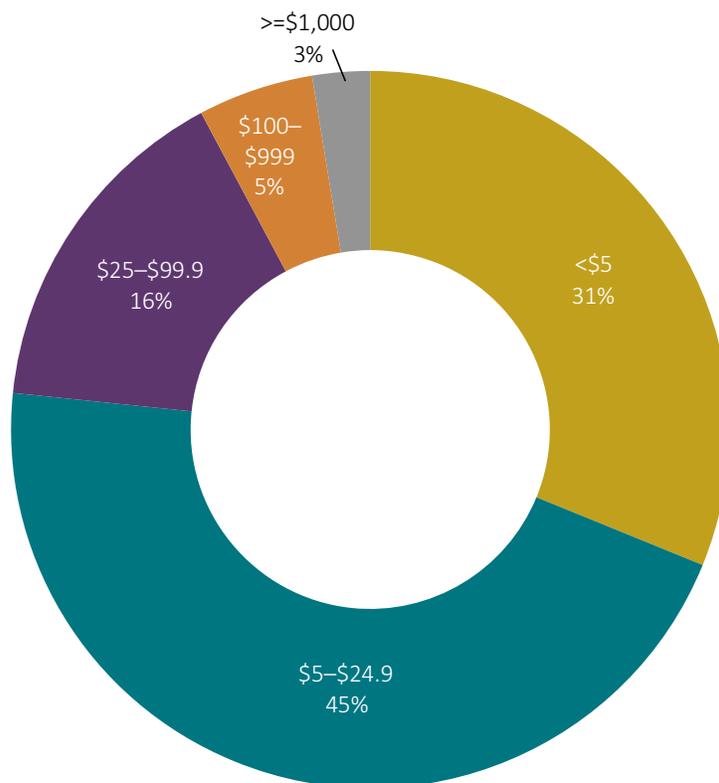
- The median settlement amount in 2020 of \$10.1 million represented a 13% decline over the historically high level observed in 2019 (adjusted for inflation), but was still elevated compared to prior years.
- The number of small settlements (less than \$5 million) also increased in 2020 to 24 cases (from 16 cases in 2019). (See Appendix 2 for additional information on distribution of settlements.)

- While the average settlement doubled from \$27.8 million in 2019 to \$54.5 million in 2020 (due to a few very large settlements), it was only 15% higher than the prior nine-year average. (See Appendix 3 for an analysis of settlements by percentiles.)
- If settlements exceeding \$1 billion are excluded, average settlement dollars in 2020 were actually 15% lower than the prior nine-year average.

The proportion of cases that settled for between \$5 million and \$25 million returned to pre-2019 levels.

Figure 3: Distribution of Settlements
2020

(Dollars in millions)



Damages Estimates

Rule 10b-5 Claims: “Simplified Tiered Damages”

“Simplified tiered damages” uses simplifying assumptions to estimate per-share damages and trading behavior. It provides a measure of potential shareholder losses that allows for consistency across a large volume of cases, thus enabling the identification and analysis of potential trends.⁴

Cornerstone Research’s prediction model finds this measure to be the most important factor in predicting settlement amounts.⁵ However, this measure is not intended to represent actual economic losses borne by shareholders. Determining any such losses for a given case requires more in-depth economic analysis.

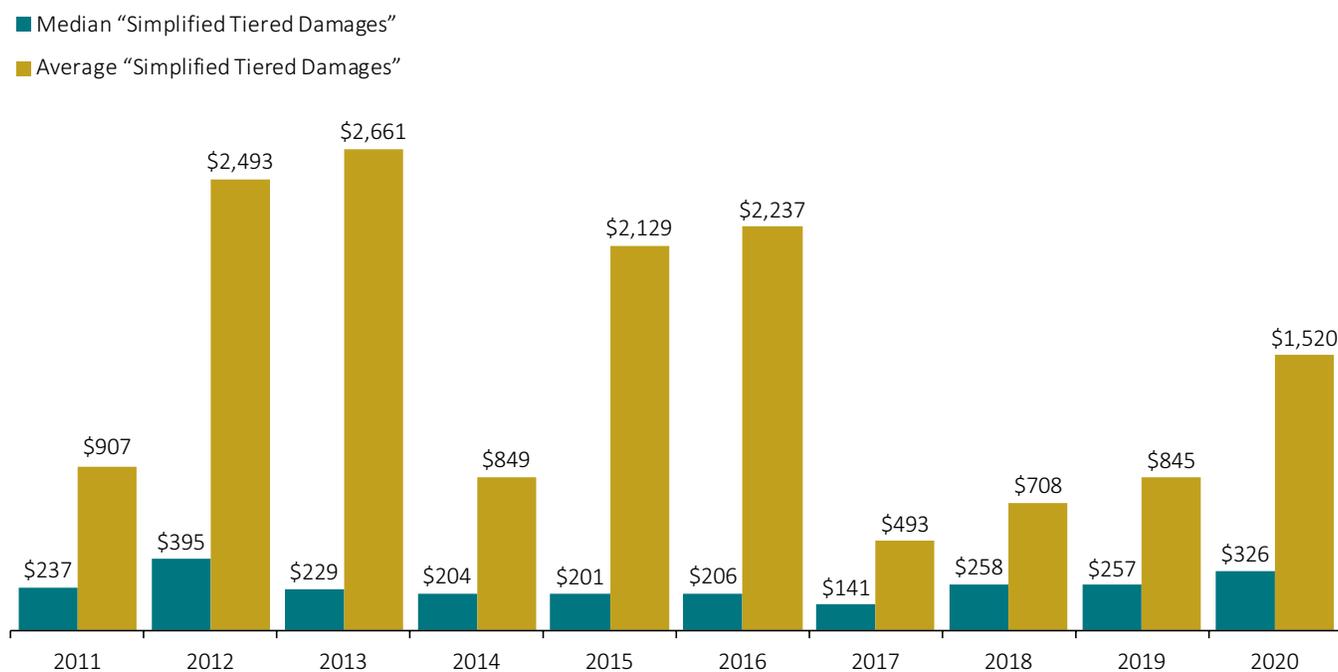
- Average “simplified tiered damages” increased for the third year in a row. (See Appendix 7 for additional information on the median and average settlements as a percentage of “simplified tiered damages.”)

Median “simplified tiered damages” was the second highest in the last decade.

- Median values provide the midpoint in a series of observations and are less affected than averages by outlier data. The increase in median “simplified tiered damages” in 2020 indicates a higher number of larger cases relative to 2019 (e.g., cases with “simplified tiered damages” exceeding \$250 million).
- Larger “simplified tiered damages” are typically associated with larger issuer defendants (measured by total assets or market capitalization of the issuer). Median total assets of issuer defendants in 2020 increased 34% from 2019 and more than 125% from the median for the prior nine years (2011–2019).

Figure 4: Median and Average “Simplified Tiered Damages” in Rule 10b-5 Cases 2011–2020

(Dollars in millions)



Note: “Simplified tiered damages” are adjusted for inflation based on class period end dates. Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).

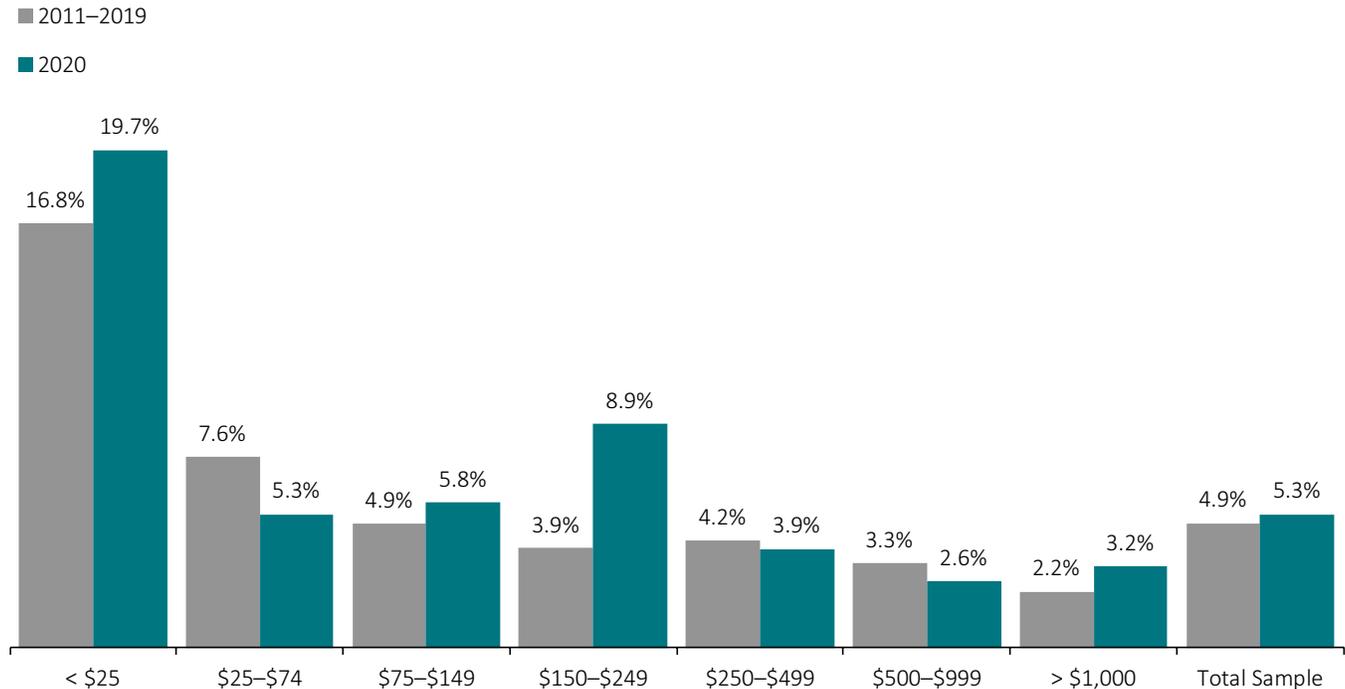
- Larger cases, as measured by “simplified tiered damages,” typically settle for a smaller percentage of damages.
- Smaller cases (less than \$25 million in “simplified tiered damages”) typically settle more quickly. In 2020, these cases settled within 3.4 years on average, compared to 4 years for cases with “simplified tiered damages” greater than \$500 million.
- Smaller cases are less likely to be associated with factors such as institutional lead plaintiffs, related actions by the SEC, or criminal charges. (See [Analysis of Settlement Characteristics](#) for a detailed discussion of these factors.)

The median settlement as a percentage of “simplified tiered damages” increased 10% over 2019.

- The unusually high median settlement as a percentage of “simplified tiered damages” (8.9%) observed among 2020 settlements with “simplified tiered damages” between \$150 million and \$250 million may, at least in part, reflect an increased level of public pension plans acting as lead plaintiffs for this group of cases.

Figure 5: Median Settlements as a Percentage of “Simplified Tiered Damages” by Damages Ranges in Rule 10b-5 Cases 2011–2020

(Dollars in millions)



Note: Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).

'33 Act Claims: "Simplified Statutory Damages"

For '33 Act claim cases—those involving only Section 11 and/or Section 12(a)(2) claims—shareholder losses are estimated using a model in which the statutory loss is the difference between the statutory purchase price and the statutory sales price, referred to here as "simplified statutory damages."⁶ Only the offered shares are assumed to be eligible for damages.

"Simplified statutory damages" are typically smaller than "simplified tiered damages," reflecting differences in the methodologies used to estimate alleged damages per share, as well as differences in the shares eligible to be damaged (i.e., only offered shares are included).

Median "simplified statutory damages" for '33 Act claim cases in 2020 was 32% lower than in 2019.

- Cases with only '33 Act claims tend to settle for smaller median amounts than cases that include Rule 10b-5 claims.
- For 2020 settlements, the median length of time from filing to settlement hearing date for '33 Act claim cases was more than 26% shorter than the duration for '33 Act claim cases settled during 2016–2019.

Figure 6: Settlements by Nature of Claims
 2011–2020

(Dollars in millions)

	Number of Settlements	Median Settlement	Median "Simplified Statutory Damages"	Median Settlement as a Percentage of "Simplified Statutory Damages"
Section 11 and/or Section 12(a)(2) Only	77	\$8.0	\$120.3	7.4%

	Number of Settlements	Median Settlement	Median "Simplified Tiered Damages"	Median Settlement as a Percentage of "Simplified Tiered Damages"
Both Rule 10b-5 and Section 11 and/or Section 12(a)(2)	109	\$15.3	\$394.9	5.4%
Rule 10b-5 Only	525	\$8.1	\$209.5	4.6%

Note: Settlement dollars and damages are adjusted for inflation; 2020 dollar equivalent figures are used.

- Median settlements as a percentage of “simplified statutory damages” in 2020 was 31% lower than the value in 2019.

88% of cases with only '33 Act claims involved an underwriter as a codefendant.

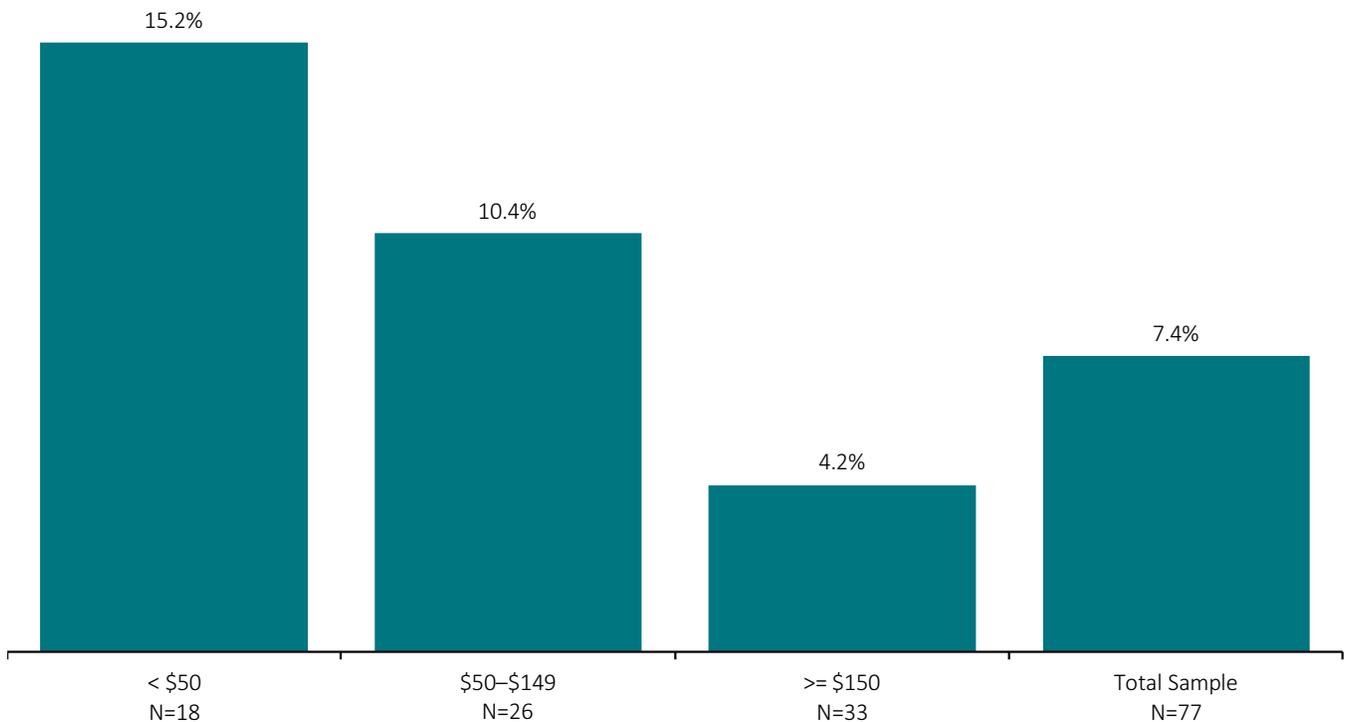
- Nearly 85% of the '33 Act claim cases settled from 2011 through 2020 involved an initial public offering (IPO).
- Among those cases with identifiable contributions, D&O liability insurance provided, on average, more than 90% of the total settlement fund for '33 Act claim cases from 2011 to 2020.⁷

The March 2018 U.S. Supreme Court decision in *Cyan Inc. v. Beaver County Employees Retirement Fund* held that '33 Act claim securities class actions can 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.⁸

- By year-end 2020, only six post-*Cyan* filed '33 Act claim cases had settled. Among these post-*Cyan* filed cases, four were filed in state court.
- Following the *Cyan* decision, the number of settlements with allegations in both state and federal court increased. Typically in these parallel suits, state court cases will involve '33 Act claims and the federal case will involve Rule 10b-5 claims. However, in some instances, the federal case will involve '33 Act claims as well.

Figure 7: Median Settlements as a Percentage of “Simplified Statutory Damages” by Damages Ranges in '33 Act Claim Cases 2011–2020

(Dollars in millions)



Jurisdictions of Settlements of '33 Act Claim Cases

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
State Court	0	1	1	0	2	4	5	4	5	5
Federal Court	15	3	7	2	3	6	3	4	5	2

Note: N refers to the number of cases. Table does not include parallel suits.

Analysis of Settlement Characteristics

GAAP Violations

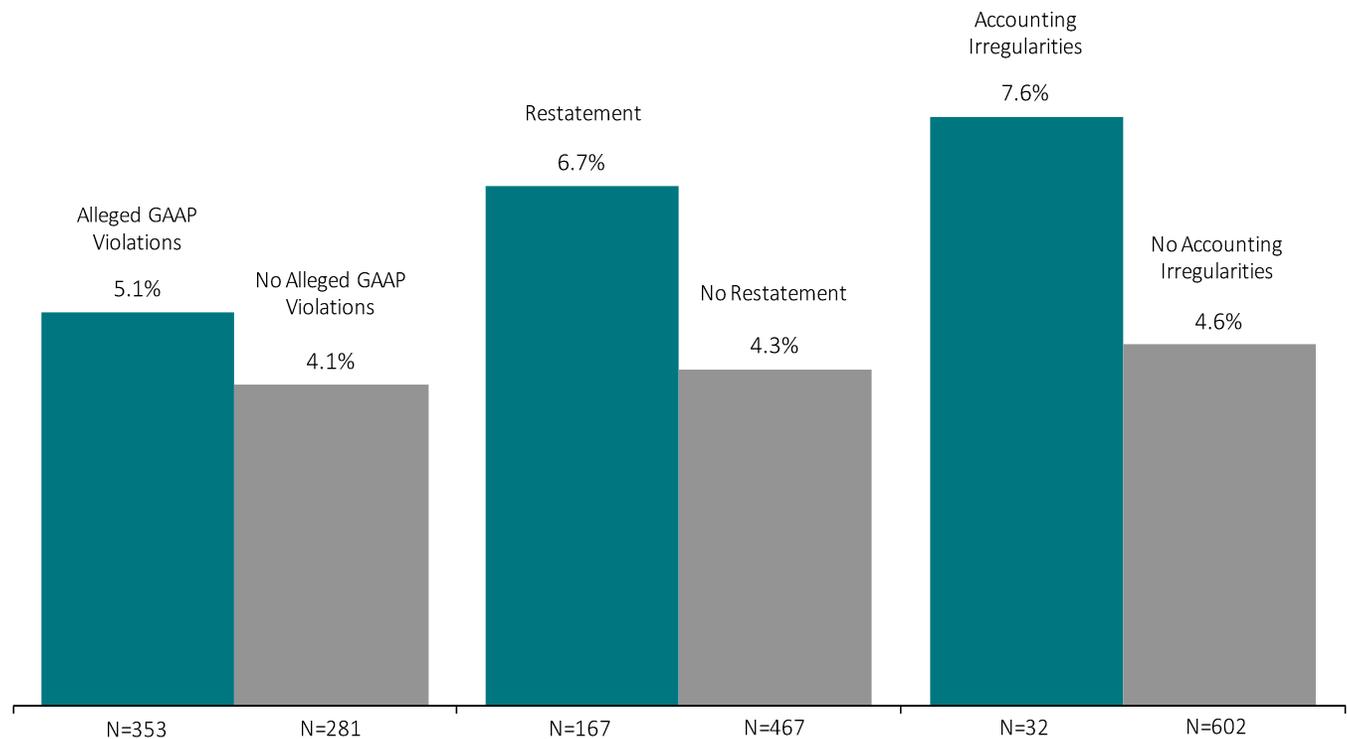
This analysis examines allegations of Generally Accepted Accounting Principles (GAAP) violations in settlements of securities class actions involving Rule 10b-5 claims.⁹ For further details regarding settlements of accounting cases, see Cornerstone Research’s annual report on *Accounting Class Action Filings and Settlements*.¹⁰

- For settlements over the last 10 years, median settlements as a percentage of “simplified tiered damages” for cases involving financial statement restatements have been higher than for non-restatement cases. However, only 14.5% of cases settled in 2020 had allegations regarding restatements, a 48% decline from the prior nine-year median.
- From 2011 to 2020, median “simplified tiered damages” for cases involving GAAP allegations were 13% lower than for cases absent such allegations.

- From 2016 to 2020, among cases settled with GAAP allegations, on average, 13% involved a named auditor codefendant compared with an average of 19% from 2011 to 2015.
- The frequency of reported accounting irregularities shrunk to just over 2.9% among 2020 settlements following a high of 9.4% in 2019.
- In 2020, the median class period length was more than two years for cases with GAAP allegations. For cases without GAAP allegations, the median class period length was just over one year.

The proportion of settled cases alleging GAAP violations in 2020 was 42%, among the lowest of all post-Reform Act years.

Figure 8: Median Settlements as a Percentage of “Simplified Tiered Damages” and GAAP Allegations 2011–2020



Note: N refers to the number of cases.

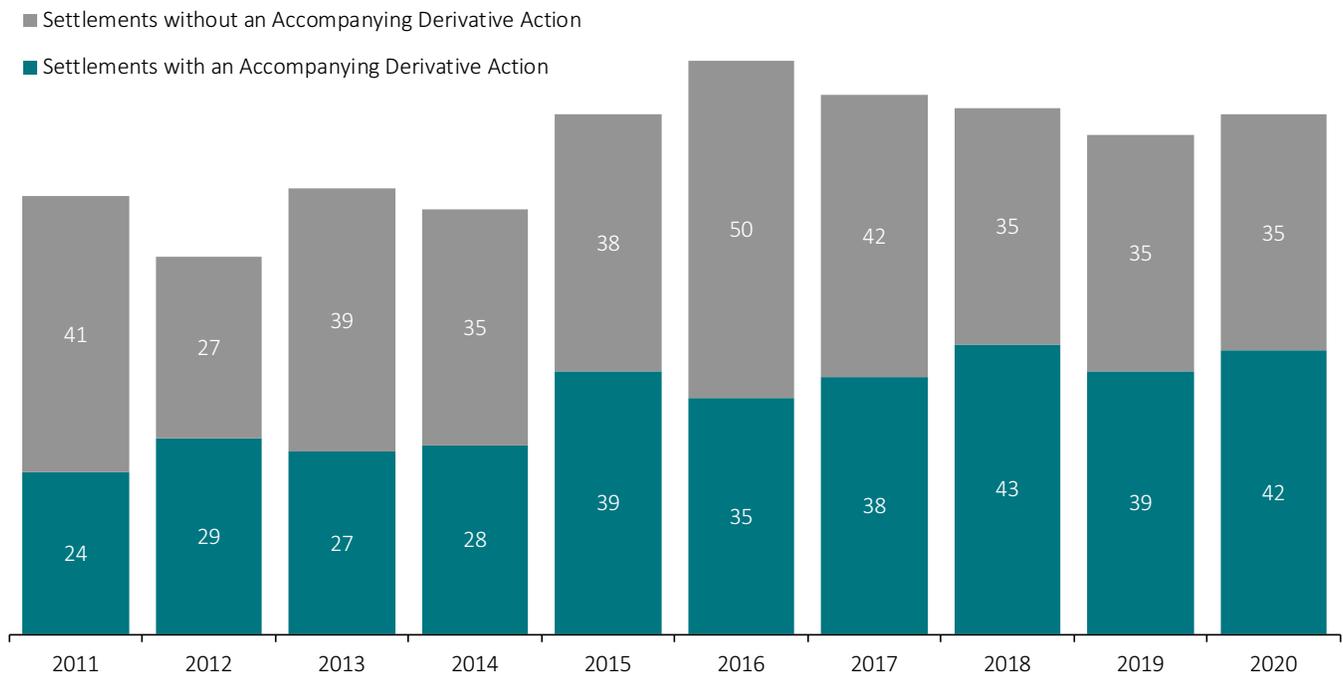
Derivative Actions

- Settled cases involving an accompanying derivative action are typically associated with both larger cases (measured by “simplified tiered damages”) and larger settlement amounts.
- For the 42 case settlements in 2020 with an accompanying derivative action, the median settlement was \$15.3 million compared to \$8.5 million for cases without a derivative action.
- Both median total assets and median “simplified tiered damages” in cases with an accompanying derivative action were more than double the median in 2019.

In 2020, 55% of settled cases involved an accompanying derivative action, the second-highest rate over the last 10 years.

- Parallel derivative suits related to class action settlements have been filed most frequently in California, Delaware, and New York. Among 2020 settlements, parallel derivative actions filed in California declined steeply (down 66% from 2019 settlements). However, 40% of settled cases with parallel derivative actions had actions filed in Delaware, the highest proportion in the past decade.

Figure 9: Frequency of Derivative Actions 2011–2020



Corresponding SEC Actions

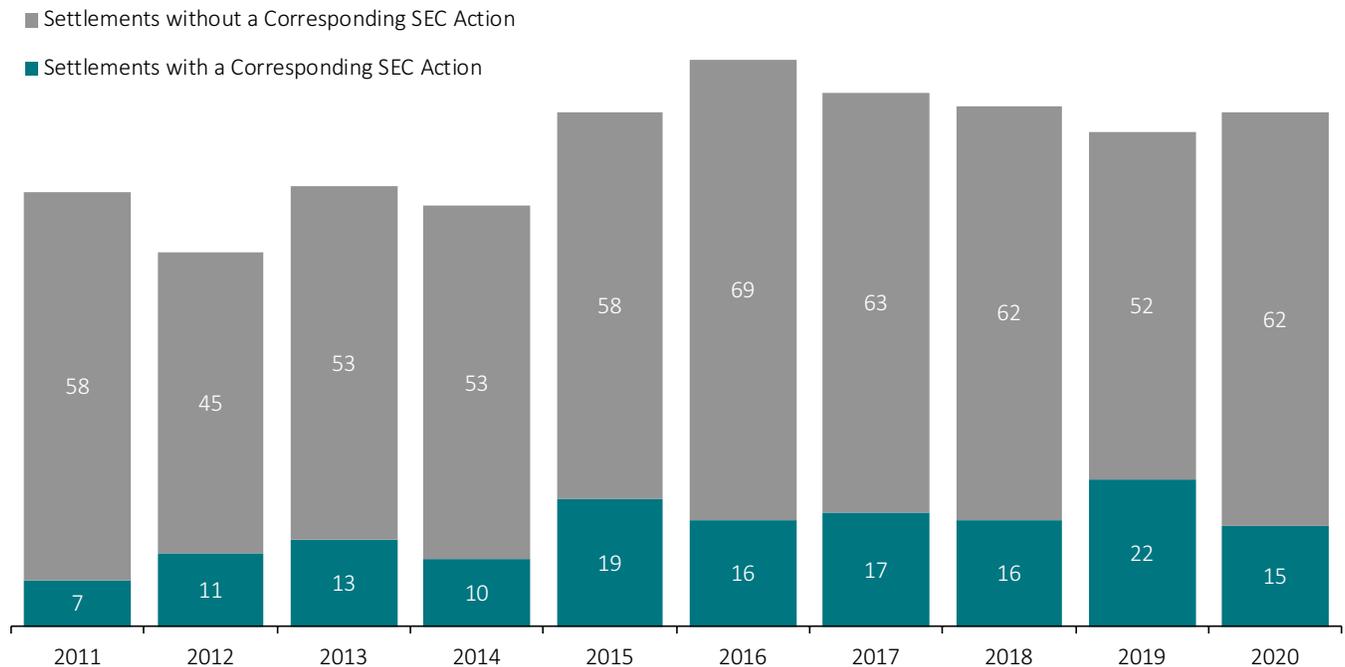
- Cases with an SEC action related to the allegations are typically associated with significantly higher settlement amounts.¹¹
- From 2011 to 2020, median settlement amounts (adjusted for inflation) for cases that involved a corresponding SEC action were 11% higher than for cases without such an action.

For cases settled during 2016–2020, 36% of cases with a corresponding SEC action involved a distressed issuer defendant, that is, an issuer that had either declared bankruptcy or was delisted from a major U.S. exchange prior to settlement.

In 2020, the rate of settled cases involving a corresponding SEC action fell 32% from the prior year.

- Settled cases with corresponding SEC actions have involved GAAP allegations less frequently in recent years. From 2011 to 2015, 85% of these cases involved GAAP allegations, compared to 70% from 2016 to 2020.
- Cases involving corresponding SEC actions may also include related criminal charges in connection with the allegations covered by the underlying class action. From 2016 to 2020, 35% of settled cases with an SEC action had related criminal charges.¹²

Figure 10: Frequency of SEC Actions 2011–2020



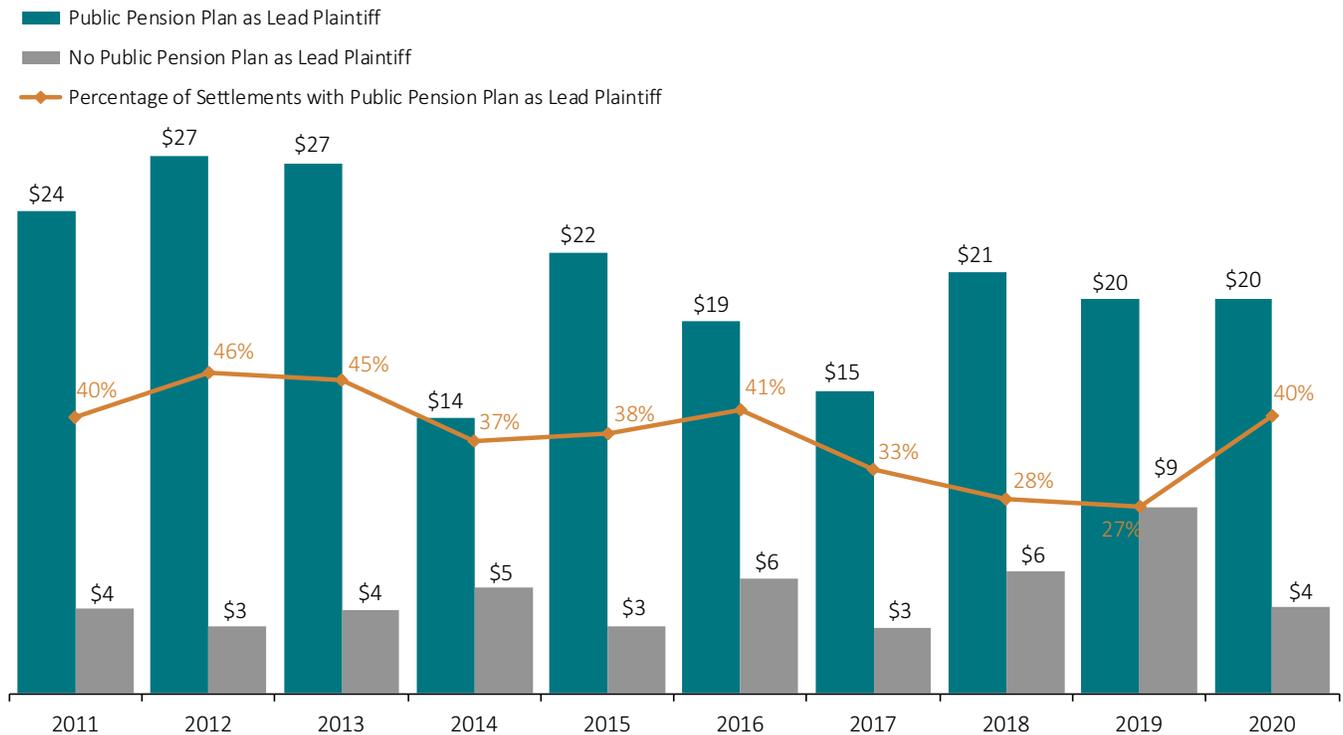
Institutional Investors

- Despite the variation in the frequency of institutional investors acting as lead or co-lead plaintiffs in any given settlement year, institutional investors, including public pension plans, are consistently involved in larger cases, that is, cases with higher “simplified tiered damages” and higher total assets.
- Median “simplified tiered damages” for cases involving an institutional investor as a lead plaintiff in 2020 were nearly seven-and-a-half times higher than for cases without institutional investor involvement in a lead role.
- Median total assets of defendant firms for 2020 case settlements in which an institutional investor was a lead or co-lead plaintiff were more than 15 times the total assets for cases without an institutional investor acting as a lead plaintiff.
- Among 2020 settled cases that had an institutional investor as a lead plaintiff, 60% had a parallel derivative action, 22% had a corresponding SEC action, and 16% involved a criminal charge.
- In 2020, the median market capitalization decline during the alleged class period in cases with a public pension as a lead plaintiff was \$1.7 billion compared to \$419.6 million for cases without a public pension leading the class.
- The vast majority of cases taking more than five years to resolve (measured as the duration from filing date to settlement hearing date) involved a public pension as a lead plaintiff.

The frequency of public pension plans as lead plaintiff rebounded to levels observed earlier in the last decade.

Figure 11: Median Settlement Amounts and Public Pension Plans 2011–2020

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used.

Time to Settlement and Case Complexity

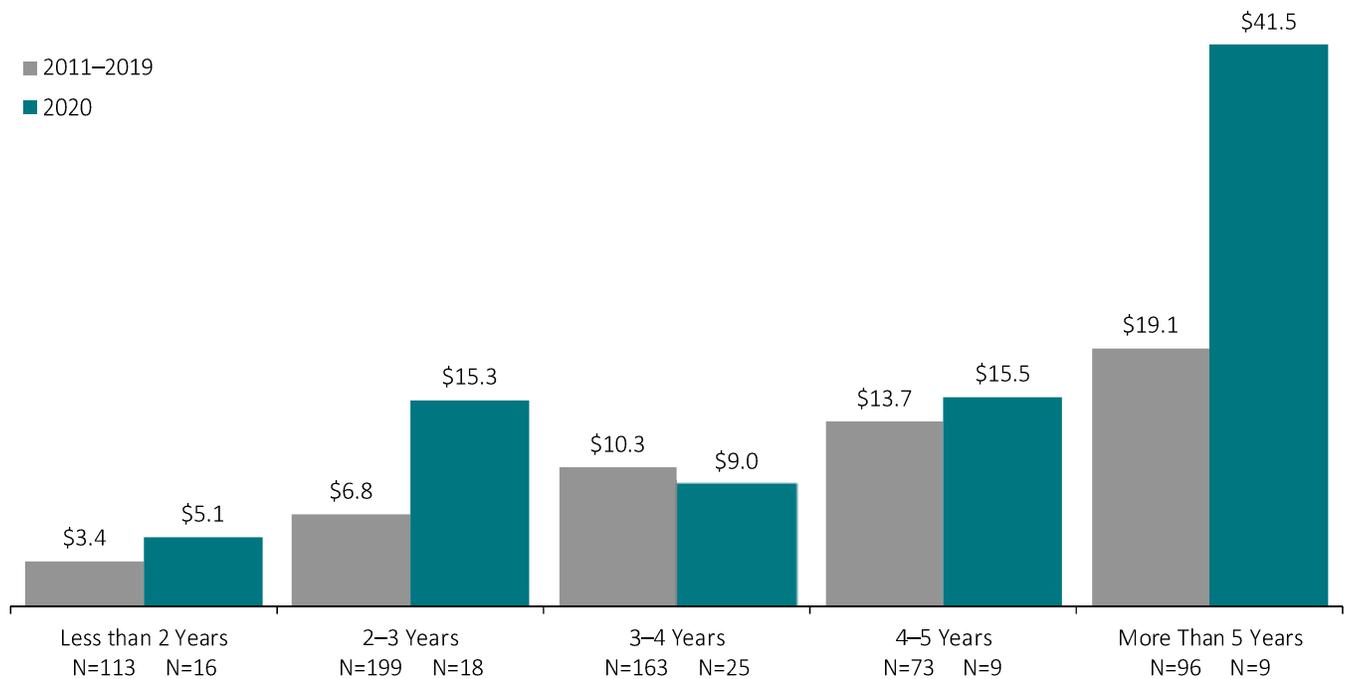
- The average time from filing to settlement in 2020 was 3.3 years, a small decrease relative to the prior nine-year average.
- Of cases in 2020 that took more than five years to settle, the median assets of the defendant firms (\$7.7 billion) as well as median “simplified tiered damages” (\$909 million) were substantially higher than in previous years.
- In 2020, 21% of cases settled within two years of the filing date. Of these 16 cases, nine settled before a ruling on motion to dismiss.

Cases that settled for more than \$100 million in 2020 took an average of 4.6 years from filing to settlement.

- The number of docket entries at the time of the settlement may reflect case complexity. This factor has also been used in prior research as a proxy for attorney effort.¹³ The average number of docket entries declined 19% in 2020 compared to 2019. Among cases that settled for more than \$100 million, however, the average number of docket entries jumped 64%.

Figure 12: Median Settlement by Duration from Filing Date to Settlement Hearing Date 2011–2020

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used. N refers to the number of cases.

Case Stage at the Time of Settlement

In collaboration with Stanford Securities Litigation Analytics (SSLA),¹⁴ this report analyzes settlements in relation to the stage in the litigation process at the time of settlement.

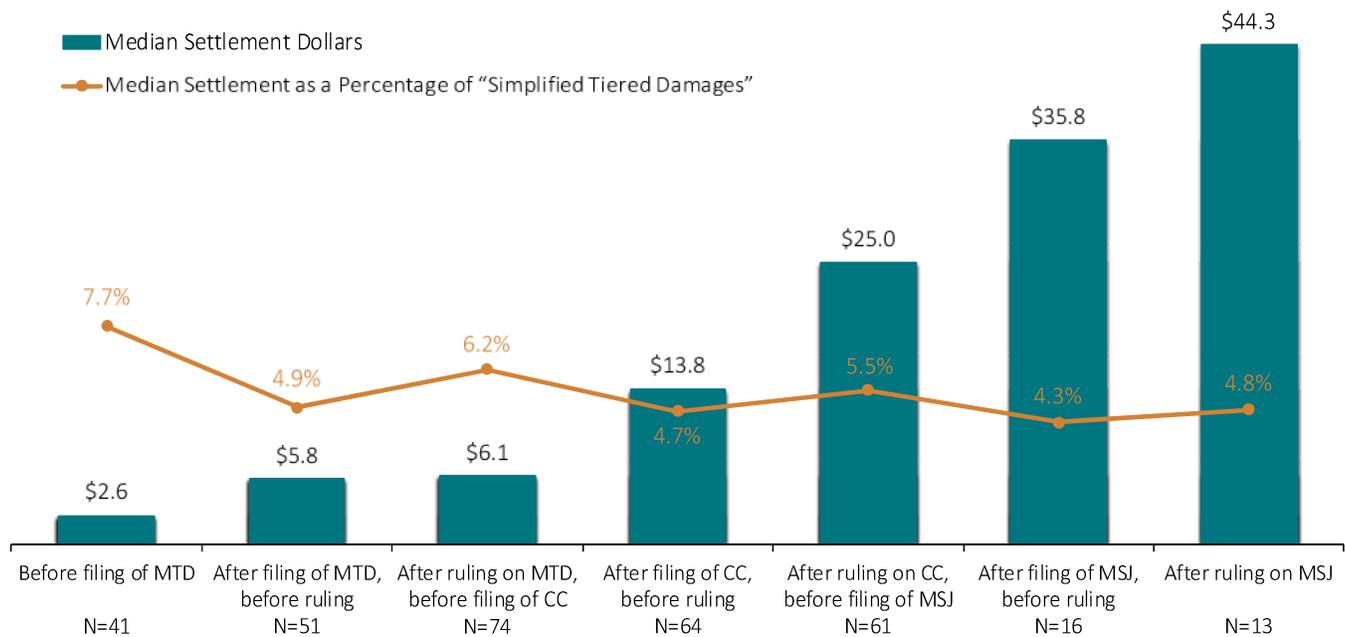
- In 2020, 57% of cases were resolved before progressing to the stage of filing a motion for class certification.
- The proportion of cases settling sometime after a ruling on a motion for class certification was 21% in 2020 compared to 28% in the prior four years.
- In 2020, median “simplified tiered damages” was more than six times larger for cases settled following a filing for a motion for class certification than for cases that resolved prior to such a motion being filed.

- Median “simplified tiered damages” for 2020 cases that settled after the filing of a motion for summary judgment (MSJ) was more than four times the median for cases that settled before a MSJ filing.
- Cases settling further along in the litigation process are more likely to have additional characteristics frequently associated with more complex matters. Of those that settled after a MSJ filing, 71% of 2016–2020 cases had an institutional investor lead plaintiff and nearly 24% were associated with criminal charges.

The average time to reach a ruling on a motion for class certification among 2020 settlements was 2.8 years

Figure 13: Median Settlement Dollars and Resolution Stage at Time of Settlement 2016–2020

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used. MTD refers to “motion to dismiss,” CC refers to “class certification,” and MSJ refers to “motion for summary judgment.” This analysis is limited to cases alleging Rule 10b-5 claims.

Cornerstone Research's Settlement Prediction Analysis

This research applies regression analysis to examine the relationships between settlement outcomes and certain security case characteristics. Regression analysis is employed to better understand and predict the total settlement amount, given the characteristics of a particular securities case. Regression analysis can also be applied to estimate the probabilities associated with reaching alternative settlement levels. It is also helpful in exploring hypothetical scenarios, including how the presence or absence of particular factors affects predicted settlement amounts.

Determinants of Settlement Outcomes

Based on the research sample of post-Reform Act cases that settled through December 2020, the factors that were important determinants of settlement amounts included the following:

- “Simplified tiered damages”
 - Maximum Dollar Loss (MDL)—market capitalization change from its peak to post-disclosure value
 - Most recently reported total assets of the issuer defendant firm
 - Number of entries on the lead case docket
 - The year in which the settlement occurred
 - Whether there were accounting allegations related to the alleged class period
 - Whether a ruling on motion for class certification had occurred
 - Whether there was a corresponding SEC action against the issuer, other defendants, or related parties
 - Whether there were criminal charges against the issuer, other defendants, or related parties with similar allegations to those included in the underlying class action complaint
 - Whether a third party, specifically an outside auditor or underwriter, was named as a codefendant
- Whether Section 11 and/or Section 12(a) claims were alleged in addition to Rule 10b-5 claims
 - Whether the issuer defendant was distressed
 - Whether a public pension was a lead plaintiff
 - Whether the plaintiffs alleged that securities other than common stock were damaged

Regression analyses show that settlements were higher when “simplified tiered damages,” MDL, issuer defendant asset size, the number of docket entries was larger, whether a ruling on a motion for class certification had occurred, or when Section 11 and/or Section 12(a) claims were alleged in addition to Rule 10b-5 claims.

Settlements were also higher in cases involving accounting allegations, a corresponding SEC action, criminal charges, a public pension involved as lead plaintiff, a third party such as an outside auditor or underwriter named as a codefendant, or securities other than common stock that were alleged to be damaged.

Settlements were lower if the settlement occurred in 2012 or later, or if the issuer was distressed.

More than 70% of the variation in settlement amounts can be explained by the factors discussed above.

Research Sample

- The database used in this report contains cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price and mergers and acquisitions cases).
- The sample 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. These criteria are imposed to ensure data availability and to provide a relatively homogeneous set of cases in terms of the nature of the allegations.
- The current sample includes 1,925 securities class actions filed after passage of the Reform Act (1995) and settled from 1996 through 2020. 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

Data Sources

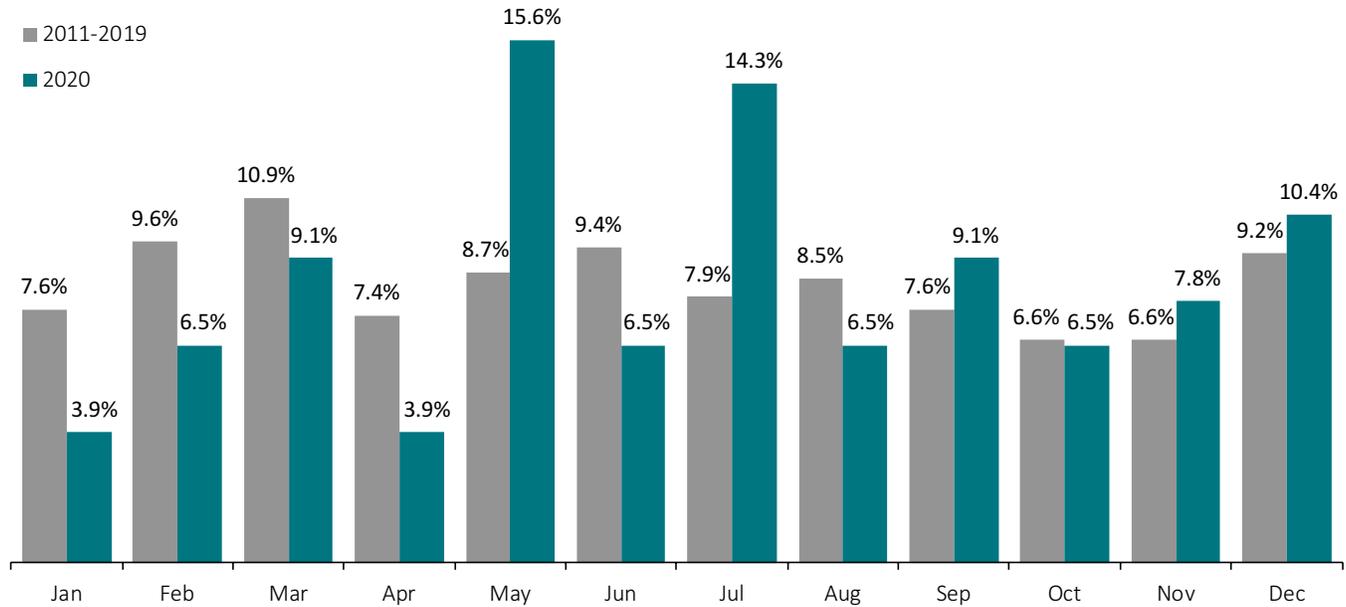
In addition to SCAS, data sources include Dow Jones Factiva, Bloomberg, the Center for Research in Security Prices (CRSP) at University of Chicago Booth School of Business, Standard & Poor's Compustat, Refinitiv Eikon, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, Stanford Securities Litigation Analytics (SSLA), Securities Class Action Clearinghouse (SCAC), and public press.

Endnotes

- ¹ Derivative settlements are the subject of our ongoing research, which will be reported on separately in the future.
- ² The year designation for purposes of this research on securities class action settlements is based on the settlement hearing date (with some modifications as described in endnote 17). However, for purposes of this analysis of monthly settlement rates, the preliminary settlement announcement date (the “tentative settlement date”) was used.
- ³ *Securities Class Action Settlements—2019 Review and Analysis*, Cornerstone Research (2020). See also “Chasing Right Stocks to Buy Is Critical with Fewer Choices but Big Winners,” *Investor’s Business Daily*, November 27, 2020.
- ⁴ The “simplified tiered damages” approach used for purposes of this settlement research does not examine the mix of information associated with the specific dates listed in the plan of allocation, but simply applies the stock price movements on those dates to an estimate of the “true value” of the stock during the alleged class period (or “value line”). This proxy for damages utilizes an estimate of the number of shares damaged based on reported trading volume and the number of shares outstanding. Specifically, reported trading volume is adjusted using volume reduction assumptions based on the exchange on which the issuer defendant’s common stock is listed. No adjustments are made to the underlying float for institutional holdings, insider trades, or short-selling activity during the alleged class period. Because of these and other simplifying assumptions, the damages measures used in settlement outcome modeling may be overstated relative to damages estimates developed in conjunction with case-specific economic analysis.
- ⁵ Laarni T. Bulan, Ellen M. Ryan, and Laura E. Simmons, *Estimating Damages in Settlement Outcome Modeling*, Cornerstone Research (2017).
- ⁶ The statutory purchase price is the lesser of the security offering price or the security purchase price. Prior to the first complaint filing date, the statutory sales price is the price at which the security was sold. After the first complaint filing date, the statutory sales price is the greater of the security sales price or the security price on the first complaint filing date. Similar to “simplified tiered damages,” the estimation of “simplified statutory damages” makes no adjustments to the underlying float for institutional holdings, insider trades, or short-selling activity. Shares subject to a lock-up period are not added to the float for purposes of this calculation.
- ⁷ Based on data for cases where the amount contributed by the D&O liability insurer was verified in settlement materials and/or the issuer defendant’s SEC filings—approximately 83% of all ‘33 Act cases. Data supplemented with additional observations from the SSLA.
- ⁸ This increase reversed in 2020. As noted in *Securities Class Action Filings—2020 Year in Review*, Cornerstone Research (2021), this reversal was likely a result of the March 2020 Delaware Supreme Court decision in *Salzberg v. Sciabacucchi* regarding the validity and enforceability of federal forum-selection provisions in corporate charters.
- ⁹ The three categories of accounting issues analyzed in Figure 8 of this report are: (1) GAAP violations; (2) restatements—cases involving a restatement (or announcement of a restatement) of financial statements; and (3) accounting irregularities—cases in which the defendant has reported the occurrence of accounting irregularities (intentional misstatements or omissions) in its financial statements.
- ¹⁰ *Accounting Class Action Filings and Settlements—2020 Review and Analysis*, Cornerstone Research (2021), forthcoming in spring 2021.
- ¹¹ As noted previously, it could be that the merits in such cases are stronger, or simply that the presence of a corresponding SEC action provides plaintiffs with increased leverage when negotiating a settlement. For purposes of this research, an SEC action is evidenced by the presence of a litigation release or an administrative proceeding posted on www.sec.gov involving the issuer defendant or other named defendants with allegations similar to those in the underlying class action complaint.
- ¹² Identification of a criminal charge and/or criminal indictment based on review of SEC filings and public press. For purposes of this research, criminal charges and/or indictments are collectively referred to as “criminal charges.”
- ¹³ Docket entries reflect the number of entries on the court docket for events in the litigation and have been used in prior research as a proxy for the amount of plaintiff attorney effort involved in resolving securities cases. See Laura Simmons, “The Importance of Merit-Based Factors in the Resolution of 10b-5 Litigation,” University of North Carolina at Chapel Hill Doctoral Dissertation, 1996; Michael A. Perino, “Institutional Activism through Litigation: An Empirical Analysis of Public Pension Fund Participation in Securities Class Actions,” St. John’s Legal Studies Research Paper No. 06-0055, 2006.
- ¹⁴ Stanford Securities Litigation Analytics (SSLA) tracks and collects data on private, shareholder securities litigation and public enforcements brought by the SEC and the U.S. Department of Justice. 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/>.
- 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 re-categorized 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.

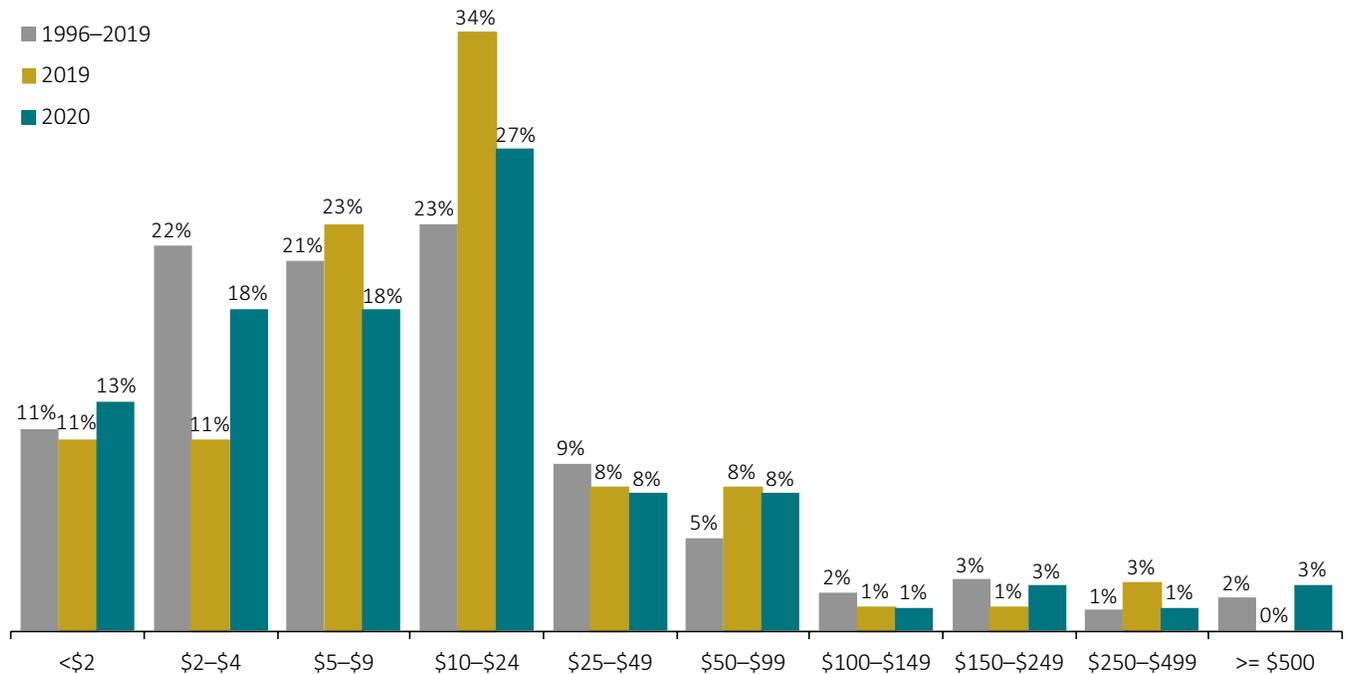
Appendices

Appendix 1: Initial Announcements of Settlements by Month



Appendix 2: Distribution of Post-Reform Act Settlements

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used.

Appendix 3: Settlement Percentiles

(Dollars in millions)

	Average	10th	25th	Median	75th	90th
2011	\$24.1	\$2.1	\$3.1	\$6.6	\$20.7	\$74.6
2012	\$69.0	\$1.4	\$3.0	\$10.6	\$40.0	\$129.6
2013	\$80.3	\$2.1	\$3.3	\$7.2	\$24.6	\$91.7
2014	\$19.9	\$1.8	\$3.1	\$6.6	\$14.4	\$54.7
2015	\$43.0	\$1.4	\$2.3	\$7.1	\$17.7	\$102.6
2016	\$76.1	\$2.0	\$4.5	\$9.2	\$35.6	\$157.4
2017	\$19.5	\$1.6	\$2.7	\$5.5	\$16.1	\$37.4
2018	\$66.9	\$1.6	\$3.7	\$11.6	\$25.5	\$53.7
2019	\$27.8	\$1.5	\$5.7	\$11.6	\$20.2	\$50.6
2020	\$54.5	\$1.4	\$3.3	\$10.1	\$20.0	\$53.2

Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used.

Appendix 4: Select Industry Sectors

2011–2020

(Dollars in millions)

Industry	Number of Settlements	Median Settlement	Median “Simplified Tiered Damages”	Median Settlement as a Percentage of “Simplified Tiered Damages”
Financial	102	\$17.2	\$421.9	4.8%
Technology	101	\$8.3	\$210.0	4.9%
Pharmaceuticals	98	\$6.7	\$215.9	3.7%
Retail	37	\$10.0	\$243.3	4.1%
Telecommunications	24	\$8.6	\$274.1	4.3%
Healthcare	14	\$12.5	\$140.2	6.1%

Note: Settlement dollars and “simplified tiered damages” are adjusted for inflation; 2020 dollar equivalent figures are used. “Simplified tiered damages” are calculated only for cases involving Rule 10b-5 claims.

**Appendix 5: Settlements by Federal Circuit Court
 2011–2020**

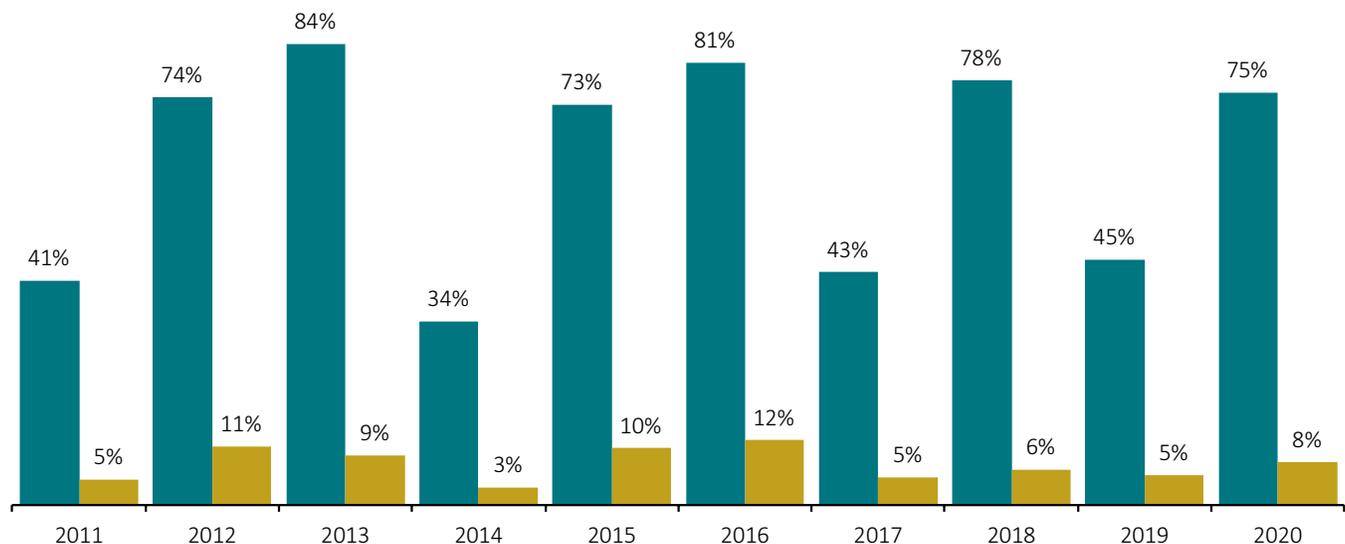
(Dollars in millions)

Circuit	Number of Settlements	Median Settlement	Median Settlement as a Percentage of “Simplified Tiered Damages”
First	22	\$10.3	3.5%
Second	181	\$9.4	4.7%
Third	56	\$7.7	5.2%
Fourth	25	\$16.9	4.0%
Fifth	34	\$9.4	4.3%
Sixth	26	\$12.7	6.9%
Seventh	40	\$12.0	4.0%
Eighth	13	\$10.0	6.1%
Ninth	178	\$7.3	4.8%
Tenth	15	\$6.4	5.6%
Eleventh	37	\$12.8	5.1%
DC	4	\$23.7	2.1%

Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used. Settlements as a percentage of “simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims.

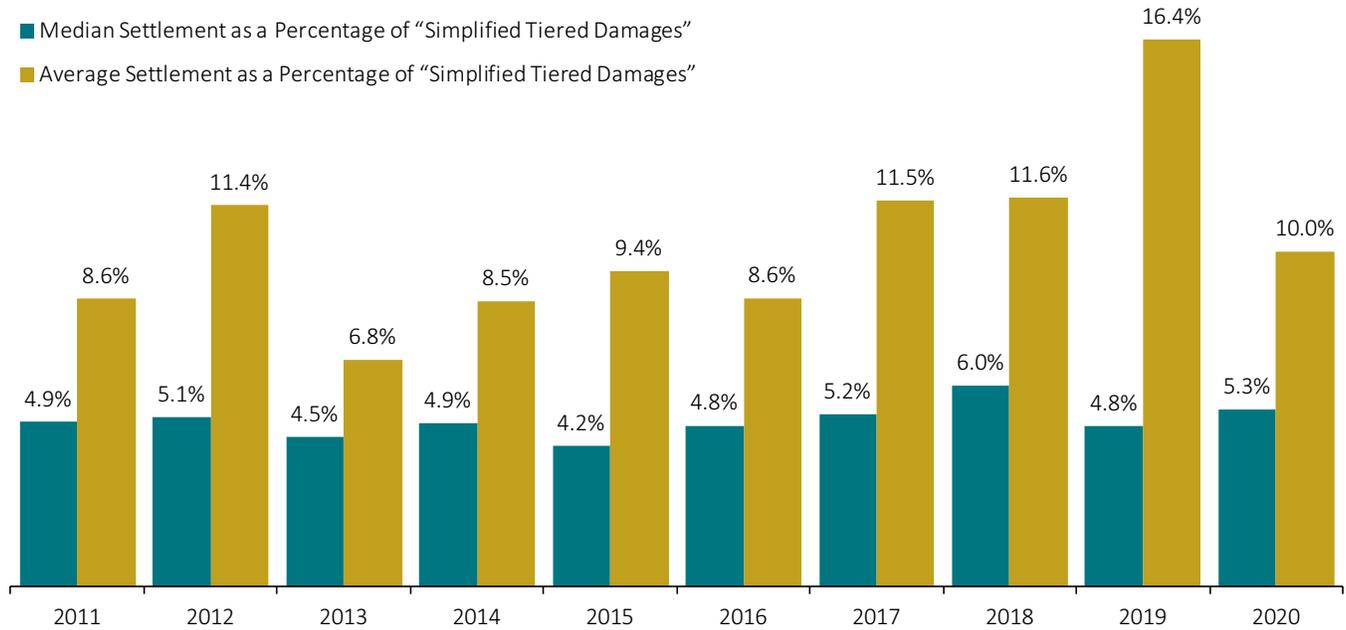
**Appendix 6: Mega Settlements
 2011–2020**

- Total Mega Settlement Dollars as a Percentage of All Settlement Dollars
- Number of Mega Settlements as a Percentage of All Settlements



Note: Mega settlements are defined as total settlement funds equal to or greater than \$100 million. Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used.

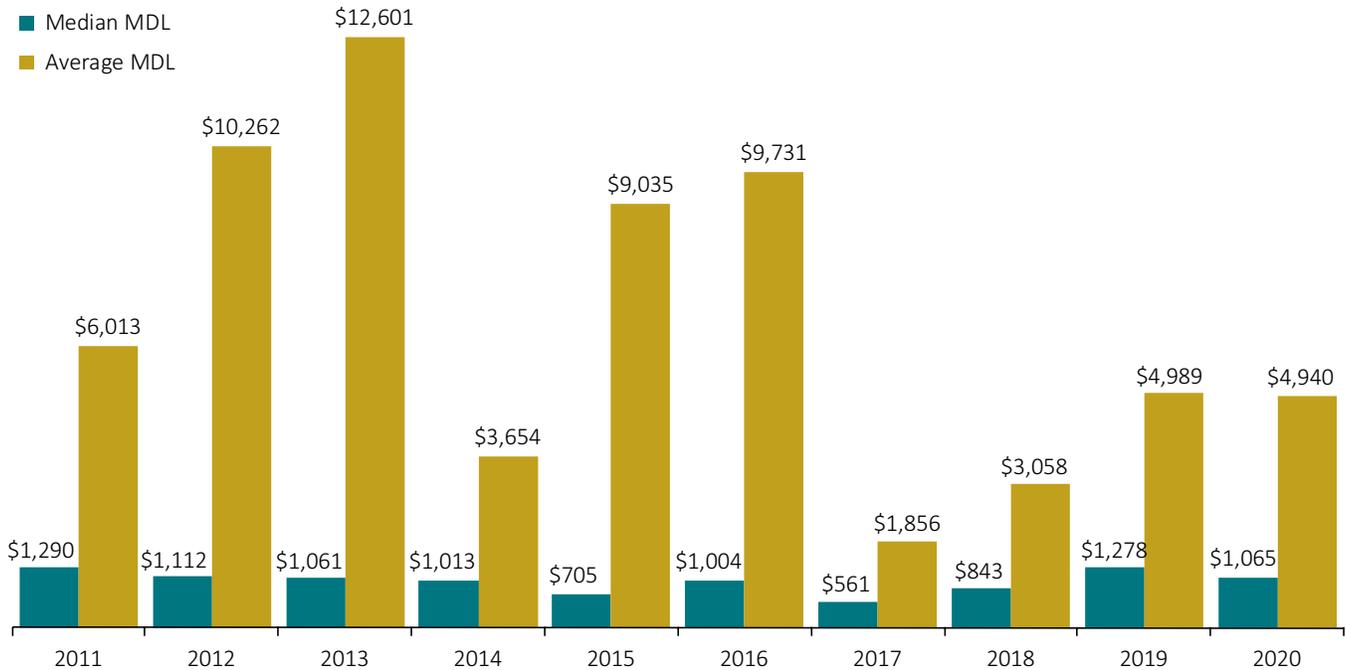
**Appendix 7: Median and Average Settlements as a Percentage of “Simplified Tiered Damages”
 2011–2020**



Note: “Simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims.

**Appendix 8: Median and Average Maximum Dollar Loss (MDL)
 2011–2020**

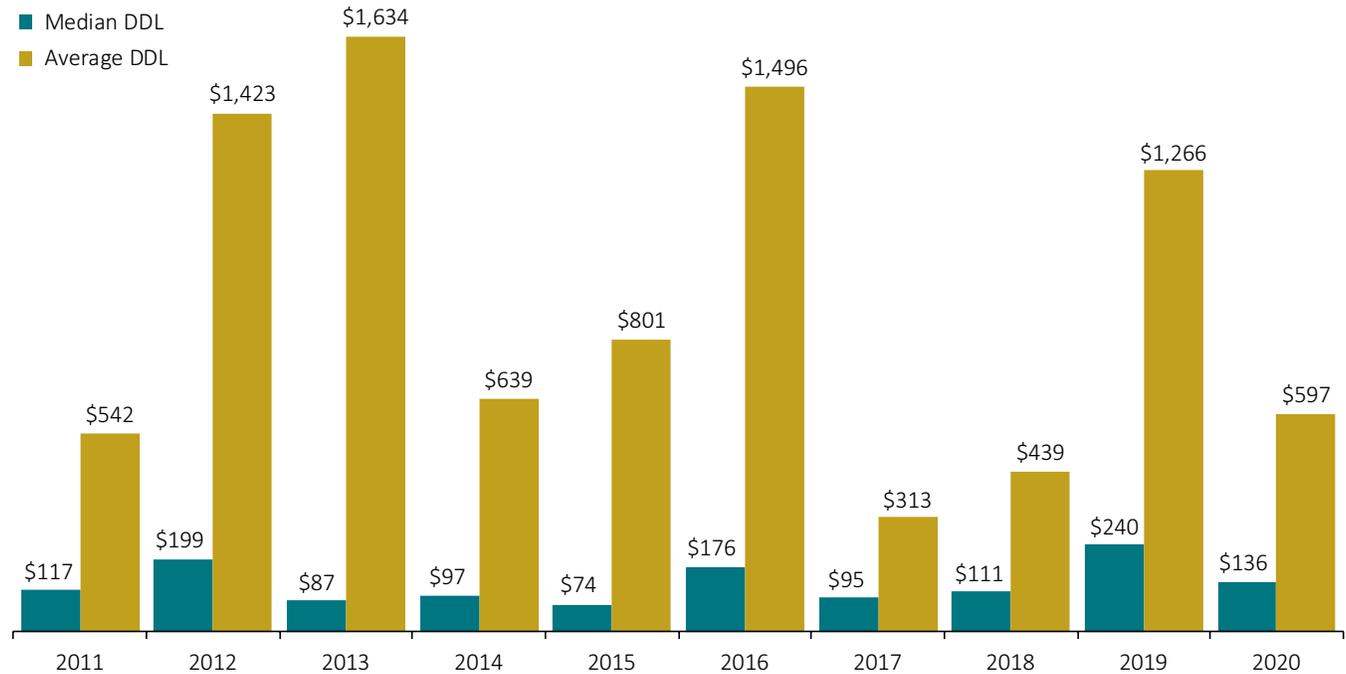
(Dollars in millions)



Note: MDL is adjusted for inflation based on class period end dates. MDL is the dollar value change in the defendant firm’s market capitalization from the trading day with the highest market capitalization during the class period to the trading day immediately following the end of the class period.

**Appendix 9: Median and Average Disclosure Dollar Loss (DDL)
2011–2020**

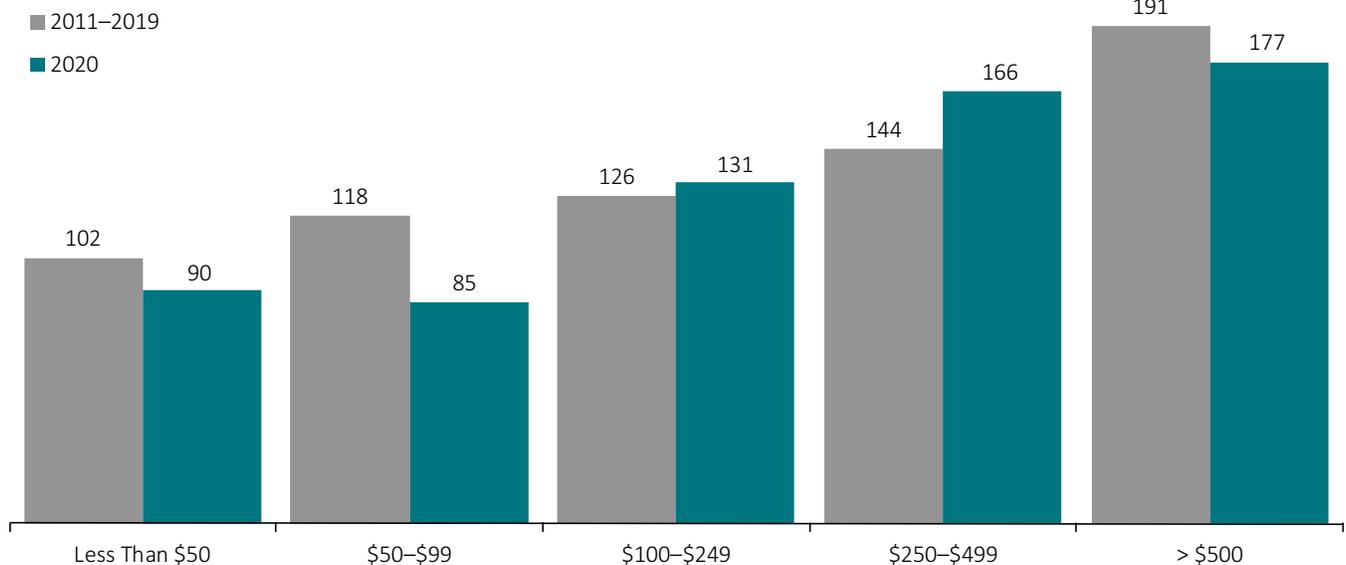
(Dollars in millions)



Note: DDL is adjusted for inflation based on class period end dates. DDL is the dollar value change in the defendant firm’s market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. This analysis excludes cases alleging ‘33 Act claims only.

**Appendix 10: Median Docket Entries by “Simplified Tiered Damages” Range
2011–2020**

(Dollars in millions)



Note: “Simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims.

About the Authors

Laarni T. Bulan

Ph.D., Columbia University; M.Phil., Columbia University; B.S., University of the Philippines

Laarni Bulan is a principal in Cornerstone Research's Boston office, where she specializes in finance. Her work has focused on securities damages, loss causation, and class certification issues, insider trading, merger and firm valuation, risk management, and corporate finance issues. She has also consulted on cases related to market manipulation and trading behavior, financial institutions and the credit crisis, derivatives, foreign exchange, and securities clearing and settlement.

Dr. Bulan has published several academic articles in peer-reviewed journals. Her research covers topics in dividend policy, capital structure, executive compensation, corporate governance, and real options. Prior to joining Cornerstone Research, Dr. Bulan had a joint appointment at Brandeis University as an assistant professor of finance in its International Business School and in the economics department.

Laura E. Simmons

Ph.D., University of North Carolina at Chapel Hill; M.B.A., University of Houston; B.B.A., University of Texas at Austin

Laura Simmons is a senior advisor with Cornerstone Research. She is a certified public accountant and has more than 25 years of experience in accounting practice and economic and financial consulting. Dr. Simmons has focused on damage and liability issues in securities and ERISA litigation, as well as on accounting issues arising in a variety of complex commercial litigation matters. She has served as a testifying expert in litigation involving accounting analyses, securities case damages, ERISA matters, and research on securities lawsuits.

Dr. Simmons's research on pre- and post-Reform Act securities litigation settlements has been published in a number of reports and is frequently cited in the public press and legal journals. She has spoken at various conferences and appeared as a guest on CNBC addressing the topic of securities case settlements. She has also published in academic journals, including research focusing on the intersection of accounting and litigation. Dr. Simmons was previously an accounting faculty member at the Mason School of Business at the College of William & Mary. From 1986 to 1991, she was an accountant with Price Waterhouse.

The authors gratefully acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research in the writing and preparation of this annual update.

Many publications quote, cite, or reproduce data, charts, or tables from Cornerstone Research reports. The authors request that you reference Cornerstone Research in any reprint, quotation, or citation of the charts, tables, or data reported in this study.

Please direct any questions and requests for additional information to the settlement database administrator at settlementdatabase@cornerstone.com.

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Exhibit 8

Seb Investment Management AB v. Symantec Corporation, Slip Copy (2021)

2021 WL 1540996

Only the Westlaw citation is currently available.
United States District Court, N.D. California.

SEB INVESTMENT MANAGEMENT AB,
individually and on behalf of all others
similarly situated, Plaintiff,

v.

SYMANTEC CORPORATION and
Gregory S. Clark, Defendants.

No. C 18-02902 WHA

Signed 04/20/2021

ORDER RE CONFLICT DISPUTE

WILLIAM ALSUP, United States District Judge

*1 This order resolves a pending question concerning the conduct of class counsel and lead plaintiff and an allegation that they engaged in play to pay, which means, “you hire me as counsel, and I’ll make it up to you down the road.” Such arrangements are adverse to the interests of the class because class counsel should be selected as the best lawyer for the class.

In this case, SEB Investment Management AB won the role of lead plaintiff. At the lead plaintiff selection hearing, SEB introduced Mr. Hans Ek as the staff member at SEB who would oversee the case if SEB won the job. SEB showcased his experience and abilities. The order appointing SEB said the following about him: “SEB identified Hans Ek, SEB’s Deputy Chief Executive Officer, as being the individual in charge of managing its litigation responsibilities. In addition, SEB’s in-house legal counsel will be advising Mr. Ek and assisting with overseeing the litigation” (Dkt. No. 88).

After SEB won the job, an order required Mr. Ek to interview law firms for the job of class counsel. SEB interviewed several firms but ultimately selected Bernstein, Litowitz, Berger & Grossmann, LLP (BLBG),

its existing counsel, even though BLBG asked for a richer fee proposal than others. The Court deferred to lead plaintiff’s judgment and appointed BLBG (*ibid.*).

Twenty-five months went by. Litigation churned forward. Then another law firm, Robbins, Geller, Rudman & Dowd, LLP, on behalf of a class member (Norfolk County Council as Administering Authority of the Norfolk Pension Fund) reported to the Court that Mr. Ek had left SEB and was now working for BLBG.

Upon inquiry by the Court, BLBG confirmed this.

Discovery was allowed into the problem and several hearings were held. After careful consideration of all the evidence and argument, the Court remains unable to determine whether the move of Mr. Ek to BLBG was coincidental versus culpable. It’s possible that there was a *quid pro quo* of sorts but, if so, it’s not clear in the evidence.

What is crystal clear is that BLBG held Mr. Ek out as the professional who would guide the class through the litigation and direct counsel. Also crystal clear is that BLBG and Mr. Ek failed to tell the Court that he had gone over to the counsel side, meaning had left SEB and joined BLBG. On his way out of SEB, he lateraled his case responsibilities to a colleague, another fact not disclosed to the Court.

The PLSRA established the statutory office of lead plaintiff, usually intended to be an institutional investor, for the very specific purpose of converting securities litigation from “lawyer driven” to “investor driven” wherein the lead plaintiff actually manages the case for the class, the lawyer no longer being in charge. When, as here, the very man or woman presented to the Court as the one who will carry out the PSLRA mandate winds up as an employee of the lawyer, one can easily ask whether a fundamental goal of the Act has been compromised.

Separate from this is the pay to play problem. If a law firm winks and nods and says, “Hire me as your class counsel and we’ll return the favor down the road,” then the class suffers because class counsel should instead be selected on the merits of who will best represent the class. The lead plaintiff owes a fiduciary duty to the class to select the best lawyer for the class, not to treat the selection as a tradeoff of favors.

*2 BLBG and SEB surely knew all these ramifications and knew how the undersigned judge felt about these issues. The appearance alone raises eyebrows, arched

Seb Investment Management AB v. Symantec Corporation, Slip Copy (2021)

eyebrows. BLBG should have avoided this spectacle. So should have SEB and so should have Mr. Ek. This is true even though discovery could not establish a clear-cut *quid pro quo*.

It's worth observing that while no clear-cut evidence of a *quid pro quo* emerged, discovery did show that BLBG's initial explanation to the Court proved misleading. At our hearing on January 21, 2021, Class Counsel Salvatore J. Graziano told the Court,

[F]irst and foremost, we never thought or raised the possibility of Mr. Ek joining our firm when he was at SEB. That was back in 2018. He had no intention of leaving. We never thought would he leave. He publicly left a year later, December 1 of 2019

(Tr. at 4-5). After that hearing, the Court permitted discovery. Mr. Ek testified at his deposition that he "was employed by SEB until the last day of March" in 2020 (Ek. Dep. at 51). Moreover, BLBG had sent Mr. Ek a recruitment email on December 19, 2019, while SEB still employed him. In it, a BLBG attorney (on this case) said, "I know you said that you wanted to transition your work at SEB towards the end of the year before thinking about next steps. Now that we are almost at the end of the year, please know that I would love to continue to work with you" but "of course, I don't know what your plans are or if you have given your next steps any thought yet" (van Kwawegen Dep. at 55). In his brief summarizing Mr. Ek's testimony (and other discovery), Attorney Graziano walked back his January 21 representation, conceding, "BLB&G raised for the first time the prospect of working with Mr. Ek in late December [2019]," but said it was

"irrelevant" (Dkt. No. 284-3 at 3). Attorney Graziano's brief continued, "[T]he sworn testimony on this issue confirms there was no "active recruitment" prior to February 2020" (*ibid.*). This shifting-sands set of explanations is concerning. But, still, it does not prove any *quid pro quo*.

We are too far into the case to replace SEB or BLBG, at least on this record. Instead, the Court believes these circumstances should be brought to the attention of the class and a new opportunity given to opt out. Counsel shall meet and confer on a form of notice and a timeline for distribution and opt-out. BLBG shall pay for the costs of notice, distribution, and opt-out. Please submit this within seven calendar days.

In addition, in future cases, both SEB in seeking appointment as a lead plaintiff and BLBG in seeking appointment as class counsel shall bring this order to the attention of the assigned judge and the decision-maker for the lead plaintiff who is to select counsel. This disclosure requirement shall last for three years from the date of this order.

IT IS SO ORDERED.

All Citations

Slip Copy, 2021 WL 1540996

Exhibit 9

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DAVID RONGE, Individually and on Behalf	)	Case No. 1:18-cv-07030
of All Others Similarly Situated,	)	(Consolidated)
)	
Plaintiff,	)	<u>CLASS ACTION</u>
)	
vs.	)	Judge Rebecca R. Pallmeyer
)	
CAMPING WORLD HOLDINGS, INC., et al.,)	
)	
Defendants.)	
)	
_____)	

**ORDER AWARDING ATTORNEYS' FEES, EXPENSES,
AND AWARDS TO PLAINTIFFS PURSUANT TO THE
PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

This matter came before the Court for hearing on August 5, 2020 (the “Settlement Hearing”) on Lead Counsel’s motion for an award of attorneys’ fees and payment of expenses. ECF Nos. 137 & 140. The Court having considered all matters submitted to it at the Settlement Hearing and otherwise; and it appearing that notice of the Settlement Hearing substantially in the form approved by the Court was mailed to all Class Members who could be identified with reasonable effort, and that a summary notice of the hearing substantially in the form approved by the Court was published in *The Wall Street Journal* and was transmitted over *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys’ fees and expenses, requested,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Settlement Agreement, dated March 12, 2020, ECF No. 122 (the “Stipulation”), and all capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.
2. The Court has jurisdiction to enter this Order and over the subject matter of the Action and all parties to the Action, including all Class Members.
3. Notice of Lead Counsel’s motion for an award of attorneys’ fees and payment of expenses was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the motion satisfied the notice requirements of Rules 23 and 54 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7) and Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-1(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”); constituted the best notice practicable under the circumstances; and constituted due, adequate, and sufficient notice to all Persons entitled thereto.

4. Lead Counsel are hereby awarded attorneys' fees of 30% of the Settlement Amount, plus interest at the same rate earned by the Settlement Fund, and payment of litigation expenses in the amount of \$55,364.27, plus accrued interest, which sums the Court finds to be fair and reasonable.

5. Named plaintiff Daniel Geis is awarded \$5,000, and named plaintiff Plumbers & Steamfitters Local Union #486 Pension Fund is awarded \$3,500, for a total of \$8,500, from the Settlement Fund, pursuant to 15 U.S.C. §78u-4(a)(7) and 15 U.S.C. §77z-1(a)(4), related to their representation of the Class.

6. The award of attorneys' fees and expenses may be paid to Lead Counsel from the Settlement Fund immediately upon entry of this Order, subject to the terms, conditions and obligations of the Stipulation, which terms, conditions, and obligations are incorporated herein.

7. 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 Seventh Circuit and found that:

(a) The Settlement has created a fund of \$12,500,000 in cash, pursuant to the terms of the Stipulation, and Class Members who submit acceptable Claim Forms 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 the Lead Plaintiffs, who were directly involved in the prosecution and resolution of the Action and who have substantial interest in ensuring that any fees paid to counsel are duly earned and not excessive;

(c) The amount of attorneys' fees awarded are fair and reasonable and are consistent with fee awards approved in cases within the Seventh Circuit with similar recoveries;

(d) Lead Counsel have conducted the litigation and achieved the Settlement with skill, perseverance, and diligent advocacy and are highly experienced in the field of securities class action litigation;

(e) Lead Counsel undertook the Action on a contingent basis, and have received no compensation during the Action, and any fee and expense award has been contingent on the result achieved;

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

(g) 71,824 copies of the Notice were mailed to potential Class Members and nominees stating that Lead Counsel would apply for attorneys' fees in an amount not to exceed 30% of the Settlement Amount and expenses in an amount not to exceed \$165,000, plus interest on such fees and expenses, and there were no objections to the requested attorneys' fees and expenses.

8. Any appeal or any challenge affecting this Court's approval regarding any of the attorneys' fees and expense applications shall in no way disturb or affect the finality of the Judgment.

9. In the event that the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the Stipulation.

10. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

DATED: August 5, 2020



THE HONORABLE REBECCA R.
PALLMEYER

UNITED STATES DISTRICT JUDGE

Exhibit 10

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

LEONARD SOKOLOW, Individually and on	)	Case No. 1:18-cv-01039
Behalf of All Others Similarly Situated,)	
	)	Hon. Judge Robert M. Dow, Jr.
Plaintiff,)	
)	
vs.)	
)	
LJM FUNDS MANAGEMENT, LTD., et al.,)	
)	
Defendants.)	
)	
_____)	

**ORDER AWARDING ATTORNEYS' FEES AND EXPENSES
AND AN AWARD TO INDIVIDUAL LEAD PLAINTIFFS
PURSUANT TO 15 U.S.C. §77z-1(a)(4)**

This matter came before the Court for hearing on December 18, 2019 (the “Settlement Hearing”) on Lead Counsel’s motion for an award of attorneys’ fees and payment of expenses. ECF Nos. 204 & 205. The Court having considered all matters submitted to it at the Settlement Hearing and otherwise; and it appearing that notice of the Settlement Hearing substantially in the form approved by the Court was mailed to all Settlement Class Members who could be identified with reasonable effort, and that a summary notice of the hearing substantially in the form approved by the Court was published in *The Wall Street Journal* and was transmitted over *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys’ fees and expenses requested,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Partial Settlement, dated August 19, 2019, ECF No. 192 (the “Stipulation”), and all capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.
2. The Court has jurisdiction to enter this Order and over the subject matter of the Action and all Parties to the Action, including all Settlement Class Members.
3. Notice of Lead Counsel’s motion for an award of attorneys’ fees and payment of expenses was given to all Settlement Class Members who could be identified with reasonable effort. The form and method of notifying the Settlement Class of the motion satisfied the notice requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), and Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-1(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the

“PSLRA”); constituted the best notice practicable under the circumstances; and constituted due, adequate, and sufficient notice to all Persons entitled thereto.

4. Lead Counsel are hereby awarded attorneys’ fees of 28% of the Settlement Fund, plus interest at the same rate earned by the Settlement Fund, and payment of litigation expenses in the amount of \$25,869.93, plus accrued interest, which sums the Court finds to be fair and reasonable.

5. Lead Plaintiffs Justin and Jenny Kaufman, Dr. Larry and Marilyn Cohen, and Joseph N. Wilson are each awarded \$2,000, for a total of \$10,000.00, from the Settlement Fund, pursuant to the PSLRA, 15 U.S.C. §77z-1(a)(4), related to their representation of the Settlement Class.

6. The award of attorneys’ fees and expenses may be paid to Lead Counsel from the Settlement Fund immediately upon entry of this Order, subject to the terms, conditions, and obligations of the Stipulation, which terms, conditions, and obligations are incorporated herein.

7. 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 Seventh Circuit and found that:

(a) The Settlement has created a fund of \$12,850,000 in cash, pursuant to the terms of the Stipulation, and Settlement Class Members who submit acceptable Claim Forms 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 the Lead Plaintiffs, who were directly involved in the prosecution and resolution of the Action and who have a substantial interest in ensuring that any fees paid to counsel are duly earned and not excessive;

(c) The amount of attorneys' fees awarded are fair and reasonable and are consistent with fee awards approved in cases within the Seventh Circuit with similar recoveries;

(d) Lead Counsel have conducted the litigation and achieved the Settlement with skill, perseverance, and diligent advocacy and are highly experienced in the field of securities class action litigation;

(e) Lead Counsel undertook the Action on a contingent basis, and have received no compensation during the Action, and any fee and expense award has been contingent on the result achieved;

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

(g) 64,106 copies of the Notice were mailed to potential Settlement Class Members and nominees stating that Lead Counsel would apply for attorneys' fees in an amount not to exceed 28% of the Settlement Fund and expenses in an amount not to exceed \$100,000, and there were no objections to the requested attorneys' fees and expenses.

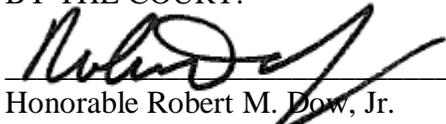
8. Any appeal or any challenge affecting this Court's approval regarding any of the attorneys' fees and expense applications shall in no way disturb or affect the finality of the Judgment.

9. In the event that the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the Stipulation.

10. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

DATED this 18th day of December, 2019

BY THE COURT:



Honorable Robert M. Dow, Jr.
UNITED STATES DISTRICT JUDGE

Exhibit 11

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

PENSION TRUST FUND FOR OPERATING
ENGINEERS, Individually and on Behalf of All
Others Similarly Situated,

Plaintiff,

v.

DEVRY EDUCATION GROUP, INC., DANIEL
HAMBURGER, RICHARD M. GUNST,
PATRICK J. UNZICKER, AND
TIMOTHY J. WIGGINS,

Defendants.

Case No. 1:16-CV-05198

Hon. Mary M. Rowland

ORDER AWARDING ATTORNEYS' FEES AND EXPENSES

This matter came before the Court for hearing on December 6, 2019 (the “Final Approval Hearing”) on Lead Counsel’s motion for an award of attorneys’ fees and payment of expenses. The Court having considered all matters submitted to it at the Final Approval Hearing and otherwise; and it appearing that notice of the Final Approval Hearing substantially in the form approved by the Court was mailed to all Settlement Class Members who could be identified with reasonable effort, and that a summary notice of the hearing substantially in the form approved by the Court was published in *The Wall Street Journal* and was transmitted over *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys’ fees and expenses requested,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation of Settlement, dated August 29, 2019 (the “Settlement Agreement”), and all capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Settlement Agreement.
2. The Court has jurisdiction to enter this Order and over the subject matter of the Action and all Parties to the Action, including all Settlement Class Members.
3. Notice of Lead Counsel’s motion for an award of attorneys’ fees and payment of expenses was given to all Settlement Class Members who could be identified with reasonable effort. The form and method of notifying the Settlement Class of the motion satisfied the notice requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), and Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”); constituted the best notice practicable under the circumstances; and constituted due, adequate, and sufficient notice to all Persons entitled thereto.

4. Lead Counsel is hereby awarded, on behalf of all Plaintiffs' Counsel, attorneys' fees in the amount of \$7,425,000, plus interest at the same rate earned by the Settlement Fund (which is 27% of the Settlement Fund), and payment of litigation expenses in the amount of \$184,192.69, plus accrued interest, which sums the Court finds to be fair and reasonable. Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs' Counsel in a manner which it, in good faith, believes reflects the contributions of such counsel to the institution, prosecution, and settlement of the Action.

5. Lead Plaintiff Utah Retirement Systems is hereby awarded \$10,000.00 from the Settlement Fund, pursuant to the PSLRA, as reimbursement for its reasonable costs and expenses directly related to its representation of the Settlement Class.

6. The award of attorneys' fees and expenses may be paid to Lead Counsel from the Settlement Fund immediately upon entry of this Order, subject to the terms, conditions, and obligations of the Settlement Agreement, which terms, conditions, and obligations are incorporated herein.

7. 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 Seventh Circuit and found that:

(a) The Settlement has created a fund of \$27,500,000 in cash, pursuant to the terms of the Settlement Agreement, and numerous Settlement Class Members who submit acceptable Claim Forms will benefit from the Settlement created by the efforts of Plaintiffs' Counsel;

(b) The fee sought by Lead Counsel has been reviewed and approved as reasonable by the Lead Plaintiff, a sophisticated institutional investor that was directly involved in the prosecution and resolution of the Action and who has a substantial interest in ensuring that any fees paid to counsel are duly earned and not excessive;

(c) The amount of attorneys' fees awarded are fair and reasonable and are consistent with fee awards approved in cases within the Seventh Circuit with similar recoveries;

(d) Plaintiffs' Counsel have conducted the litigation and achieved the Settlement with skill, perseverance, and diligent advocacy and are highly experienced in the field of securities class action litigation;

(e) Plaintiffs' Counsel devoted more than 6,600 hours, with a lodestar value of \$3,486,985.50, to achieve the Settlement;

(f) Plaintiffs' Counsel undertook the Action on a contingent basis, and have received no compensation during the Action, and any fee and expense award has been contingent on the result achieved;

(g) The Action involves complex factual and legal issues and, in the absence of settlement, would involve lengthy proceedings whose resolution would be uncertain; and

(h) 67,813 copies of the Notice were mailed to potential Settlement Class Members and nominees stating that Lead Counsel would apply for attorneys' fees in an amount not to exceed 27% of the Settlement Fund and expenses in an amount not to exceed \$225,000, and there were no objections to the requested attorneys' fees and expenses.

8. Any appeal or any challenge affecting this Court's approval regarding any of the attorneys' fees and expense applications shall in no way disturb or affect the finality of the Judgment.

9. In the event that the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the Settlement Agreement.

10. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

DATED this 6th day of December, 2019

BY THE COURT:



Honorable Mary M. Rowland
UNITED STATES DISTRICT JUDGE

Exhibit 12

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

MURRAY RUBINSTEIN, et al., Individually	)	No. 14-cv-9465
and On Behalf of All Others Similarly)	
Situated,)	
)	
Plaintiffs,	)	Honorable Robert M. Dow, Jr.
)	
v.)	
)	
RICHARD GONZALEZ and ABBVIE INC.,)	
)	
Defendants.)	

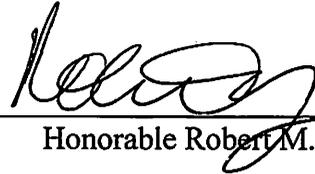
**ORDER GRANTING APPROVAL OF LEAD COUNSEL’S FEES, AND EXPENSES,
COSTS TO LEAD PLAINTIFF AND PLAN OF ALLOCATION**

On October 22, 2019, this Court heard Lead Plaintiff’s Motion for an Award of Attorney’s Fees, Reimbursement of Expenses and approval of Plan of Allocation (the “Motion”). This Court has considered the Motion and other related materials submitted by Lead Plaintiff, as well as Lead Plaintiff’s presentation at the Final Approval Hearing, and otherwise being fully informed on the premises, hereby finds and orders as follows:

1. Lead Counsel are awarded \$5,025,000 in attorneys’ fees.
2. Lead Counsel are awarded \$530,133.17 as reimbursement of litigation expenses.
3. This Court finds that Lead Plaintiff Dawn Bradley, in prosecuting the case on behalf of the Class, made a substantial contribution to its outcome, and is therefore awarded \$9,937.20 in costs, in addition to any share of the Settlement Fund to which she is entitled.
4. The foregoing awards shall be paid from the Settlement Fund in accordance with the Stipulation of Settlement.

5. This Court approves the proposed Plan of Allocation and finds it is fair, reasonable and adequate.

DATED: October 22, 2019



Honorable Robert M. Dow, Jr.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

MURRAY RUBINSTEIN, <i>et al.</i> , Individually	)	No. 14-cv-9465
and On Behalf of All Others Similarly)	
Situated,)	
)	
Plaintiffs,	)	Honorable Robert M. Dow, Jr.
)	
v.)	
)	
RICHARD GONZALEZ and ABBVIE INC.,)	
)	
Defendants.)	

**MEMORANDUM OF LAW IN SUPPORT OF LEAD PLAINTIFF'S
MOTION FOR AN AWARD OF ATTORNEYS' FEES, REIMBURSEMENT OF
EXPENSES AND APPROVAL OF PLAN OF ALLOCATION**

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Mark C. Rifkin
Kate McGuire
**WOLF HALDENSTEIN ADLER
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New York, NY 10016
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Fax: 212-545-4758

Plaintiff's Lead Counsel

Pursuant to Rule 23(h) of the Federal Rules of Civil Procedure, Lead Plaintiff respectfully submits this memorandum in support of her motion for (i) an award of attorneys' fees in the amount of 30% of the Settlement Fund; (ii) reimbursement of \$530,133.17 for Lead Counsel's litigation expenses that were reasonably and necessarily incurred in prosecuting and resolving the Action; (iii) reimbursement of \$9,937.20 to Lead Plaintiff for her costs and expenses directly related to her representation of the Class, as authorized by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), (iv) and approval of the proposed Plan of Allocation.

I. PRELIMINARY STATEMENT

The proposed Settlement, if approved by the Court, will resolve this Action in its entirety in exchange for a \$16.75 million cash payment. The proposed Settlement represents an excellent result for the Class. It provides meaningful and immediate compensation while avoiding the risks and delay of continued litigation.

The \$16.75 million payment was achieved in the face of numerous challenges. To begin with, there were significant obstacles to establishing Defendants' liability in this case. Sarnelli Decl.¹ at ¶¶30-54. Defendants presented evidence that may have led a jury to determine that they did not act with scienter. *Id.* Even if Lead Plaintiff was able to establish scienter, there was still a risk that the Court could adopt a damage model that could have eliminated the Class's potential recovery. *Id.* at 53. As noted in the Sarnelli Declaration, the litigation risks were substantial.

In order to achieve this recovery, Lead Counsel made significant efforts and litigated aggressively on a fully contingent basis, without any guarantee of payment, against capable defense counsel. Lead Counsel pursued this litigation from its outset by, among other things, (i)

¹ Declaration of Jennifer Sarnelli in support of Lead Plaintiff's Motions for Approval Of Class Action Settlement and an Award of Attorneys' Fees, Reimbursement of Expenses and Approval of Plan of Allocation (hereinafter "Sarnelli Declaration" or "Sarnelli Decl.").

Exhibit 13

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**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

IN RE IMPINJ, INC. SECURITIES
LITIGATION

No. 3:18-cv-05704-RSL

CLASS ACTION

**ORDER AWARDING
ATTORNEYS' FEES AND
LITIGATION EXPENSES**

1 This matter came on for hearing on November 19, 2020 (the “Settlement Hearing”) on Lead
2 Counsel’s motion for an award of attorneys’ fees and Litigation Expenses. The Court having
3 considered all matters submitted to it at the Settlement Hearing and otherwise; and it appearing that
4 notice of the Settlement Hearing substantially in the form approved by the Court was mailed to all
5 Settlement Class Members who or which could be identified with reasonable effort, and that a
6 summary notice of the hearing substantially in the form approved by the Court was published in *The*
7 *Wall Street Journal* and released over *PR Newswire* pursuant to the specifications of the Court; and
8 the Court having considered and determined the fairness and reasonableness of the award of
9 attorneys’ fees and Litigation Expenses requested,

10 NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

11 1. This Order incorporates by reference the definitions in the Stipulation and Agreement
12 of Settlement dated July 9, 2020 (ECF No. 91-2) (the “Stipulation”) and all terms not otherwise
13 defined herein shall have the same meanings as set forth in the Stipulation.

14 2. The Court has jurisdiction to enter this Order approving the proposed Plan of
15 Allocation, and over the subject matter of the Action and all Parties to the Action, including all
16 Settlement Class Members.

17 3. Plaintiffs’ Counsel are hereby awarded attorneys’ fees in the amount of 25% of the
18 Settlement Fund, and \$176,771.21 in payment of Lead Counsel’s litigation expenses (which fees and
19 expenses shall be paid from the Settlement Fund), which sums the Court finds to be fair and
20 reasonable. Lead Counsel shall allocate the attorneys’ fees awarded amongst Plaintiffs’ Counsel in
21 a manner which it, in good faith, believes reflects the contributions of such counsel to the institution,
22 prosecution, and settlement of the Action.

23 4. In making this award of attorneys’ fees and payment of expenses from the Settlement
24 Fund, the Court has considered and found that:

25 (a) The Settlement has created a fund of \$20,000,000 in cash that has been funded
26 into escrow pursuant to the terms of the Stipulation, and that numerous Settlement Class
27

1 Members who submit acceptable Claim Forms will benefit from the Settlement that occurred
2 because of the efforts of Plaintiffs' Counsel;

3 (b) The requested fee has been reviewed and approved as reasonable by Lead
4 Plaintiff, a sophisticated institutional investor that actively supervised the Action;

5 (c) No objections to the requested attorneys' fees and Litigation Expenses were
6 received;

7 (d) Plaintiffs' Counsel conducted the litigation and achieved the Settlement with
8 skill, perseverance, and diligent advocacy;

9 (e) The Action raised a number of complex issues;

10 (f) Had Plaintiffs' Counsel not achieved the Settlement there would remain a
11 significant risk that Lead Plaintiff and the other members of the Settlement Class may have
12 recovered less or nothing from Defendants;

13 (g) Plaintiffs' Counsel devoted over 4,700 hours, with a lodestar value of over
14 \$2,662,000, to achieve the Settlement; and

15 (h) The amount of attorneys' fees awarded and expenses to be paid from the
16 Settlement Fund are fair and reasonable and consistent with awards in similar cases.

17 5. Lead Plaintiff Employees' Retirement System of the City of Baton Rouge and Parish
18 of East Baton Rouge is hereby awarded \$4,870.00 from the Settlement Fund as reimbursement for its
19 reasonable costs and expenses directly related to its representation of the Settlement Class.

20 6. Any appeal or any challenge affecting this Court's approval regarding any attorneys'
21 fees and expense application shall in no way disturb or affect the finality of the Judgment.

22 7. Exclusive jurisdiction is hereby retained over the Parties and the Settlement Class
23 Members for all matters relating to this Action, including the administration, interpretation,
24 effectuation or enforcement of the Stipulation and this Order.

25 8. In the event that the Settlement is terminated or the Effective Date of the Settlement
26 otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the
27 Stipulation.

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9. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

SO ORDERED this 20th day of November, 2020.


The Honorable Robert S. Lasnik
United States District Judge

Exhibit 14

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN**

CARL PALAZZOLO and ALBERT
FERRANDI, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

FIAT CHRYSLER AUTOMOBILES
N.V., SERGIO MARCHIONNE,
RICHARD K. PALMER, and REID
BIGLAND,

Defendants.

Case No. 4:16-cv-12803-LVP-SDD

Hon. Linda V. Parker

ORDER AWARDING ATTORNEYS’ FEES AND EXPENSES

WHEREAS, this matter came on for hearing on June 5, 2019 (the “Settlement Fairness Hearing”) on Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses. The Court having considered all matters submitted to it at the Settlement Fairness Hearing and otherwise; and it appearing that notice of the Settlement Fairness Hearing substantially in the form approved by the Court was mailed to all Settlement Class Members who could be identified with reasonable effort, and that a summary notice of the hearing substantially in the form approved by the Court was published in *Investor’s Business Daily* and transmitted over the *PR Newswire* pursuant to the specifications of the Court; and the Court

having considered and determined the fairness and reasonableness of the award of attorneys' fees and Litigation Expenses requested; and

WHEREAS, this Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated January 31, 2019 (ECF No. 66-2) (the "Stipulation"), and all capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. **Jurisdiction**—The Court has jurisdiction to enter this Order and over the subject matter of the Action, as well as personal jurisdiction over all of the Parties and each of the Settlement Class Members.

2. **Notice**—Notice of Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses was given to all Settlement Class Members who could be identified with reasonable effort. The form and method of notifying the Settlement Class of the motion for an award of attorneys' fees and reimbursement of Litigation Expenses satisfied the requirements of Rules 23 and 54 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable law and rules; constituted the best notice practicable under the circumstances; and constituted due and sufficient notice to all persons and entities entitled thereto.

3. **Fee and Expense Award**—Lead Counsel are hereby awarded attorneys’ fees in the amount of 30% of the Settlement Fund and \$255,764.05 in reimbursement of Lead Counsel’s Litigation Expenses, which sums the Court finds to be fair and reasonable. The attorneys’ fees and expenses awarded will be paid to Lead Counsel from the Settlement Fund in accordance with the terms of the Stipulation.

4. **Factual Findings**—In making this award of attorneys’ fees and expenses to be paid from the Settlement Fund, the Court has considered and found that:

a. The Settlement has created a fund of \$14,750,000 in cash that has been funded into escrow pursuant to the terms of the Stipulation, and that numerous Settlement Class Members who submit acceptable Claim Forms will benefit from the Settlement that occurred because of the efforts of Lead Counsel;

b. The fee sought by Lead Counsel has been reviewed and approved as reasonable by Lead Plaintiffs, who oversaw the prosecution and resolution of the Action;

c. An aggregate of 100,344 copies of the Notice were mailed to potential Settlement Class Members and nominees stating that Lead Counsel would apply for attorneys’ fees in an amount not to exceed 30% of the Settlement Fund, and Litigation Expenses in an amount not to exceed \$400,000, which amount may

include a request for reimbursement to Lead Plaintiffs in an aggregate amount not to exceed \$10,000;

d. Lead Counsel have conducted the litigation and achieved the Settlement with skillful and diligent advocacy;

e. The Action raised a number of complex issues;

f. Had Lead Counsel not achieved the Settlement, there would remain a significant risk that Lead Plaintiffs and the other members of the Settlement Class may have recovered less or nothing from Defendants;

g. Lead Counsel devoted more than 12,889 hours, with a lodestar value of \$6,041,404.50, to achieve the Settlement; and

h. The amount of attorneys' fees awarded and Litigation Expenses to be reimbursed from the Settlement Fund are fair and reasonable and consistent with awards in similar cases.

5. **PLSRA Award**—Lead Plaintiffs, Carl Palazzolo and Albert Ferrandi, are hereby awarded an aggregate of \$10,000.00 (*i.e.*, \$5,000.00 to Mr. Palazzolo and \$5,000.00 to Mr. Ferrandi) from the Settlement Fund as reimbursement for their reasonable costs directly related to their representation of the Settlement Class.

6. **No Impact on Judgment**—Any appeal or any challenge affecting this Court's approval regarding any attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgment.

7. **Retention of Jurisdiction**—Exclusive jurisdiction is hereby retained over the Parties and the Settlement Class Members for all matters relating to this Action, including the administration, interpretation, effectuation, or enforcement of the Stipulation and this Order.

8. **Termination of Settlement**—In the event that the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the Stipulation.

9. **Entry of Order**—There is no just reason for delay in the entry of this Order and immediate entry by the Clerk of the Court is expressly directed.

IT IS SO ORDERED.

S/ Linda V. Parker _____
LINDA V. PARKER
U.S. DISTRICT JUDGE

Dated: June 5, 2019

Exhibit 15

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

**In re QUALITY SYSTEMS, INC.
SECURITIES LITIGATION**

Case No.: SACV 13-01818-CJC-JPR

**ORDER AWARDING ATTORNEYS’
FEES AND EXPENSES AND AWARD
TO LEAD PLAINTIFFS PURSUANT
TO 15 U.S.C. § 78u-4(a)(4)**

This matter having come before the Court on November 19, 2018, on the motion of Lead Counsel for an award of attorneys’ fees and expenses (the “Fee Motion”), the Court, having considered all papers filed and proceedings conducted herein, having found the Settlement of this litigation to be fair, reasonable and adequate, and otherwise being fully informed in the premises and good cause appearing therefore;

1 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

2 (i) This Order incorporates by reference the definitions in the Stipulation of
3 Settlement dated July 16, 2018 (the “Stipulation”), and all capitalized terms used, but not
4 defined herein, shall have the same meanings as set forth in the Stipulation.

5 (ii) This Court has jurisdiction over the subject matter of this application and all
6 matters relating thereto, including all Members of the Class who have not timely and
7 validly requested exclusion.

8 (iii) Notice of Lead Counsel’s Fee Motion was given to all Class Members who
9 could be located with reasonable effort. The form and method of notifying the Class of
10 the Fee Motion met the requirements of Rule 23 of the Federal Rules of Civil Procedure
11 and 15 U.S.C. §78u-4(a)(7), the Securities Exchange Act of 1934, as amended by the
12 Private Securities Litigation Reform Act of 1995, due process, and any other applicable
13 law, constituted the best notice practicable under the circumstances, and constituted due
14 and sufficient notice to all persons and entities entitled thereto.

15 (iv) The Court hereby awards Lead Counsel attorneys’ fees of 25% of the
16 Settlement Amount, plus expenses in the amount of \$159,715.35, together with the
17 interest earned on both amounts for the same time period and at the same rate as that
18 earned on the Settlement Fund until paid. The Court finds that the amount of fees
19 awarded is appropriate and that the amount of fees awarded is fair and reasonable under
20 the “percentage-of-recovery” method.

21 (v) The awarded attorneys’ fees and expenses and interest earned thereon shall
22 be paid to Lead Counsel from the Settlement Fund immediately upon entry of this Order,
23 subject to the terms, conditions, and obligations of the Stipulation, and in particular, ¶6.2
24 thereof, which terms, conditions, and obligations are incorporated herein.

25 (vi) In making this award of fees and expenses to Lead Counsel, the Court has
26 considered and found that:

27 (a) the Settlement has created a fund of \$19,000,000 in cash that is
28 already on deposit, and numerous Class Members who submit, or have submitted, valid

1 Proof of Claim and Release forms will benefit from the Settlement created by Lead
2 Counsel;

3 (b) over 61,200 copies of the Notice were disseminated to potential Class
4 Members indicating that Lead Counsel would move for attorneys' fees of no more than
5 25% of the Settlement Amount and for expenses (including the reimbursement of
6 expenses to Lead Plaintiffs) in an amount not to exceed \$300,000, and no objections to
7 the fees or expenses were filed by Class Members;

8 (c) Lead Counsel has pursued the Litigation and achieved the Settlement
9 with skill, perseverance, and diligent advocacy;

10 (d) Lead Counsel has expended substantial time and effort pursuing the
11 Litigation on behalf of the Class;

12 (e) Lead Counsel pursued the Litigation on a contingent basis, having
13 received no compensation during the Litigation, and any fee amount has been contingent
14 on the result achieved;

15 (f) the Litigation involves complex factual and legal issues and, in the
16 absence of settlement, would involve lengthy proceedings whose resolution would be
17 uncertain;

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

20 (h) Lead Counsel devoted over 9,300 hours, with a lodestar value of
21 approximately \$5 million, to achieve the Settlement;

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

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

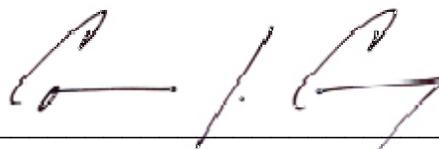
26 (vii) Any appeal or any challenge affecting this Court's approval regarding the
27 Fee Motion shall in no way disturb or affect the finality of the Judgment entered with
28 respect to the Settlement.

1 (viii) Pursuant to 15 U.S.C. §78u-4(a)(4), the Court awards \$2,000 to Lead
2 Plaintiff City of Miami Fire Fighters’ and Police Officers’ Retirement Trust and
3 \$2,119.26 to Lead Plaintiff Arkansas Teacher Retirement System for the time they spent
4 directly related to their representation of the Class.

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

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10 **IT IS SO ORDERED.**

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12 DATED: November 19, 2018



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14 _____
15 CORMAC J. CARNEY
16 UNITED STATES DISTRICT JUDGE
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Exhibit 16

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re NOVATEL WIRELESS SECURITIES
LITIGATION

This Document Relates To:

ALL ACTIONS.

) Lead Case No.
) 08-CV-01689-AJB(RBB)
) CLASS ACTION
) ORDER AWARDING ATTORNEYS'
) FEES AND EXPENSES AND LEAD
) PLAINTIFFS' EXPENSES PURSUANT TO 15
) U.S.C. §78u-4(a)(4)

DATE: June 20, 2014
TIME: 3:00 p.m.
CTRM: 3B, The Honorable Anthony
J. Battaglia

1 THIS MATTER having come before the Court on June 20, 2014, on the
2 motion of Lead Counsel for an award of attorneys' fees and expenses incurred in
3 the Action; the Court, having considered all papers filed and proceedings
4 conducted herein, having found the settlement of this Action to be fair, reasonable,
5 and adequate and otherwise being fully informed in the premises and good cause
6 appearing therefor;

7 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

8 1. All of the capitalized terms used herein shall have the same meanings
9 as set forth in the Stipulation of Settlement dated January 31, 2014 (the
10 "Stipulation").

11 2. This Court has jurisdiction over the subject matter of this application
12 and all matters relating thereto, including all members of the Class who have not
13 timely and validly requested exclusion.

14 3. The Court hereby awards Lead Counsel attorneys' fees of 27.5% of
15 the Settlement Fund and expenses in an aggregate amount of \$1,454,249.34,
16 together with the interest earned thereon for the same time period and at the same
17 rate as that earned on the Settlement Fund until paid. Said fees shall be allocated
18 by Lead Counsel in a manner which, in their good-faith judgment, reflects each
19 counsel's contribution to the institution, prosecution, and resolution of the Action.
20 The Court finds that the amount of fees awarded is fair and reasonable under the
21 "percentage-of-recovery" method.

22 4. The awarded attorneys' fees and expenses, and interest earned
23 thereon, shall be paid to Lead Counsel from the Settlement Fund immediately after
24 the date this Order is executed subject to the terms, conditions, and obligations of
25 the Stipulation, which are incorporated herein.

26 5. Pursuant to 15 U.S.C. §78u-4(a)(4), Lead Plaintiffs Plumbers &
27 Pipefitters' Local #562 Pension Fund and Western Pennsylvania Electrical

1 Employees Pension Fund are awarded \$23,503.99 and \$9,019.64, respectively, in
2 reimbursement of their time and expenses in serving on behalf of the Class.

3 IT IS SO ORDERED.

4 DATED: June 23, 2014

5 
6 Hon. Anthony J. Battaglia
7 U.S. District Judge

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1 ROBBINS GELLER RUDMAN
& DOWD LLP
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9 Lead Counsel for Plaintiffs

10 [Additional counsel appear on signature page.]

11 UNITED STATES DISTRICT COURT
12 SOUTHERN DISTRICT OF CALIFORNIA

13 In re NOVATEL WIRELESS
14 SECURITIES LITIGATION

) Lead Case No.
08-CV-01689-AJB(RBB)

15 This Document Relates To:
16 ALL ACTIONS.

) CLASS ACTION

) MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
17 LEAD COUNSEL’S MOTION FOR
18 AN AWARD OF ATTORNEYS’ FEES
19 AND EXPENSES AND LEAD
20 PLAINTIFFS’ EXPENSES
PURSUANT TO 15 U.S.C. §78u-
4(a)(4)

21
22 DATE: June 20, 2014
23 TIME: 3:00 p.m.
24 COURTROOM: 3B, The Honorable
Anthony J. Battaglia

1 **I. INTRODUCTION**

2 Lead Counsel has achieved a settlement that provides for the payment of \$16
3 million for the benefit of the Class consisting of \$6 million in cash, Settlement Stock
4 valued at \$5 million, and a \$5 million note. *See* Stipulation,¹ ¶3.1(a)-(b). Counsel
5 obtained this substantial and certain recovery for the Class, one month before the start
6 of trial, through skill, work, tenacity, and effective advocacy. As compensation for
7 these extensive efforts and the result, Lead Counsel seeks an award of attorneys' fees
8 of 27.5% of the Settlement Fund, plus expenses incurred to prosecute the Action in the
9 amount of \$1,454,249.34, plus interest at the same rate and for the same period of
10 time as that earned by the Settlement Fund until paid. Lead Counsel has not been
11 compensated in any way for its five-plus years of effort and its fee has been wholly
12 contingent upon the results it achieved. Its fee and expense request is reasonable and
13 should be approved.

14 The requested fee is consistent with fees awarded in the Ninth Circuit, and
15 numerous decisions throughout the country, and is the appropriate method of
16 compensating counsel. The amount requested is warranted here in light of the
17 substantial and certain recovery obtained for the Class, the extensive efforts of counsel
18 in obtaining this highly favorable result, and the significant risks in bringing and
19 prosecuting this Action.² And importantly, Lead Counsel's request is supported by

20 _____
21 ¹ Unless otherwise defined herein, capitalized terms shall have the same meanings as
22 set forth in the Stipulation of Settlement dated as of January 31, 2014 ("Stipulation"),
which was previously filed with the Court (Dkt. No. 508-2).

23 ² Submitted herewith in support of approval of the proposed Settlement is the
24 Memorandum of Points and Authorities in Support of Lead Plaintiffs' Motion for
25 Final Approval of Class Action Settlement and Plan of Distribution of Settlement
26 Proceeds (the "Settlement Brief") and the Declaration of Douglas R. Britton in
27 Support of Lead Plaintiffs' Motion for (1) Final Approval of Class Action Settlement
28 and the Plan of Distribution of Settlement Proceeds, and (2) an Award of Attorneys'
Fees and Expenses and Lead Plaintiffs' Expenses Pursuant to 15 U.S.C. §78u-4(a)(4)
("Britton Decl."). The Britton Declaration more fully describes the history of the
Action, the claims asserted, the investigation undertaken, the negotiation and
substance of the Settlement, the substantial risks of the Action, and the reasonableness
of the fee and expense request and the expenses of Lead Plaintiffs. Also submitted
herewith is the Declaration of Douglas R. Britton Filed on Behalf of Robbins Geller

Exhibit 17

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

STEVEN DUNCAN, PETER CAHILL and
CHARLES CAPARELLI, Individually and on
Behalf of All others Similarly Situated,

Plaintiffs,

v.

Case No. 16-cv-1229-pp

JOY GLOBAL INC., EDWARD L. DOHENY II,
JOHN NILS HANSON, STEVEN L. GERARD,
MARK J. GLIEBE, JOHN T. GREMP, GALE E. KLAPPA,
RICHARD B. LOYND, P. ERIC SIEGERT and
JAMES H. TATE,

Defendants.

**ORDER GRANTING MOTION FOR ENTRY OF AN ORDER FOR
REIMBURSEMENT OF REASONABLE COSTS AND EXPENSES INCURRED
BY LEAD PLAINTIFFS (DKT. NO. 68) AND AWARDED REIMBURSEMENT
OF LEAD PLAINTIFFS' COSTS AND EXPENSES**

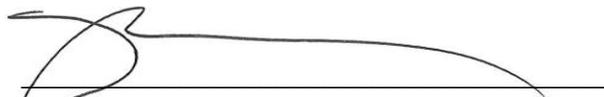
The lead plaintiffs filed a motion, asking the court to enter an order reimbursing them for their reasonable costs and expenses. Dkt. No. 68. The court has considered the documents supporting that order, as well as the arguments of counsel for the lead plaintiffs made at the final approval hearing on December 20, 2018 (dkt. nos. 74, 75), and **ORDERS:**

1. All the capitalized terms used in this order have the same meanings as set forth in the Stipulation of Settlement dated May 22, 2018 (dkt. no. 52).

2. The court has jurisdiction over the subject matter of this application and all related matters, including all Members of the Class who have not timely and validly requested exclusion.
3. The court **GRANTS** the lead plaintiffs' motion for entry of an order for reimbursement of reasonable costs and expenses. Under 15 U.S.C. §78u-4(a)(4), the court **AWARDS**: (i) Lead Plaintiff Peter Cahill his reasonable costs and expenses (including lost wages) directly related to his representation of the Settlement Class in the amount of \$23,000.00; and (ii) Lead Plaintiff Charles Caparelli his reasonable costs and expenses (including wages) directly related to his representation of the Settlement Class in the amount of \$2,400.00.
4. The reimbursement awards for the class representatives are to be paid from the Settlement Fund immediately after the date this Order is executed subject to the terms, conditions, and obligations of the Stipulation, which terms, conditions, and obligations are incorporated herein.

Dated in Milwaukee, Wisconsin this 27th day of December, 2018.

BY THE COURT:



HON. PAMELA PEPPER
United States District Judge