UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE HENRY SCHEIN, INC. SECURITIES LITIGATION	**Master File No. 1:18-cv-01428-MKB-VMS** **CLASS ACTION**

DECLARATION OF JAMES A. HARROD IN SUPPORT OF (I) LEAD PLAINTIFF'S 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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JAMES A. HARROD declares 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" or "Lead Counsel"), the Court-appointed Lead Counsel in the above-captioned action (the "Action").[1] BLB&G represents the Court-appointed Lead Plaintiff, Miami General Employees' & Sanitation Employees' Retirement Trust ("Miami GESE" or "Lead Plaintiff"). I have personal knowledge of the matters stated in this declaration based on my active supervision of and participation in the prosecution and settlement of the Action.

2. I respectfully submit this declaration in support of Lead Plaintiff's motion, under Rule 23(e)(2) of the Federal Rules of Civil Procedure, for final approval of the proposed settlement of the Action with Defendants Henry Schein, Inc. ("Schein") and Timothy J. Sullivan for $35 million in cash (the "Settlement"). The Court preliminarily approved the Settlement by its Order dated May 5, 2020 (the "Preliminary Approval Order"). ECF No. 74.

3. I also respectfully submit this declaration in support of: (i) Lead Plaintiff's motion for approval of the proposed plan for allocating the proceeds of the Net Settlement Fund to eligible Class Members (the "Plan of Allocation" or "Plan") and (ii) Lead Counsel's motion, on behalf of all Plaintiff's Counsel,[2] for an award of attorneys' fees in the amount of 25% of the

[1] Unless otherwise defined in this declaration, all capitalized terms have the meanings defined in the Stipulation of Settlement dated April 30, 2020 (the "Settlement Agreement"), and previously filed with the Court. *See* ECF No. 70-1.

[2] Plaintiff's Counsel are: Lead Counsel BLB&G and Klausner, Kaufman, Jensen & Levinson,

Settlement Fund; payment of litigation expenses incurred by Plaintiff's Counsel's in the amount of $102,840.56; and payment of $6,000.00 to Miami GESE in reimbursement of its costs and expenses directly related to its representation of the Class (the "Fee and Expense Application").[3]

4. The proposed Settlement provides for the resolution of all claims in the Action in exchange for a cash payment of $35 million for the benefit of the Class. This beneficial Settlement was achieved as a direct result of Lead Plaintiff's and Lead Counsel's efforts to diligently investigate, vigorously prosecute, and aggressively negotiate a settlement of this Action against highly skilled opposing counsel. As discussed in more detail below, Lead Counsel's efforts in the Action, included, among other things:

- Conducting a wide-ranging investigation concerning the allegedly fraudulent misrepresentations and omissions made by Defendants, including consulting with experts and reviewing the voluminous public record;

- Drafting and filing the detailed, 81-page Consolidated Class Action Complaint for Violations of the Federal Securities Laws (the "Complaint"), filed with the Court on September 14, 2018 (ECF No. 28), which incorporated material from conference call transcripts, press releases, news articles, and other public statements issued by or concerning Defendants; financial analyst research reports concerning the Company and reports and other documents filed publicly by Schein with the U.S. Securities and Exchange Commission ("SEC"); court documents and materials from proceedings before the Federal Trade Commission ("FTC"); interviews with former Schein employees; and other publicly available information.

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additional counsel for Lead Plaintiff Miami GESE.

[3] In conjunction with this declaration, Lead Plaintiff and Lead Counsel are also submitting the Memorandum of Law in Support of Lead Plaintiff's 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").

- Successfully opposing (in significant part) Defendants' motion to dismiss the Complaint (ECF Nos. 45, 45-1, 48, 50, 53) consisting of over 2,300 pages of briefing and supporting materials, by researching and drafting a substantial opposition brief responding to Defendants' arguments, which Lead Plaintiff served on Defendants on January 23, 2019, and filed with the Court on February 22, 2019, as well as filing and responding to letters offering supplementary authority on the motion (ECF Nos. 46, 51, 52);

- Engaging in full briefing on Defendants' motion for partial reconsideration of the Court's order denying in part Defendants' motion to dismiss (ECF Nos. 57, 66) by researching and drafting a substantial opposition brief responding to Defendants' arguments, which Lead Plaintiff served on Defendants on October 25, 2019 and filed with the Court on November 1, 2019 (ECF No. 65);

- Consulting with experts regarding the significant loss causation and damages issues presented by this Action;

- Engaging in intensive, arm's-length negotiations with Defendants, including the submission of a detailed mediation statement concerning liability and damages, and participating in a two-day mediation session before the Hon. Daniel J. Weinstein (USDJ, Ret.), which ultimately culminated in the mediator's recommendation to settle the Action for $35 million in cash, which the parties accepted;

- Engaging in significant due diligence discovery, including reviewing and analyzing approximately 684,784 pages of documents produced by Defendants and interviewing Defendant Timothy J. Sullivan and Schein Executive Vice President, Chief Strategic Officer, and Director Mark Mlotek; and

- Drafting and negotiating the Settlement Agreement and related settlement documentation.

5. The proposed Settlement represents an outstanding result for the Class, considering the significant risks in the Action and the amount of the potential recovery. The Settlement provides a considerable benefit to the Class by conferring a substantial, certain, and immediate recovery while avoiding the significant risks and expense of continued litigation, including the risk that the Class could recover nothing or substantially less than the Settlement

Amount after years of additional litigation and delay. As discussed in more detail below, if this case continued to be litigated, there is no guarantee that Lead Plaintiff would have been able to establish Defendants' liability with respect to the fraud alleged in the Action, namely Schein's alleged misstatements and omissions concerning the competitive environment Schein faced and its financial results that were allegedly inflated by anticompetitive activity in the market for dental supplies.

6. The Settlement was only reached after two full-day mediation sessions before Judge Daniel H. Weinstein, an experienced mediator of class actions and other complex litigation, and was reached pursuant to a mediator's recommendation. Judge Weinstein has submitted a Declaration stating that he believes "that the settlement represents the highest settlement amount that the Class could have achieved at the time the settlement was reached," and that "based on [his] knowledge of this matter, all of the materials provided to [him], the extensive efforts of skillful advocacy and arm's-length bargaining of counsel, the litigation risks, and the benefits reached in the proposed settlement, . . . the settlement is fair, reasonable, and adequate," and he "respectfully recommend[s] that it be approved by this Court." Declaration of the Hon. Daniel H. Weinstein (Ret.), attached as Exhibit 1, at ¶¶ 11-12.

7. The close attention paid and oversight provided by the Lead Plaintiff, Miami GESE, 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 Plaintiff was actively involved in overseeing the litigation and settlement negotiations and has endorsed the Settlement as fair and reasonable. *See* Declaration of Ron Silver, General Counsel for Miami GESE, attached as Exhibit 2.

8. Lead Plaintiff and Lead Counsel believe that the Settlement is in the best interests of the Class. Due to their substantial efforts in the litigation to date, Lead Plaintiff and Lead Counsel are well informed of the strengths and weaknesses of the claims and defenses in the Action, and they believe that the Settlement represents a highly favorable outcome for the Class.

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

10. Lead Counsel worked diligently and efficiently to achieve the proposed Settlement in the face of significant risk. Lead Counsel prosecuted this case on a fully contingent basis and incurred significant litigation expenses and thus bore all the risk of an unfavorable result. For their considerable efforts in prosecuting the case and negotiating the Settlement, Lead Counsel is applying for an award of attorneys' fees for Plaintiff's Counsel of 25% of the Settlement Fund. The 25% fee request is based on a retainer agreement entered into with Lead Plaintiff at the outset of the litigation and, as discussed in the Fee Memorandum, the 25% 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 on a percentage basis. Moreover, the requested fee represents a multiplier of approximately 1.9 on

Plaintiff's 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 fee.

11. Lead Counsel's Fee and Expense Application also seeks payment of litigation expenses incurred by Plaintiff's Counsel in connection with the institution, prosecution, and settlement of the Action totaling $102,840.56, plus reimbursement of $6,000.00 to Miami GESE for its costs and expenses directly related to its representation of the Class, as authorized by the PSLRA.

12. For all of the reasons discussed in this declaration and in the accompanying memoranda and declarations, including the quality of the result obtained and the numerous significant litigation risks discussed fully below, Lead Plaintiff 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, I 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

13. As the Court is aware, Henry Schein, Inc. ("Schein") is the largest distributor of dental supplies and equipment in the United States. This securities class action asserts claims on behalf of all persons and entities who, during the period from March 7, 2013 through February 12, 2018, inclusive (the "Class Period"), purchased or otherwise acquired Schein common stock, and who were damaged thereby (the "Class").

14. Lead Plaintiff alleges that Defendants made false and misleading statements and material omissions about Schein's North American Dental business, including the competitive

environment for that business, the risks it faced, and the sources of its financial success. Specifically, the Complaint alleges that Schein repeatedly reported strong financial results, and assured investors—who were specifically concerned about margin pressure in the dental supply business—that, while the Company was involved in intense competition with its purported competitors, it was nonetheless able to maintain extraordinary margins on sales of commodity goods because of the quality of its value-added service offerings. In addition, when Schein was accused of anticompetitive conduct in a raft of lawsuits filed before and during the Class Period, the Company issued strong denials, asserting that it would defend itself vigorously—and continued to deny allegations when it settled certain of the actions, claiming that any settlements were entered into merely to avoid the costs of prolonged litigation. The Complaint further alleges that these misstatements inflated the price of Schein's common stock during the Class Period, and that the inflation was removed in three corrective disclosures, which revealed deteriorating financial results as a result of cessation of anticompetitive activities, additional antitrust lawsuits against the Company, and the filing of a Federal Trade Commission ("FTC") action.

B. Appointment of Lead Plaintiff and Lead Counsel, Lead Counsel's Extensive Investigation and the Filing of the Complaint, and the Substantial Denial of Defendants' Motion to Dismiss

1. Appointment of Miami GESE as Lead Plaintiff

15. On March 7, 2018, an initial complaint was filed against Schein, Stanley Bergman, and Steven Paladino on behalf of plaintiff Joseph Salkowitz by counsel from The Rosen Law Firm, P.A. ("Rosen"). ECF No 1. The complaint alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder.

16. On May 7, 2018, Miami GESE filed a motion for appointment as Lead Plaintiff, with BLB&G as Lead Counsel, along with supporting papers. ECF Nos. 14-16. That same day,

Salkowitz and Schein investor Stuart Neiss likewise filed a motion for appointment as lead plaintiff, with Rosen as lead counsel. ECF Nos. 12-13.

17. Miami GESE filed an opposition to Salkowitz and Neiss's motion on May 21, 2018, and then a reply in further support of Miami GESE's motion for appointment as Lead Plaintiff on May 29, 2018. ECF Nos. 17-19.

18. Recognizing Miami GESE's comparatively larger financial interest in the Action, Salkowitz and Neiss withdrew their motion for appointment by Notice filed with the Court on June 21, 2018. ECF No. 21. The following day, the Court appointed Miami GESE Lead Plaintiff, and BLB&G Lead Counsel. ECF No. 22.

19. The Court held a status conference on July 11, 2018. That same day, the Court issued an order setting deadlines of September 14, 2018 for Lead Plaintiff to file an amended complaint, and of October 15, 2018 for Defendants to file a pre-motion conference letter concerning their anticipated motion to dismiss. ECF No. 25.

2. Lead Plaintiff's Preparation and Filing of the Complaint

20. On September 14, 2018, Miami GESE filed the 82-page Consolidated Class Action Complaint (the "Complaint"). ECF No. 28. The Complaint alleged claims under Section 10(b) of the Exchange Act against Schein, Bergman (Schein's Chief Executive Officer), and Paladino (Schein's Chief Financial Officer), and Section 20(a) claims Bergman, Paladino, and a new defendant, Timothy J. Sullivan ("Sullivan"), who served as Schein's head of North American Dental operations during the Class Period. The Complaint alleged that defendants made materially false and misleading statements during the Class Period about: (i) the competitive environment of Schein's North American Dental business; (ii) Schein's dealings with dental buying groups; (iii) Schein's financial results; and (iv) the sources of Schein's financial success. The Complaint also alleged that Schein failed to make disclosures required by

Item 303 of Regulation S-K (17 C.F.R. §229.303). The Complaint further alleged that the price of Schein's common stock was artificially inflated during the Class Period as a result of Defendants' alleged false and misleading statements and omissions, and declined when the truth was revealed in three partial corrective disclosures—on August 8, 2017, November 6, 2017, and on February 12-13, 2018.

21. Before the Complaint was filed, Lead Counsel conducted a comprehensive factual investigation and detailed analysis of the potential claims that could be asserted on behalf of investors in Schein securities. This investigation included, among other things, a detailed review and analysis of voluminous amounts of information relating to Schein, including allegations of anticompetitive activity against the Company and its competitors in lawsuits and regulatory actions, as well as available factual material concerning those allegations. Lead Counsel reviewed, among other things:

- Schein's SEC filings;
- Transcripts of Schein's investor conference calls, press releases, and publicly available presentations;
- Filings and decisions from related cases, including several private antitrust actions involving Schein and its competitors, as well as voluminous materials available from the FTC's website in connection with its case against Schein, Benco Dental Supply Company ("Benco"), and Patterson Companies, Inc. ("Patterson"); and
- Schein's historical stock price information, as well as similar information concerning Schein's competitors and the market as a whole; and
- An enormous volume of media, news, and analyst reports relating to Schein.

22. Lead Counsel also sought to obtain and review non-public documents obtained by the FTC in connection with its case against Schein, Benco, and Patterson. However, the FTC

declined to provide any documents beyond those that were publicly available on grounds that the investigation was ongoing as of the time of the filing of the Complaint.

23. Lead Counsel and its in-house investigators also located and contacted several hundred former employees of Schein. Lead Counsel and its investigators interviewed more than 100 such individuals believed to have information relevant to Lead Plaintiff's claims, some multiple times. One of these individuals, a senior member of Schein's sales organization, provided important behind-the-scenes facts and documents that supported Lead Plaintiff's allegations, and information provided by this witness was included in the Complaint.

24. In addition to undertaking an extensive review of documents, Lead Counsel engaged consulting experts to help analyze certain complicated issues in the case. Lead Counsel worked with a financial economist on loss causation and damages issues, which was particularly important given that there were several different partial corrective disclosures in the case.

3. Defendants File A Motion To Dismiss the Complaint, Which the Court Partially Denies

25. On October 15, 2018, pursuant to the Court's Individual Practices § 3.A, Defendants filed a four-page pre-motion conference letter outlining the bases for their anticipated motion to dismiss, and seeking (i) leave to file it, and (ii) a briefing schedule. ECF No. 37. A week later, on October 22, 2018, Lead Plaintiff filed a three-page letter outlining its responses to Defendants' arguments. ECF No. 38.

26. On October 25, 2018, the Court issued an order directing the Parties to confer and submit a proposed briefing schedule for Defendants' anticipated motion to dismiss. On October 29, 2018, the Parties filed a stipulation proposing a briefing schedule, which the Court so-ordered the same day. ECF No. 39. On November 27, 2018, Defendants sought leave to file a 35-page motion to dismiss, which the Court granted on November 28, 2018. ECF No. 40.

27. Pursuant to the briefing schedule ordered by the Court, on December 10, 2018, Defendants served their motion to dismiss and accompanying declaration, which attached 39 exhibits totaling nearly 2,300 pages, and which was filed with the Court on February 22, 2019. ECF No. 45. In their Motion, Defendants attacked all parts of the Complaint as inadequate to plead securities fraud, including with respect to each type of false statement alleged, and as to each Defendant.

28. In particular, Defendants argued (among other things) that:

- Lead Plaintiff failed to plead any material misrepresentations or omissions, including because (i) the Complaint failed to allege any facts showing that the overall dental distribution business was not competitive, and in any event Defendants' statements about competition in the market were non-actionable puffery or opinions, and (ii) the Complaint failed to plead facts showing that Defendants' statements explaining the reasons for Schein's success were false, and in any event those statements were also non-actionable puffery or opinions;

- Lead Plaintiff failed to plead a strong inference of scienter as to any Defendant, including because (i) the Complaint did not allege facts showing knowledge on the parts of Defendants Bergman and Paladino, and their stock sales were not unusual, (ii) Defendant Sullivan's knowledge could not be imputed to Schein, because he was not a management-level employee, and the Complaint failed to plead facts showing a strong inference of his scienter in any event; and (iii) Lead Plaintiff could not rely on the "core operations" doctrine to establish scienter because Schein's North American dental business failed to meet the standard for that doctrine;

- Lead Plaintiff failed to adequately plead loss causation, including because (i) although Lead Plaintiff alleged Schein's financial results suffered when anticompetitive activity was curtailed, it failed to plead necessary facts about that curtailment, such as when it occurred; (ii) allegations of anticompetitive activity against Schein had been public for years, long before the first corrective disclosure in the case; and (iii) in any event, no disclosure after the August 8, 2017 disclosure revealed anything new;

- Lead Plaintiff was precluded from pleading reliance or any actionable misstatement or omission after the first alleged corrective disclosure on August 8, 2017, given the volume of

information about Schein's alleged anticompetitive activities that was in the public domain during the Class Period and the connection to financial results allegedly revealed on that date, particularly in light of the Complaint's allegations that the market for Schein stock was efficient; and

- The Complaint failed to adequately plead control-person liability as to the Bergman, Paladino, and Sullivan, including because it failed to plead a primary violation, establish Sullivan's control over Schein, or plead any individual's culpable participation in misconduct relating to financial reporting.

29. Meanwhile, Lead Plaintiff prepared to oppose Defendants' motion. In addition to reviewing and preparing responses to Defendants' legal arguments in the motion, Lead Plaintiff also conducted a lengthy review of documents made public by the FTC in connection with its case against Schein, Benco, and Patterson, including voluminous materials submitted in connection with pre-trial briefing in that case, which was made public following the filing of the Complaint in this Action.

30. On January 15, 2019, Lead Plaintiff filed a letter motion seeking leave for a 10-page extension for its opposition brief, which the Court granted the following day. ECF No. 42.

31. On January 23, 2019, Lead Plaintiff served its opposition to Defendants' motion to dismiss, which it filed with the Court on February 22, 2018. ECF No. 46. Lead Plaintiff also filed a declaration with exhibits, including exhibits uncovered when it reviewed the developing FTC factual record. ECF No. 47. In summary, Lead Plaintiff's opposition argued that:

- Defendants' misstatements and omissions relating to Schein's competitive environment, the reasons for its success, Schein's financial results, and known trends or uncertainties were materially false and/or misleading, and none were non-actionable opinions or puffery;

- The Complaint adequately alleged scienter as to Defendants Bergman and Paladino, adequately pleaded Defendant Sullivan's knowledge and facts showing that knowledge could be imputed to Schein, and adequately pleaded that Schein's North American Dental business was a core operation;

- Lead Plaintiff had adequately alleged loss causation under the notice-pleading standard applicable to that element, and in any event Defendants' arguments that the truth had been previously revealed were inappropriate for resolution on a motion to dismiss; and

- The Complaint adequately pleaded Bergman, Paladino, and Sullivan's control.

32. On February 22, 2019, Defendants filed a reply in further support of their motion to dismiss the Complaint. ECF No. 48. Defendants' reply reiterated the arguments made in their motion to dismiss and responded to the arguments in Lead Plaintiff's opposition brief. In the months following the close of briefing on Defendants' motion, each Party submitted supplemental authorities for the Court's consideration, and responded to the other Party's submissions. ECF Nos. 50-53.

33. On September 27, 2019, the Court issued a thorough, 64-page Memorandum & Order ("Order") in which it partially granted and partially denied Defendants' motion to dismiss. ECF No. 54. The Order dismissed Section 10(b) and 20(a) claims as to Defendants Bergman and Paladino, but sustained Section 10(b) claims as to Schein, and Section 20(a) claims as to Defendant Sullivan.

34. In its Order, the Court sustained several of Lead Plaintiff's claims. The Court held actionable Defendants' statements concerning the competitiveness in the dental distribution market, reasoning that such statements were adequately alleged to be at least misleading in light of the Complaint's well-pleaded allegations showing anticompetitive behavior in the market, including Schein's communications with Benco and Patterson about policies not to deal with buying groups and allegations that Schein pressured manufacturers to pull products from a competing online distributor's platform. The Court rejected Defendants' argument that the Complaint failed to show that the dental distribution market was actually not competitive, noting

that Lead Plaintiff was not required to plead facts showing Defendants' statements were literally untrue, so long as it adequately pleaded that the statements would have misled a reasonable investor. In addition, the Court rejected Defendants' argument that the statements about competition were immaterial, noting that the topics of the statements were frequent topics of investor concern, and also that the statements were not non-actionable opinions, as they were not phrased as such—and that, in any event, even if they were opinions, they were misleading for omitting disclosures necessary to make them not misleading. The Court likewise sustained statements based on Schein's attribution of its success to legitimate factors and its risk factors. However, the Court dismissed claims based on statements reporting Schein's financial results and margins.

35. With respect to scienter, the Court dismissed claims against Defendants Bergman and Paladino, finding that the Complaint failed to plead sufficient particularized facts to show their knowledge. However, the Court found that Defendant Sullivan's knowledge was adequately pleaded, and could be imputed to Schein by virtue of Sullivan's management role.

36. The Court found the Complaint failed to adequately plead loss causation related to the disclosures of poor financial results on August 8, 2017 and November 6, 2017, reasoning that the Complaint lacked sufficient allegations tying those disclosure to the alleged fraud. However, the Court found loss causation adequately pleaded as the November 6, 2017 disclosure of additional antitrust lawsuits against the Company, as well as the February 12, 2018 disclosure of the FTC Complaint. In so holding, the Court rejected Defendants' arguments that the truth had previously been known, crediting Lead Plaintiff's arguments that the prior disclosures did not apprise the market of all relevant facts and that Defendants' denials of misconduct undermined the contention that the prior disclosures rendered the alleged misstatements immaterial.

37. The Court also rejected the Complaint's allegations that control had been adequately pleaded as to Defendants Bergman and Paladino, but found it adequately alleged Defendant Sullivan's control, on account of his oversight of Schein's day-to-day operations.

4. Defendants' Reconsideration Motion and the FTC Trial Decision

38. Shortly after the Court issued the Order, on October 1, 2019, Defendants sought an extension of time to answer the Complaint, which the Court granted the following day. ECF No. 55.

39. Then, on October 11, 2019, Defendants served a motion seeking reconsideration of the Court's Order (the "Reconsideration Motion"). In the Reconsideration Motion, Defendants asked the Court to reconsider its findings in the Order that (i) Defendant Sullivan's knowledge could be imputed to Schein, and (ii) that the Complaint adequately pleaded Defendant Sullivan's control. Defendants urged that controlling Second Circuit precedent—*Teamsters Local 445 Freight Division Pension Fund v. Dynex Capital Inc.*, 531 F.3d 190 (2d Cir. 2008)—requires that an employee whose knowledge is imputed to a corporate defendant have some connection to the issuance of false and misleading statements, not just to underlying misconduct, and that Defendant Sullivan's alleged knowledge could not, therefore, be imputed to Schein because he was not alleged to have had any responsibility of the alleged false and misleading statements in the Complaint. Similarly, Defendants argued that control allegations as to Defendant Sullivan were deficient, because he was not alleged to have had control over Schein's financial reporting and disclosures. Defendants noted correctly that the imputation issue was dispositive of the case, as a decision finding that imputation was improper would necessarily mean that Schein would have to be dismissed as a Section 10(b) Defendant, for lack of scienter, and accordingly that Section 20(a) claims would also have to be dismissed for failure to adequately plead a predicate violation.

40. As the Parties had done in connection with the other motion papers in the Action, the same day Defendants served their Reconsideration Motion on Lead Plaintiff, they filed via ECF the associated transmittal letter. ECF No. 56. The Court ordered Defendants to file their Reconsideration Motion via ECF that same day, and Defendants filed it on the docket on October 12, 2019. ECF Nos. 57-58.

41. Then, on October 15, 2019, following a lengthy trial on the merits involving 65 witnesses and more than 5,000 exhibits, FTC Administrative Law Judge D. Michael Chappell issued an initial decision in the FTC's case alleging antitrust law violations against Schein, Benco, and Patterson, as well as numerous findings of fact (the "FTC Trial Order"), which Defendants submitted to the Court the following day. ECF No. 59. In the FTC Trial Order, ALJ Chappell dismissed the antitrust claims against Schein, finding, among other things:

- There was substantial evidence suggesting Schein did not have a blanket policy to categorically refuse to do business with buying groups, and the totality of the evidence weighed against a finding that Schein acted in parallel, conspired, or exchanged assurances with Benco and Patterson regarding a refusal to deal with buying groups, with no dispositive evidence to the contrary;

- The documentary record showed that Schein continued doing business with existing buying group customers during the alleged conspiracy period, and indeed accepted some new relationships with buying group customers during that time; and

- Defendant Sullivan was never the sole decision-maker and was not necessarily the final decision-maker with respect to the question of whether Schein would do business with buying groups.

However, ALJ Chappell found Benco and Patterson liable for violations of the FTC Act on grounds that they conspired to refuse to offer discounts to buying groups.

42. Meanwhile, Lead Plaintiff sought to vigorously prosecute the Action. Accordingly, on October 18, 2019, Lead Plaintiff filed a Letter Motion requesting that the Court schedule a Rule 16 conference on or after November 18, 2019, to afford the Parties time to

confer and submit a Rule 26(f) report. ECF No. 60. Defendants responded three days later, on October 21, 2019, requesting that the Court defer any Rule 16 conference during the pendency of the Reconsideration Motion. ECF No. 61. Lead Plaintiff responded that same day in a letter to the Court, opposing Defendants' request for a deferral of the Rule 16 conference. ECF No. 62.

43. On October 25, 2019, Lead Plaintiff served its response in opposition to the Reconsideration Motion, which it filed with the Court on November 1, 2019. ECF Nos. 63, 65. Among other things, Lead Plaintiff argued that the Court had considered and rejected Defendants' arguments concerning *Dynex* and its progeny in the Order, that Defendants had failed to meet the stringent standards for reconsideration, and that, in any event, Defendants' substantive arguments were without merit. On November 1, 2019, Defendants filed a reply brief in further support of the Reconsideration Motion, which reiterated the arguments in the Reconsideration Motion and responded to Plaintiffs' contrary arguments.

III. MEDIATION

44. While the Reconsideration Motion was being briefed, the Parties agreed to attempt to resolve the Action through mediation. Accordingly, on November 1, 2019, following the filing of Defendants' reply brief, the Parties filed a joint letter requesting that the Court defer ruling on the Reconsideration Motion while the Parties explored mediation prospects, proposing that the Parties would report to the Court by February 21, 2020 concerning the status of those negotiations. ECF No. 67. The Court granted the request that same day, terminating the Reconsideration Motion but providing for its reinstatement in the event the Action did not settle, and directing the Parties to file a status report by February 21, 2020. On November 25, 2019, the Court likewise terminated Lead Plaintiff's letter motion requesting that a Rule 16 conference be scheduled.

45. Prior to the mediation Lead Plaintiff obtained and conducted an exhaustive review of thousands of pages of materials that were made public in connection with the FTC action and trial, including numerous materials that had been made public after Lead Plaintiff's review performed in connection with the motion-to-dismiss briefing. This included voluminous briefing, reports, and evidence, including both transcripts of testimony and documents.

46. After retaining Judge Weinstein, the Parties scheduled two full-day mediation sessions in New York on February 4 and 5, 2020, to also be attended by Schein's insurers and the plaintiffs in the related derivative litigation on behalf of Schein. In advance of the mediation sessions, the parties exchanged detailed mediation submissions—including, in Lead Plaintiff's case, numerous mediation exhibits consisting of the best evidence gleaned from its comprehensive review of the record from the FTC action—concerning both the liability and damages issues in this case. In advance of the mediation Lead Plaintiff consulted extensively with, and received written materials from, its consulting expert on damages and loss causation. In addition, Lead Plaintiff consulted with an economics and competition expert regarding the market for dental supplies and the possible effects on Schein's business of collusion by its two main competitors, Patterson and Benco.

47. Through the Parties' mediation briefing, and during the first day of mediation, it was clear that the disagreements between the Parties were many and complex. For example, the Parties presented to each other analyses pertinent to liability and damages issues in the Action, which revealed that the Parties were far apart in terms of their views of the strength of the liability case and the potential damages at issue. In spite of these disagreements, the Parties were able to begin a productive dialogue about potentially narrowing areas of dispute.

48. The Parties conducted a second day of mediation on February 5, 2020. After an intensive, full-day session of intensive negotiations, Judge Weinstein issued a mediator's recommendation to resolve the case for $35 million in cash, which the Parties accepted and memorialized in a Term Sheet signed that same day.

49. The Term Sheet set forth the Parties' agreement to settle and release all claims against Defendants in return for a cash payment of $35 million to be paid or caused to be paid by Schein on behalf of all Defendants for the benefit of the Class.[4] The Term Sheet expressly stated that the Settlement was subject to the completion of certain discovery by Lead Plaintiff (including both document discovery and witness interviews) 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.

IV. SETTLEMENT AND DISCOVERY

50. The Parties informed the Court on February 21, 2020 that they had reached an agreement in principle to settle the Action, and proposed to report to the Court by April 30, 2020 concerning the process of finalizing the settlement. ECF No. 69.

[4] The parties have stipulated, for purposes of the Settlement, to a Class consisting of all persons and entities who, during the Class Period, purchased or otherwise acquired Schein Common Stock, and who were damaged thereby. *See* Settlement Agreement § I.A.13. Excluded from the Class are: (a) any such persons or entities who submit valid and timely requests for exclusion from the Class; (b) such persons or entities who, while represented by counsel, settled an actual or threatened lawsuit or other proceeding against one or more of the Releasees arising out of or related to the Released Class Claims; and (c) Schein and (i) all officers and directors of Schein currently and during the Class Period (including Stanley Bergman, Steven Paladino, and Timothy J. Sullivan), (ii) Schein's Affiliates, subsidiaries, successors, and predecessors, (iii) any entity in which Schein or any individual identified in (i) has or had during the Class Period a Controlling Interest, and (iv) for the individuals identified in (i), (ii), and/or (iii), their Family Members, legal representatives, heirs, successors, and assigns.

51. After the Parties reached their agreement in principle to settle on February 5, 2020, they negotiated the final terms of the Settlement and drafted the Settlement Agreement and related settlement papers. On April 30, 2020, the Parties executed the Settlement Agreement, as well as a Supplemental Agreement concerning Defendants' right to terminate the Settlement if a certain threshold number of opt-outs is reached.

52. On April 30, 2020, Lead Plaintiff filed its Motion for Preliminary Approval of Settlement and Authorization to Disseminate Notice of Settlement (ECF Nos. 70-72), which included a copy of the Settlement Agreement (ECF 70-1) and a memorandum in support (ECF No. 71). On May 1, 2020, Defendants filed their own memorandum in support of that motion. ECF No. 73.

53. On May 5, 2020, the Court entered its Order Preliminarily Approving Proposed Settlement ("Preliminary Approval Order"), which preliminarily approved the Settlement, preliminarily certified the Class for settlement purposes, approved the proposed procedure to provide notice of the Settlement to Class Members, and set September 16, 2020 as the date for the final approval hearing. ECF No. 74. On or about June 2, 2020, the $35 million Settlement Amount was deposited into an escrow account.

54. In connection with the agreement in principle to settle the action, the Parties negotiated and agreed on the scope of due diligence discovery that Defendants would provide to Lead Plaintiff. In late February and early March 2020, prior to the execution of the Settlement Agreement, Defendants produced 684,764 pages of documents to Lead Plaintiff, including documents that had been previously produced in connection with various antitrust litigations and investigations, most of which had never been made publicly available in any form, as well as numerous unredacted versions of materials that had been publicly available only in redacted

form (for example, those filed publicly in connection with the FTC trial). The Parties also agreed to conduct witness interviews in connection with due diligence of the settlement. Lead Plaintiff immediately set out to thoroughly review this voluminous discovery record.

55. In Lead Counsel's professional judgment, the discovery review was particularly necessary here. Although Lead Plaintiff had conducted an extensive investigation into its claims prior to filing the Complaint and beyond, the publicly available record from the FTC case was heavily redacted, and did not include the majority of materials produced in that case. Accordingly, Lead Plaintiff demanded the right to additional discovery as part of the terms of the proposed Settlement in order to ensure an informed view of the material, and to test its assumptions regarding the weaknesses and strengths of the case, before seeking final approval of the settlement. For these reasons, the additional discovery was critical to evaluating the reasonableness of the proposed Settlement from a merits perspective.

56. Indeed, through the discovery process, Lead Plaintiff analyzed in great detail the strengths and weaknesses of Lead Plaintiff's claims to assure the reasonableness of the proposed Settlement.

57. Throughout the process, Lead Counsel prioritized conducting thorough, comprehensive and effective discovery as efficiently and economically as possible. As discussed below, to do so, Lead Counsel assigned a team of attorneys to undertake the time-sensitive and critical tasks of reviewing, analyzing, and digesting the large volume of complex documents that Schein produced. Lead Plaintiff made use of industry-standard technological tools as appropriate to expedite the review.

58. In Lead Counsel's view, the discovery effort confirmed that the Class would face significant obstacles to a recovery in excess of the Settlement. Having considered the risks of

continued litigation, and based on all proceedings and discovery performed in the Action, it is the informed judgment of Lead Plaintiff and Lead Counsel that the proposed Settlement is fair, reasonable, and adequate and in the best interest of the Class. Specifically, the discovery review identified documents that would have provided some support for Lead Plaintiff's case but also demonstrated the significant risks that Lead Plaintiff would have faced litigating the case through class certification, summary judgment, at trial, and through any appeals. Those risks are summarized in more detail below.

V. RISKS OF CONTINUED LITIGATION

59. The Settlement provides an immediate and certain benefit to the Class in the form of a $35 million cash payment, which represents a significant portion of the likely recoverable damages in the Action as determined by Lead Plaintiff's damages expert, particularly after considering Defendants' substantial arguments with respect to liability and damages. These arguments created a significant risk that, after years of protracted litigation, Lead Plaintiff and the Class would have achieved no recovery at all, or a smaller recovery than the Settlement Amount.

A. The Risks of Prosecuting Securities Actions In General

60. 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 show that, in each year between 2010 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 2019 YEAR IN REVIEW (2020), attached hereto as Exhibit 6, at 16. In fact, well-known economic consulting firm NERA found that "[a] record 205 cases were dismissed in 2017, which marked the second consecutive year (and second year since the PSLRA became

law) in which more cases were dismissed than settled." *See* STEFAN BOETTRICH AND SVETLANA STARYKH, NERA ECONOMIC CONSULTING, RECENT TRENDS IN SECURITIES CLASS ACTION LITIGATION: 2017 FULL-YEAR REVIEW (2018), attached hereto as Exhibit 7, at 22.

61. 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).

62. 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 very 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. *Hubbard v. BankAtlantic Bancorp, Inc.*, 688 F.3d 713, 725 (11th Cir. 2012).

63. There is also the increasing risk that an intervening change in the law can result in the dismissal of a case 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 finding Vivendi 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).

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

B. Defendants' Reconsideration Motion

65. As discussed above, Defendants' Reconsideration Motion was pending when the Parties reached their agreement in principle to settle the Action. That motion sought reconsideration of the Court's holdings that Schein's scienter could be established by Defendant Sullivan's alleged knowledge of anticompetitive activities in the dental supplies market, and that Sullivan had sufficient control over Schein to be held liable as a controlling person for Schein's alleged primary securities-law violations. In the Reconsideration Motion, Defendants contended (among other things) that Lead Plaintiff had failed to plead facts showing that Sullivan had participated in or controlled Schein's allegedly false and misleading statements and omissions.

66. Lead Plaintiff opposed the Reconsideration Motion and believes it lacked merit, but acknowledges that it presented a significant risk to successfully prosecuting the Action. As noted above, there was a meaningful risk that the Court could accept Defendants' arguments in the Reconsideration Motion and determine that Defendant Sullivan's knowledge, if any, could not in any event be imputed to Schein.

67. In addition, even if the Court denied the Reconsideration Motion, there was a significant risk that Defendants could have successfully appealed the denial to the Second Circuit pursuant to 28 U.S.C. §1292(b).

68. Had Defendants prevailed on their *Dynex* argument either before the Court or, in the event they lost, before the Second Circuit, it necessarily would have led to a full dismissal of the case, and eliminated entirely any recovery for the Class.

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

69. Even though Lead Plaintiff prevailed at the motion to dismiss stage on several of their claims asserted against Defendants, Lead Plaintiff continued to face substantial risks that: (a) the Court would find that they failed to establish liability, loss causation or damages as a matter of law at summary judgment; (b) if the Court were to permit the claims to proceed to trial, that a jury (or appeals court) would find against Plaintiffs; and, (c) even if Lead Plaintiff prevailed at trial, the verdict would be overturned by an appellate court or reduced through other post-trial proceedings on reliance. While Lead Plaintiff and Lead Counsel believe they had advanced strong claims on the merits, Defendants vigorously contested their liability with respect to nearly every element of Lead Plaintiff's claims.

70. From a "big picture" perspective, such risks were heightened here because this case lacked certain obvious badges of fraud that can provide tailwinds for the plaintiff's discovery efforts and overall case. For example, there was no financial restatement or parallel SEC action against Schein that Lead Plaintiff could use to support its case or guide its discovery efforts.

71. Further, as is set forth in more detail below, some of the litigation risks Lead Plaintiff faced were particularly acute in light of ALJ Chappell's FTC Trial Order, which was a highly significant development that amplified the risk to the Class's recovery at every stage of the Action going forward. As noted above, ALJ Chappell dismissed all claims against Schein in the related FTC case (the filing of which was the main remaining corrective disclosure in the case). This was highly significant because, in addition to severely undermining the Complaint's allegations that Schein purposely engaged in anticompetitive activities, rendering its statements knowingly or recklessly false, that development also would have called into question the

Complaint's loss causation allegations, as well as the amount of recoverable damages for the Class.

1. Risks of Proving Falsity, Materiality, and Reliance

72. Defendants would have vigorously contested that any of their allegedly false and misleading statements were material to investors. As detailed above, the core remaining allegations in this case were that Defendants made materially false and misleading statements during the Class Period about: (i) the competitive environment of Schein's North American Dental business; (ii) the sources of Schein's financial success; and (iii) the business risks Schein faced, including from the emergence of buying groups. The Complaint also alleged that Schein failed to make disclosures required by Item 303 of Regulation S-K (17 C.F.R. §229.303).

73. Defendants likely would have argued that each of the categories of allegedly false and misleading affirmative statements above was factually true, and that Schein's disclosures satisfied Item 303's requirements. Defendants presumably would have further argued that the truthfulness and material accuracy of their disclosures was confirmed by Schein's exoneration before ALJ Chappell following consideration of an extensive factual record developed in the FTC's case. While Lead Plaintiff believes it had meaningful arguments in response—including that the Complaint's allegations did not require Schein to have technically violated antitrust law to be liable in the Action, and the fact that Schein need not have engaged in anticompetitive activities itself to have faced (and benefitted from) a non-competitive marketplace environment—it is evident that the FTC Trial Order significantly amplified risks to the viability of these statements. For example, ALJ Chappell's determinations that Schein did, in fact, do business with buying groups during the alleged conspiracy period could have eliminated from the case allegations that Schein's statements concerning buying groups were materially false and misleading, and significantly undermined the remaining alleged false and misleading statements

and omissions described above. While Lead Plaintiff believes it had meaningful responses to such contentions, the arguments presented a significant risk that some or all of the alleged false and misleading statements and omissions in the case could have been eliminated during summary judgment or at trial.

74. Due diligence discovery confirmed these risks. Among other things, the documentary record suggested that, consistent with ALJ Chappell's findings in the FTC Trial Order, Schein did, in fact, do business with certain buying groups during the alleged conspiracy period, and the evidence did not strongly support the notion that Schein operated under a blanket policy not to do business with buying groups, as had been alleged by the FTC. Moreover, in Lead Counsel's judgment, Defendant Sullivan's testimony on these facts could be considered credible by a jury, confirming that there was a meaningful risk a factfinder could reach a determination in Defendants' favor.

75. Defendants also were likely to continue arguing that the alleged false and misleading statements in the Complaint were largely (if not entirely) statements of opinion or immaterial "puffery." In that regard, Defendants likely would have proffered economic and statistical analysis demonstrating that Schein's stock price did not necessarily react to such disclosures made during the Class Period. While Lead Plaintiff defeated such arguments at the pleading stage, there was a significant risk that Defendants could have prevailed on them at a later stage of the case.

76. In addition, Defendants were likely to argue that alleged misstatements and omissions were not false or misleading in light of the fact that buying groups represented only a small portion of the Company's overall addressable market, another factual proposition largely confirmed in due diligence discovery. In essence, Defendants could argue that, even if Lead

Plaintiff were able to establish that Schein engaged in or knew about efforts to block buying groups, they represented too small of a portion of the market to render generalized statements about market-wide competition, the sources of Schein's revenues, or the risks Schein faced materially false or misleading. While Lead Plaintiff had meaningful responses to such arguments, including that buying groups likely would have proliferated in the absence of a scheme to thwart them—and therefore that their actual prevalence dramatically understated the true "but-for" prevalence that would have occurred in the absence of anticompetitive misconduct—there was a meaningful risk that Defendants could have persuaded the Court or a jury otherwise at summary judgment or trial.

77. Further, Defendants were likely to continue to raise materiality arguments based on the fact that allegations of anticompetitive conduct, both against Schein specifically and against several of its key competitors, were widely publicized before and during the Class Period. Defendants were likely to argue that, in light of such widespread, specific allegations, Defendants' statements (which largely addressed more general issues of competition, business risk, and the reasons for Schein's positive results) simply could not have reasonably misled the market, and that reasonable investors could not have relied on them. In further support of this argument, Defendants likely would have pointed to the fact that much of the evidence cited in the Complaint—including highly specific factual allegations concerning anticompetitive activities by Schein and others—was drawn from allegations that were concededly publicly available during the Class Period, and that were, in fact, reported on in the press. While Lead Plaintiff prevailed on this "truth-on-the-market" argument in connection with Defendants' motion to dismiss, it largely did so by arguing that such questions were inappropriately raised at the pleading stage. There was a very significant risk that Defendants could have successfully resurrected these

arguments at summary judgment or trial, or on appeal, and thereby potentially secured elimination of some or all of the alleged misstatements in the case.

78. In addition, developments in class certification case law in recent years have only heightened the risks associated with Defendants' materiality and reliance challenges. Following the Supreme Court's *Halliburton II* decision, which afforded defendants in securities class actions an opportunity to rebut the fraud-on-the-market presumption of reliance (which Lead Plaintiff relied on in the Complaint, and would have relied on at class certification in this Action), Defendants often challenge the propriety of class certification on grounds that an absence of price impact from misstatements—including because of their immateriality—successfully rebuts the fraud-on-the-market presumption. While Lead Plaintiff believes it could have overcome such challenges at the class certification stage, the available materiality and reliance arguments here would have heightened the risk that the class would not be certified.

79. Finally, while the Court dismissed claims concerning the falsity of Defendants' financial results in its Order, it did so because the Complaint lacked sufficient allegations tying those results to alleged anticompetitive misconduct. During due diligence discovery, Lead Plaintiff carefully scrutinized the financial information Defendants produced, including by assigning a team to investigate and report on any patterns in margins or other financial results that suggested such results were ostensibly improved for reasons related to the misconduct alleged in this case, against the possibility that such statements could be brought back into the case via amendment. Due diligence discovery did not uncover clear evidence supporting the argument that Schein's financial results were inflated by anticompetitive misconduct. Lead Plaintiff also interviewed Mr. Mlotek concerning this issue, and, in Lead Counsel's judgment, he offered testimony that Schein's poor financial performance on the first two corrective disclosure

dates alleged in the Complaint was not related to any cessation of anticompetitive conduct that a factfinder could have found credible.

80. Lead Plaintiff continues to believe its falsity, materiality, and reliance allegations have merit. Nonetheless, and particularly in light of ALJ Chappell's decision in the related FTC case and the facts revealed (and not revealed) in the course of due diligence discovery, there remained a significant risk that Defendants could have prevailed on all or some of these arguments at class certification, summary judgment, trial, or on appeal—thereby reducing or eliminating any recovery for the Class.

2. Risks of Proving Scienter

81. Even if Lead Plaintiff were able to establish the falsity and materiality of Defendants' alleged misrepresentations, it faced significant hurdles in proving scienter. As the Court is aware, the Complaint alleged several false and misleading statements made by Schein and Defendants Bergman and Paladino, but the Court dismissed Defendants Bergman and Paladino from the case on scienter grounds in its Order. However, the Court found scienter adequately pleaded as to Schein because Lead Plaintiff adequately pleaded (i) Defendant Sullivan's knowledge, and (ii) that his knowledge could be imputed to Schein, even though Defendant Sullivan was a non-speaker, by virtue of his senior role in managing the Company's day-to-day operations.

82. As set forth above, the question of imputing Defendant Sullivan's knowledge to Schein was the subject of Defendants' Reconsideration Motion. Although Lead Plaintiff believes it would have prevailed on that motion, the briefing on that motion largely concerned pleading standards and standards for reconsideration. Even if Lead Plaintiff defeated the Reconsideration Motion, Defendants could (and likely would) have raised again, at a later stage of the case, their substantive arguments that Lead Plaintiff was required to establish Defendant Sullivan's

participation in or responsibility for Schein's financial reporting and investor disclosures in order for his knowledge to be imputed to Schein—and that, in any event, Lead Plaintiff would have had to establish Sullivan's knowledge of anticompetitive activities in the first instance.

83. Due diligence discovery confirmed the risks presented by these arguments. Specifically, due diligence discovery did not uncover evidence showing conclusively that Defendant Sullivan was aware of anticompetitive activities concerning buying groups, whether conducted by Schein or others. Lead Plaintiff specifically investigated these issues, assigning teams of staff attorneys to search for, review, and report on the documentary evidence concerning Schein's approach to buying groups and Defendant Sullivan's knowledge of the same. As set forth above and consistent with ALJ Chappell's findings in the FTC Trial Order, the documentary evidence reviewed did not uncover conclusive evidence undermining Defendants' likely argument that Defendant Sullivan and Schein's senior executives took a case-by-case approach to evaluating buying group opportunities, with a focus on determining whether such relationships would make business sense for the Company, and in fact elected to work with several during the Class Period. Due diligence discovery also failed to uncover facts demonstrating conclusively that Defendant Sullivan was aware of any conspiracy between Benco and Patterson to refuse to do business with buying groups. In addition, also consistent with ALJ Chappell's FTC Trial Order, the documentary evidence failed to clearly establish that Schein conspired with Benco and Patterson to boycott the Texas Dental Association's ("TDA") trade show, and some evidence suggested that Schein made an independent decision not to attend the trade show, including because it considered the TDA to be establishing a competitor to Schein, and that Schein considered working with the TDA to establish a buying group.

84. Moreover, when interviewed, Defendant Sullivan provided robust explanations regarding Schein's approach to buying groups and its reasons for taking that approach, and he disclaimed that Schein conspired with Benco and Patterson to boycott the TDA trade show. In Lead Counsel's judgment, Defendant Sullivan presented as a reasonable and credible witness, thereby heightening the risk that a factfinder could credit his explanations.

85. In addition, Lead Plaintiff carefully investigated issues concerning the potential imputation of Defendant Sullivan's knowledge, if any, to Schein. Lead Plaintiff's team of attorneys closely scrutinized the documents produced in due diligence discovery for evidence that Defendant Sullivan had responsibility over Schein's public disclosures, either by having responsibility over the information contained in those disclosures, or by virtue of reviewing them. On balance, the documentary evidence did not clearly support the conclusion that Defendant Sullivan was substantially responsible for Schein's public disclosures or financial results. Moreover, the documentary evidence produced did not clearly support the contention that Defendant Sullivan reviewed or commented on any public disclosures, and he credibly testified to that effect as well.

86. Further, due diligence discovery uncovered certain evidence that could have supported Defendants' arguments as to scienter. For example, due diligence discovery confirmed that Schein had in place policies prohibiting anticompetitive activities, including certain types of communications with competitors, and that Schein employees purported to follow such policies and were ostensibly reminded to do so by their superiors. Defendants likely would have pointed to such policies to argue that, even if isolated individuals engaged in anticompetitive conduct, Schein and its senior management reasonably believed that policies prohibiting such conduct were in-place and effective.

87. As with falsity and materiality, Lead Plaintiff continues to believe its scienter allegations have merit. However, due diligence discovery confirmed that there were serious risks that the Action could be ended at the summary judgment stage or at trial on scienter grounds, entirely eliminating any recovery for the Class.

3. Risks of Proving Loss Causation and Damages

88. Even assuming that Lead Plaintiff overcame each of the above-described risks and successfully established falsity, materiality and scienter, it faced very serious risks in proving loss causation and damages. Indeed, a major consideration driving the calculation of a reasonable settlement amount was the fact that Defendants were likely to advance substantial challenges to each of the corrective disclosures. After the Parties presented those arguments through financial expert analysis, if the Court accepted any of Defendants' arguments—in whole or in part, at class certification, summary judgment, or trial—it would have eliminated or, at a minimum, drastically limited Class Members' recovery.

89. Following the Court's motion to dismiss order, this case involved two partial corrective disclosure events. First, on November 6, 2017, Schein filed its Form 10-Q for the third quarter of fiscal year 2017, in which it announced for the first time the existence of two antitrust complaints that had been filed against the Company. Second, on February 12, 2018, after market close, the FTC announced that it had filed a complaint alleging that Schein, Benco, and Patterson conspired to thwart the formation of buying groups in violation of the FTC Act.

90. Lead Plaintiff bears the burden of establishing loss causation, and Defendants would have contested each of the corrective disclosures above based on the nature of the information revealed and the timing of the stock price reaction in response to the specific information disclosed. Each disclosure event is discussed in more detail below.

91. ***November 6, 2017***. On November 6, 2017, at approximately 2 p.m., Schein filed its form 10-Q for the third quarter of fiscal-year 2017. In the Form 10-Q, Schein publicly disclosed, for the first time, antitrust actions filed against the Company by Archer & White Sales, Inc. ("A&W") and IQ Dental Supply, Inc. ("IQ Dental"). The Complaint alleges that, on November 6, 2017, Schein's stock declined 9.8%, closing at $70.04 per share. This represented a drop of $7.60 per share from their November 3, 2017 closing price of $77.64, and was associated with extremely high trading volume of 7.7 million shares.

92. Defendants would have raised several significant arguments concerning loss causation and damages for the November 6, 2017 disclosure. Most significantly, Defendants would have argued that intraday trading data shows that Schein's stock price did not react to the disclosure of the lawsuits, but rather to other information released the same day—specifically, the Company's poor financial results, which the Complaint alleged were driven by a curtailment of anticompetitive activities by Schein, but which the Court specifically rejected as a corrective disclosure in its Order on grounds that such curtailment had not been adequately established. Defendants also would have cited analyst reaction from the Complaint, which focused on the financial results and, in fact, downplayed another antitrust complaint filed against the Company that was discussed in the Form 10-Q. While Lead Plaintiff would have responded to such arguments, they presented a significant risk that the Court or a factfinder could determine that loss causation could not be established for the November 6, 2017 disclosure, and accordingly that there were no recoverable damages associated with it.[5]

[5] The Court's Order dismissed claims based on Schein's disclosure of poor financial results on August 8, 2017 and November 6, 2017, on grounds that Lead Plaintiff had failed to adequately connect those poor results to the anticompetitive activity alleged in the Complaint. As discussed above, in connection with due diligence discovery, Lead Plaintiff investigated whether evidence

93. In addition, as discussed above, Defendants likely would have argued that Schein's disclosure of two new antitrust lawsuits could not, as a matter of law or fact, constitute new information that caused the stock price decline on November 6, 2017. Specifically, as they argued in their motion to dismiss, Defendants would have argued that the A&W lawsuit (which was filed in 2012) was well-publicized prior to and during that Class Period, and that, moreover, the A&W and IQ Dental lawsuits arose from the same course of conduct as the SourceOne Dental complaint action, which had previously been disclosed. Defendants would have cited such facts in arguing that the disclosure of these lawsuits in Schein's Form 10-Q did not reveal new, material information to the market. Had the Court or the factfinder credited such arguments, the Class might not have been able to recover some or any of the declines associated with the November 6, 2017 disclosure.

94. ***February 12-13, 2018***. On February 12, 2018, after the close of trading, the FTC announced that, following a lengthy investigation, it had filed an antitrust complaint against Schein, Benco, and Patterson alleging that the three had conspired to block the formation of buying groups in violation of the FTC Act. The press release also noted that the FTC's complaint detailed communications between Schein and Benco executives allegedly demonstrating the agreement and attempts to monitor and enforce it. The Complaint alleges that, in response to the revelation of Schein's anticompetitive scheme, on February 13, 2018, Schein

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supported the contention that Schein's poor results on those two days were related to any curtailment of anticompetitive activities, whether by Schein or its competitors, including by assigning a team of attorneys to specifically review the financial information (and related communications) that were produced by Defendants. Due diligence discovery reflected that Lead Plaintiff would have had significant difficulty establishing that the cessation of anticompetitive activity prior to those earnings dates was clearly associated with poor performance, and in fact Schein's witness, Mr. Mlotek, provided credible testimony that any poor results were due to causes unrelated to cessation of anticompetitive activity.

shares declined by 6.64%, closing at $67.39 per share, a drop of $4.79 per share from their February 12, 2018 closing price of $72.18, on extraordinarily high trading volume of 12.35 million shares.

95. Defendants likely would have had strong arguments against loss causation and damages with respect to the February 12, 2018 disclosure. First and foremost, Defendants would argue that Schein's exoneration before the FTC after trial eviscerates any allegation that the filing of the FTC complaint revealed any relevant "truth" to the market. Lead Plaintiff would have had arguments to make in response, including that the FTC Trial Order did find that Benco and Patterson conspired, and that Schein was exonerated largely for technical reasons related to antitrust law that do not show that the Company's statements to the market concerning market-wide competition were truthful. But it is manifest that ALJ Chappell's dismissal of antitrust claims against Schein—which followed a lengthy trial, and which result the FTC did not appeal—presented a very substantial risk that the Court or a factfinder could determine that the filing of the FTC's complaint did not reveal any facts to the market. Even if the Court or a factfinder permitted claims to proceed on the narrowed basis that Defendants' statements might not have been truthful even it Schein itself was not guilty of conspiring with Benco and Patterson, Defendants likely would have argued that any damages sought in connection with the February 12, 2018 disclosure would have to parse out the effect of subsequently-disproven allegations that Schein was a co-conspirator—which could have significantly reduced or eliminated damages.

96. In addition, Defendants would have argued that loss causation could not be pleaded based on the disclosure of factual matter in the FTC's complaint. While the FTC issued its press release on February 12, 2018, the actual complaint itself was not made public until

several days later, for reasons relating to the need to redact confidential information contained in it. Had Defendants successfully made this argument, Lead Plaintiff would not have been able to support its loss causation allegations by reference to the evidentiary matter specifically cited and discussed in the FTC's complaint, and would instead have had to establish loss causation based solely on the far more skeletal contents of the FTC's press release.

97. Finally, Defendants likely would have raised similar "truth-on-the-market" arguments with respect to the February 12, 2018 disclosure as were discussed in the context of the November 6, 2017 disclosure. While Lead Plaintiff believes it would have had strong arguments in response—including that the market would have interpreted a complaint filed by a Federal regulator following a lengthy investigation differently than a complaint filed by a customer or competitor, and that Defendants had issued strong denials of misconduct each time they were accused of it—these arguments, if successful, could have independently reduced or eliminated damages associated with the February 12, 2018 disclosure.

4. Risks After Trial

98. Even had Lead Plaintiff 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 Plaintiff had failed to establish liability, loss causation, and damages, thereby exposing Lead Plaintiff to the risk of having any favorable judgment reversed or reduced below the Settlement Amount after years of litigation.

99. 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., Glickenhaus & 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).

100. Moreover, even if a judgment in Lead Plaintiff's favor was affirmed on appeal, Defendants could then have challenged reliance and damages as to each class member, including Lead Plaintiff, in an extended series of individual proceedings. That process could have taken multiple additional years, and could have severely reduced any recovery to the 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.

101. Thus, even if Lead Plaintiff and the 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.

* * * * *

102. Based on all the factors summarized above, Lead Plaintiff and Lead Counsel respectfully submit that it was in the best interest of the Class to accept the immediate and substantial benefit conferred by the $35 million Settlement, instead of incurring the significant risk that the Class would recover a lesser amount, or nothing at all, after several additional years of arduous litigation. Indeed, the Parties were deeply divided on several key fact issues central to the litigation, and there were serious risks that Lead Plaintiff would not prevail on these issues at class certification, summary judgment, or trial. If Defendants had succeeded on any of these substantial defenses, Lead Plaintiff and the Class would have recovered nothing at all or, at best, would likely have recovered far less than the Settlement Amount.

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

103. The Settlement is also reasonable when considered in relation to the range of potential recoveries that might be obtained if Lead Plaintiff prevailed at trial, which was far from certain for all the reasons noted above. Lead Plaintiff's expert estimates, after giving effect to certain of Defendants' loss-causation and damages arguments, that the maximum potential damages that could be realistically established at trial were approximately $268 million. Accordingly, the $35,000,000 Settlement represents approximately 13% of the realistic *maximum* recoverable damages for the Class. This percentage recovery significantly exceeds the norm in securities class action cases and is an outstanding result for Class Members given the risks of the litigation. Moreover, proving that level of damages assumes that Lead Plaintiff would have prevailed on its 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

Plaintiff prevailed at trial the amount of damages could have been substantially reduced based on arguments about both the substance of the disclosures that purportedly dissipated the artificial inflation in the price of Schein shares and the extent to which the regression analysis Lead Plaintiff's expert would present accurately captured the amount of dissipation in Schein's share price on each alleged date that it declined in connection with the truth being revealed.

104. For all these reasons, Lead Plaintiff and Lead Counsel respectfully submit that the Settlement is fair, reasonable, and adequate, and that it is in the best interests of the Class to accept the immediate and substantial benefit conferred by the Settlement, instead of incurring the significant risk that the 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 CLASS

105. The Court's Preliminary Approval Order directed that the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice") and Proof of Claim and Release Form ("Claim Form") be disseminated to the Class. The Preliminary Approval Order also set an August 26, 2020 deadline for 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 Class, and set a final approval hearing date of September 16, 2020.

106. Pursuant to the Preliminary Approval Order, Lead Counsel instructed A.B. Data, Ltd. ("A.B. Data"), the Claims Administrator, to begin disseminating copies of the Notice and the Claim Form by mail and to publish the Summary Notice. The Notice contains, among other things, a description of the Action, the Settlement, the proposed Plan of Allocation and 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 Class. The Notice also informs Class Members of Lead Counsel's intent to apply for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund, for payment of expenses paid or incurred by Plaintiffs' Counsel in connection with the institution, prosecution, and resolution of the Action in an amount not to exceed $200,000, and for payment of the reasonable costs and expenses incurred directly by Lead Plaintiff related to its representation of the Class in an amount not to exceed $25,000. To disseminate the Notice, A.B. Data obtained information from Schein through Lead Counsel and from banks, brokers, and other nominees regarding the names and addresses of potential Class Members. *See* Declaration of Eric J. Miller 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 ("Miller Decl."), attached hereto as Exhibit 3, at ¶¶ 2-7.

107. A.B. Data began mailing copies of the Notice and Claim Form (together, the "Notice Packet") to potential Class Members and nominee owners on May 29, 2020. *See* Miller Decl. ¶¶ 3-6. As of August 11, 2020 A.B. Data had disseminated a total of 179,750 Notice Packets to potential Class Members and nominees. *Id.* ¶ 8.

108. In addition, A.B. Data caused the Summary Notice to be published in the *Wall Street Journal* and *Investor's Business Daily* on June 8, 2020 and to be transmitted over the *PR Newswire* on July 14, 2020. *See id*. ¶¶ 9.[6]

[6] As discussed in a letter that Lead Plaintiff submitted to the Court on July 15, 2020 (ECF No. 75), due to an oversight by A.B. Data, the Summary Notice was not published over the *PR Newswire* until July 14, 2020, although the deadline for such publication under the Preliminary Approval Order was July 7, 2020. The other two publications were timely and, as noted in the

109. Lead Counsel also caused A.B. Data to establish a dedicated settlement website, www.HSICSecuritiesLitigation.com, to provide potential Class Members with information concerning the Settlement and access to downloadable copies of the Notice and Claim Form, as well as copies of the Settlement Agreement and Preliminary Approval Order. *See id.* ¶ 10. That website became operational on May 29, 2020. Lead Counsel has also made copies of the Notice and Claim Form available on its own website, www.blbglaw.com, since May 29, 2020.

110. As set forth above, the deadline for 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 Class is August 26, 2020. To date, one objection, directed only to Lead Counsel's motion for attorneys' fees and expenses, has been received. The objection is attached hereto as Exhibit 5.[7] In addition, to date, two requests for exclusion have been received. *See* Miller Decl. ¶ 12. Lead Counsel will file reply papers on September 9, 2020, after the deadline for submitting requests for exclusion and objections has passed, which will address all objections and requests for exclusion that may be received.

VIII. PROPOSED ALLOCATION OF THE PROCEEDS OF THE SETTLEMENT

111. Pursuant to the Preliminary Approval Order, and as set forth in the Notice, all 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 Expenses, and (c) the Attorneys' Fees and Expenses Award and the PSLRA Award) must submit a valid Claim Form

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July 15, 2020 letter, the Parties have agreed that if any late objections or late requests for exclusion are received within seven days after the August 26, 2020 deadline (reflecting the delay in publication of the *PR Newswire* notice) they will not object to consideration of these objections or acceptance of these opt-outs on ground of lateness.

[7] In the interest of privacy, the objector's street address, email, and telephone number in his

with all required information postmarked no later than September 2, 2020. As set forth in the Notice, the Net Settlement Amount will be distributed among Class Members according to the plan of allocation approved by the Court.

112. Lead Counsel consulted with Lead Plaintiff's damages expert in developing the proposed plan of allocation (the "Plan of Allocation"). Lead Counsel believes that the Plan of Allocation provides a fair and reasonable method to equitably allocate the Net Settlement Amount among Class Members.

113. The Plan of Allocation is set forth at pages 12 to 15 of the Notice. *See* Miller Decl. Ex. A at pp. 12-15. As described in the Notice, calculations under the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover at trial or estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. Notice ¶ 51. Instead, the calculations under the plan are only a method to weigh the claims of Class Members against one another for the purposes of making an equitable allocation of the Net Settlement Amount. *Id*.

114. In developing the Plan of Allocation, Lead Plaintiff's damages expert calculated the estimated amount of artificial inflation in the price of Schein common stock allegedly caused by Defendants' allegedly false and misleading statements and material omissions. In calculating the estimated artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiff's damages expert considered price changes in the stock in reaction to the public disclosures allegedly revealing the truth concerning Defendants' alleged misrepresentations and material omissions, adjusting for price changes on

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objection have been redacted.

that day that were attributable to market or industry forces. Notice ¶ 53. The Plan of Allocation does not consider price changes following the August 2017 disclosures alleged in the Complaint, because the Court dismissed claims relating to that date. *Id*. In addition, the amount of artificial inflation considered to have been removed from the price of Schein common stock on November 6, 2017 has been reduced by 90% as a result of the Court's partial dismissal of the loss-causation allegations related to that alleged corrective disclosure and to account for other difficulties that the Class would face in establishing that the alleged misstatements were responsible for the abnormal price decline on that date (*i.e.*, Defendants' argument that the disclosure of two lawsuits on that date did not occur until after the stock price had already dropped following Schein's issuance of its earnings release). *Id*.

115. Under the Plan of Allocation, a "Recognized Loss Amount" will be calculated for each purchase of Schein 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 Schein common stock was purchased or otherwise acquired, and at what price; and (b) whether the Schein common stock was sold or held through the end of the Class Period, and if the stock was sold, when and for what amounts. 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 sales price of the stock, whichever is less. Notice ¶¶ 54, 56-57.

116. Claimants who purchased and sold all their Schein common stock before the first corrective disclosure on November 6, 2017, or who purchased and sold all their Schein common stock between the first disclosure on November 6, 2017 and the second disclosure on February

12, 2018 (that is, they did not hold the shares over a date when artificial inflation was allegedly removed from the stock price), 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.

117. In accordance with the PSLRA, Recognized Loss Amounts for shares purchased during the Class Period and sold from February 13, 2018 through May 11, 2018 (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 February 13, 2018 to the date of sale. Notice ¶¶ 56(c), 57(b). For shares purchased during the Class Period that are still held as of the close of trading on May 11, 2018, the Recognized Loss Amount is the lesser of: (i) the amount of artificial inflation on the date of purchase; or (ii) the purchase price minus $69.28 (the average closing price during the 90-Day Look-Back Period). Notice ¶¶ 56(d), 57(c).

118. The sum of a Claimant's Recognized Loss Amounts for all of his, her, or its purchases of Schein common stock during the Class Period is the Claimant's "Recognized Claim." Notice ¶ 60. The Plan of Allocation also limits Claimants based on whether they had an overall market loss in their transactions in Schein common stock during the Class Period. A Claimant's Recognized Claim will be limited to his, her, or its market loss in Schein common stock during the Class Period. Notice ¶¶ 66-67. The Net Settlement Amount will be allocated to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Notice ¶ 67.

119. In sum, the Plan of Allocation was designed to fairly and rationally allocate the proceeds of the Net Settlement Amount among Class Members based on the losses they suffered

on transactions in Schein common stock that were attributable to the alleged misconduct. Accordingly, Lead Counsel respectfully submits that the Plan of Allocation is fair and reasonable and should be approved by the Court.

120. As noted above, as of August 11, 2020, more than 179,000 copies of the Notice, which contains the Plan of Allocation, and advises Class Members of their right to object to the proposed Plan of Allocation, had been sent to potential Class Members and nominees. S*ee* Miller Decl. ¶ 8. To date, no objections to the proposed Plan of Allocation have been received.

IX. THE FEE AND LITIGATION EXPENSE APPLICATION

121. In addition to seeking final approval of the Settlement and Plan of Allocation, Lead Counsel is applying to the Court on behalf of Plaintiffs' Counsel for an award of attorneys' fees of 25% of the Settlement Fund, including any interest earned (the "Fee Application").[8] Lead Counsel also requests payment for expenses that Plaintiffs' Counsel incurred in connection with the prosecution of the Action from the Settlement Fund in the amount of $102,840.56 and reimbursement to Lead Plaintiff of $6,000.00 in costs and expenses that Miami GESE incurred directly related to its representation of the Class, in accordance with the PSLRA, 15 U.S.C. § 78u-4(a)(4).

122. 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.

[8] As noted above, Plaintiff's Counsel are Lead Counsel BLB&G and Klausner, Kaufman, Jensen & Levinson, additional counsel for Lead Plaintiff.

A. The Fee Application

123. For the efforts of Plaintiffs' Counsel on behalf of the Class, Lead Counsel is 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 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 Second Circuit Court of Appeals for cases of this nature.

124. 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 submits that the requested fee award is reasonable and should be approved. As discussed in the Fee Memorandum, a 25% 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 Plaintiff Has Authorized and Supports the Fee Application

125. Lead Plaintiff Miami GESE is a sophisticated institutional investor that closely supervised, monitored, and actively participated in the prosecution and settlement of the Action. *See* Declaration of Ron Silver ("Silver Decl."), attached hereto as Exhibit 2, at ¶¶ 2-6. Lead Plaintiff has evaluated the Fee Application and fully supports the fee requested. *Id.* ¶ 8. Lead Plaintiff has reviewed and approved the proposed fee and believes it is fair and reasonable in light of the result obtained for the Class, the substantial risks in the litigation, and the work performed by Plaintiffs' Counsel. *Id.* Lead Plaintiff's 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 Plaintiff's Counsel

126. Plaintiff's Counsel devoted substantial time to the prosecution of the Action. As described above in greater detail, the work that Plaintiff's 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 over 100 people, including former employees of Schein and other individuals believed to be knowledgeable about the facts alleged in the Complaint; (ii) drafting a detailed consolidated complaint based on this investigation; (iii) successfully defeating Defendants' motion to dismiss, in part and fully briefing Defendants' motion for reconsideration; (iv) undertaking substantial due diligence discovery, which included obtaining and analyzing more than 680,000 pages of documents produced by Defendants and conducting interviews with two senior Schein executives; (vi) consulting extensively throughout the litigation with experts in financial economics; and (vii) engaging in extensive arm's-length settlement negotiations to achieve the Settlement.

127. Throughout the litigation, Plaintiff's Counsel maintained an appropriate level of staffing that avoided unnecessary duplication of effort and ensured the efficient prosecution of this litigation. As the lead partner on the case, I personally monitored and maintained control of the work performed by other lawyers at BLB&G and the other Plaintiff's Counsel throughout the litigation. Other experienced attorneys at Plaintiff's 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.

128. Attached hereto as Exhibits 4A and 4B, respectively, are my declaration on behalf of BLB&G and the declaration of Robert D. Klausner on behalf of Klausner, Kaufman, Jensen & Levinson 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. These 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. In addition, Exhibit 4A-2 sets forth summary descriptions of the principal tasks performed by each attorney at Lead Counsel who was involved in the Action. 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 Plaintiff's Counsel's firm, and gives totals for the numbers provided

129. As set forth in Exhibit 4, Plaintiffs' Counsel collectively expended a total of 9,963.6 hours in the investigation and prosecution of the Action from its inception through July 15, 2020. The resulting lodestar is $4,499.931.25. The vast majority of the total lodestar—99.7%—was incurred by Lead Counsel.

130. The requested fee of 25% of the Settlement Fund is $8,750,000, plus interest accrued at the same rate as the Settlement Fund, and therefore represents a multiplier of approximately 1.9 of Plaintiffs' 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

131. As demonstrated by the firm resume included as Exhibit 4A-4 hereto, Lead Counsel BLB&G is 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 is consistently ranked among the top plaintiffs' firms in the country. Further, BLB&G has taken complex cases such as this to trial, and it is among the few firms with experience doing so on behalf of plaintiffs in securities class actions. I believe this willingness and ability added valuable leverage during the settlement negotiations.

4. The Standing and Caliber of Defendants' Counsel

132. 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 Proskauer Rose LLP, which vigorously represented its clients. In the face of this skillful and well-financed opposition, Lead Counsel was nonetheless able to persuade Defendants to settle the case on terms that are very favorable to the Class.

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

133. This prosecution was undertaken by Lead Counsel entirely on a 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.

134. From the outset of its retention, Lead Counsel understood that it was 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 was 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 requires. With an average lag time of several years for these 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 and the other Plaintiffs' Counsel received no compensation during the course of the Action and have collectively incurred over $102,000 in litigation expenses in prosecuting the Action for the benefit of the Class.

135. Lead Counsel also bore the risk that no recovery would be achieved. As discussed herein, from the outset, this case presented multiple risks and uncertainties that could have prevented any recovery whatsoever. Despite the most vigorous and competent of efforts, success in contingent-fee litigation, such as this, is never assured.

136. Lead Counsel knows 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.

137. 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 only occur 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.

138. 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 Class. In circumstances such as these, and in consideration of the hard work and the excellent result achieved, I believe the requested fee is reasonable and should be approved.

6. The Reaction of the Class to the Fee Application

139. As stated above, as of August 11, 2020, 179,750 Notice Packets had been mailed to potential Class Members advising them that Lead Counsel would apply for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund. *See* Miller Decl. ¶ 8. In addition, the Court-approved Summary Notice was published in the *Wall Street Journal* and *Investor's Business Daily* and transmitted over the *PR Newswire*. *Id.* ¶ 9. To date, one objection to the attorneys' fees request has been received by Lead Counsel. *See* Objection of D. Michael Connellan (Exhibit 5). All objections received will be addressed in Lead Counsel's reply papers to be filed on September 9, 2020, after the deadline for submitting objections has passed.

140. 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 submits that a fee award of 25%, resulting in a multiplier of 1.9 is fair and reasonable, and is supported by the fee awards that courts have granted in other comparable cases.

B. The Litigation Expense Application

141. Lead Counsel also seeks payment from the Settlement Fund of $102,840.56 in litigation expenses that were reasonably incurred by Lead Counsel in connection with commencing, litigating, and settling the claims asserted in the Action.

142. From the outset of the Action, 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.

143. Lead Counsel has incurred a total of $102,840.56 in litigation expenses in connection with the prosecution of the Action. The expenses are summarized in Exhibit 4A-3, which identifies each category of expense, *e.g.*, expert fees, mediation costs, and on-line research, and the amount incurred for each category. These expense items are billed separately by Plaintiffs' Counsel, and such charges are not duplicated in Plaintiffs' Counsel's hourly rates.

144. The largest expense was for the mediation fees of Judge Weinstein and Mr. Melnick of JAMS, in the amount of $39,804.00, or 39% of the total litigation expenses. Another $20,835.00, or approximately 20%, was expended for the retention of experts. As noted above, Lead Counsel consulted with experts in the fields of financial economics, loss causation, and damages during its investigation and the preparation of the Complaint, and in connection with the development of the proposed Plan of Allocation.

145. Another large component of the 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 Plaintiff's mediation submissions. The charges for on-line research amounted to $30,870.47 or 30% of the total amount of expenses.

146. The other expenses for which Lead Counsel seeks 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, and postage and delivery expenses.

147. All of the litigation expenses incurred by Plaintiffs' Counsel were reasonable and necessary to the successful litigation of the Action, and have been approved by Lead Plaintiff. *See* Silver Decl. ¶ 9.

148. The Notice informed potential Class Members that Lead Counsel would be seeking reimbursement of expenses in an amount not to exceed $200,000. The total amount requested, $102,840.56, is significantly below the $200,000 that Class Members were advised could be sought.

149. In addition, Lead Plaintiff Miami GESE seeks reimbursement of the reasonable costs and expenses that it incurred directly in connection with its representation of the Class. Such payments are expressly authorized and anticipated by the PSLRA, as more fully discussed in the Fee Memorandum at 21-22. Lead Plaintiff seeks reimbursement of $6,000 for the time expended in connection with the Action by its General Counsel, Ron Silver, who spent a substantial amount of time communicating with Lead Counsel and reviewing pleadings and motion papers, and as well as time dedicated to the Action by other Miami personnel. *See*

Silver Decl. ¶¶ 5-6, 10-11.

150. The Notice informed potential Class Members that Lead Plaintiff might be requesting expense awards for its time and expenses devoted to the supervision and prosecution of the Action in an amount not to exceed $20,000.

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

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

Exhibit 1:	Declaration of the Hon. Daniel H. Weinstein (Ret.)
Exhibit 2:	Declaration of Ron Silver, General Counsel of the City of Miami General Employees' & Sanitation Employees' Retirement Trust, in Support of: (A) Lead Plaintiff's 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 Eric J. Miller 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 Plaintiffs' 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 Robert D. Klausner in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses Filed on Behalf of Klausner, Kaufman, Jensen & Levinson
Exhibit 5:	Objection of D. Michael Connellan [redacted]
Exhibit 6:	CORNERSTONE RESEARCH, SECURITIES CLASS ACTION FILINGS 2019 YEAR IN REVIEW (2020)

Exhibit 7: STEFAN BOETTRICH AND SVETLANA STARYKH, NERA ECONOMIC CONSULTING, RECENT TRENDS IN SECURITIES CLASS ACTION LITIGATION: 2017 FULL-YEAR REVIEW (2018)

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

Exhibit 8: *In re OSG Sec. Litig.,* No. 12-cv-07948-SAS (S.D.N.Y. Dec. 2, 2015), ECF No. 261

Exhibit 9: *In re Celestica Inc. Sec. Litig.*, No. 07-cv-00312-GBD (S.D.N.Y. July 28, 2015), ECF No. 267

Exhibit 10: *Citiline Holdings, Inc. v. iStar Fin., Inc.*, No. 1:08-cv-03612-RJS (S.D.N.Y. Apr. 5, 2013), ECF No. 127

Exhibit 11: *City of Roseville Emps.' Ret. Sys. v. EnergySolutions, Inc.*, No. 1:09-cv-08633-JFK (S.D.N.Y. Mar. 14, 2013), ECF No. 23

Exhibit 12: *In re Xerox Corp. ERISA Litig.*, No. 02-CV-1138 (AWT) (D. Conn. Apr. 14, 2009), ECF No. 354

Exhibit 13: *Freudenberg v. E*Trade Fin. Corp.*, No. 07 Civ. 8538 (JPO) (MHD) (S.D.N.Y. Oct. 20, 2012), ECF No. 154

Exhibit 14: JANEEN MCINTOSH & SVETLANA STARYKH, NERA ECONOMIC CONSULTING, RECENT TRENDS IN SECURITIES CLASS ACTION: 2019 FULL-YEAR REVIEW (2020)

X. CONCLUSION

153. For all the reasons set forth above, Lead Plaintiff and Lead Counsel respectfully submit that the Settlement and the Plan of Allocation should be approved as fair, reasonable and adequate. Lead Counsel further submits that the requested fee in the amount of 25% of the Settlement Fund should be approved as fair and reasonable, and the request for Plaintiffs' Counsel's Litigation Expenses in the amount of $102,840.56 and Lead Plaintiff's costs and expenses, in the amount of $6,000.00 should also be approved.

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

Dated: August 12, 2020

Respectfully submitted,

/s/ James A. Harrod
James A. Harrod

Exhibit 1

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE HENRY SCHEIN, INC. SECURITIES LITIGATION	**Master File No. 1:18-cv-01428-MKB-VMS** **CLASS ACTION**

DECLARATION OF THE HON. DANIEL H. WEINSTEIN (RET.)

I, Hon. Daniel H. Weinstein (Ret.), hereby declare as follows:

1. I am filing this Declaration in my capacity as the mediator who facilitated the proposed settlement of the above-captioned securities class action (the "Action"). I make this declaration based on personal knowledge and am competent to testify to the matters set forth herein.

2. All of the Parties, entities, and individuals who were represented at the mediation sessions or who participated in the negotiations executed a Confidentiality Agreement stating that the mediation process was to be considered a settlement negotiation for the purpose of all state and federal rules protecting disclosures made during such process from later discovery and/or use in evidence. The Parties further agreed that the Confidentiality Agreement extends to all present and future civil, judicial, quasi-judicial, arbitral, administrative or other proceedings. Nothing in my declaration divulges any confidential or privileged information. Further, the filing of this declaration does not constitute the waiver of any such confidentiality. Lead Plaintiff and Defendants have consented to my submission of this Declaration regarding the negotiations that led to their settlement.

3. From 1982 through 1988, I served as a Judge of the Superior Court of the State of California, County of San Francisco. I also served as an Associate Justice Pro Tem of the California Supreme Court and of the First District Court of Appeal.

4. Since retiring from the bench, I have been a full-time mediator. For over thirty years, I have presided over the mediation of countless disputes, including many of the most complex multi-party disputes throughout the United States. For example, I have mediated dozens of federal securities class actions involving public companies such as Lehman Brothers, Enron, Homestore, Qwest, Adelphia, Dynegy, Providian, New Century, and other major New York Stock Exchange and NASDAQ corporations. I have also mediated a host of other types of class actions, including the IPO Allocation case, ERISA actions, product liability actions, toxic tort cases, environmental litigation, and litigation brought by borrowers, credit card customers, insurance purchasers, and air crash victims. Many of the cases involve complex fact patterns and legal issues and hundreds of millions (or billions) of dollars in claimed damages. They often include numerous plaintiffs and plaintiffs' counsel, numerous defendants (issuers, directors, officers, professional firms, *etc.*) and defense counsel, and numerous insurance carriers and their counsel.

5. I set forth my background as a mediator above to provide context for the comments that follow and to demonstrate that my perspective on the settlement of the Action is rooted in significant experience in the resolution of complex litigation. The Action presented significant and complicated legal, factual, and practical issues, and the Parties were represented during the mediation process by zealous and able counsel, who negotiated aggressively and at arm's length for their clients. I firmly believe that the proposed settlement of this case, reached at the end of an arm's-length mediation process, represents a reasonable and practical resolution

of this complex and highly uncertain litigation. The Court, of course, will make determinations as to the "fairness" of the settlement under applicable legal standards. From a mediator's perspective, however, I can say that I unreservedly recommend the agreed-upon settlement as reasonable, hard-fought, arm's length, and accurately reflective of the risks and potential rewards of the claims being settled

6. My colleague and fellow JAMS panelist, Jed D. Melnick, Esq., directly assisted and participated throughout the negotiation process. Mr. Melnick has mediated over one thousand disputes, including complex securities class actions and derivative actions, published articles on mediation, founded a nationally ranked dispute resolution journal, and taught new mediators. In this case, Mr. Melnick frequently communicated directly with counsel in connection with the settlement negotiations and actively participated in the mediation sessions.

7. Following the resolution of Defendants' motion to dismiss, and while the Parties were briefing Defendants' motion to reconsider the order on their motion to dismiss, the Parties agreed to mediation before Mr. Melnick and me. On November 1, 2019, after the Parties had finished the briefing on the reconsideration motion, the Court granted the Parties' joint request to stay the pending motion until the conclusion of the Parties' scheduled mediation.

8. Prior to the mediation, Lead Plaintiff and Defendants exchanged and submitted detailed written mediation statements, including numerous exhibits. Mr. Melnick and I found the mediation statements to be extremely well thought out, the product of extensive research, and exceedingly helpful in framing the issues.

9. On February 4 and 5, 2020, the Parties participated in two full-day, in-person mediation sessions with Mr. Melnick and me in New York. The mediation was attended by Lead

Counsel, Defendants' Counsel, in-house counsel of Henry Schein, Inc., and counsel for the Company's insurance carriers.

10. Over the course of the two-day session, the Parties engaged in vigorous settlement negotiations with the assistance of Mr. Melnick and me, and we engaged in extensive discussions with counsel in an effort to find common ground between the Parties' respective positions. At the conclusion of the second day, the Parties reached an agreement in principle to settle the Action for $35,000,000, based on my recommendation.

11. From my involvement as the mediator for the case, I observed first-hand that this was an extremely hard-fought negotiation resulting in a meaningful recovery for the Class and an equitable result for all involved. The advocacy on all sides was outstanding. I believe that the settlement represents the highest settlement amount that the Class could have achieved at the time the settlement was reached.

12. In summary, I view this settlement as a reflection of the Parties' evaluation of the litigation risks while providing fair compensation to the Class and the benefits of avoiding litigation proceedings and/or appeals that would likely have ensued absent a settlement, with uncertain results and substantial costs to the Parties. The settlement would not have occurred but for the vigorous efforts of counsel for Lead Plaintiff and the Class on the one hand and counsel for Defendants on the other. Although clearly an issue for the Court to decide, I believe, based on my knowledge of this matter, all of the materials provided to me, the extensive efforts of skillful advocacy and arm's-length bargaining of counsel, the litigation risks, and the benefits reached in the proposed settlement, that the settlement is fair, reasonable, and adequate, and I respectfully recommend that it be approved by this Court.

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

Executed this 5th day of August, 2020 at San Francisco California

Hon. Daniel H. Weinstein (Ret.)

#1398936

Exhibit 2

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE HENRY SCHEIN, INC. SECURITIES LITIGATION	**Master File No. 1:18-cv-01428-MKB-VMS** **CLASS ACTION**

DECLARATION OF RON SILVER, GENERAL COUNSEL OF THE CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST

I, Ron Silver, hereby declare under penalty of perjury as follows:

1. I am the general counsel of The City of Miami General Employees' and Sanitation Employees' Retirement Trust (the "Miami Retirement Trust"), the Court-appointed Lead Plaintiff in the above-captioned securities class action (the "Action"). I submit this declaration on behalf of the Miami Retirement Trust in support of (a) Lead Plaintiff's motion for final approval of the proposed Settlement and approval of the proposed Plan of Allocation; and (b) Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses, including the Miami Retirement Trust's request for reimbursement of reasonable costs and expenses incurred in connection with its representation of the Class in the prosecution of this litigation. I have personal knowledge of the matters set forth in this Declaration, as I have been directly involved on behalf of the Miami Retirement Trust in monitoring and overseeing the prosecution of the Action as well as the negotiations leading to the Settlement, and I could and would testify competently thereto. As outside, private counsel to the Fund since the 1970's, acting on behalf of the Fund in these matters is part of my contractual responsibility pursuant to the Trust's securities litigation policy.

2. The Miami Retirement Trust is a governmental defined benefit pension system for all permanent employees of the City of Miami, Florida, other than firefighters and police officers. As of the close of the Trust's fiscal year on September 30, 2019, the Miami Retirement Trust had approximately $700 million in assets under management.

I. The Miami Retirement Trust's Oversight of the Action

3. I am aware of and understand the requirements and responsibilities of a representative plaintiff in a securities class action including those set forth in the Private Securities Litigation Reform Act of 1995.

4. On June 22, 2018, the Court issued an Order appointing Miami Retirement Trust as the Lead Plaintiff in the Action pursuant to the PSLRA, and approving Lead Plaintiff's selection of Bernstein Litowitz Berger & Grossmann LLP ("BLB&G") as Lead Counsel for the class.

5. The Miami Retirement Trust, 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. On behalf of the Miami Retirement Trust, I had regular communications with Klausner, Kaufman, Jensen & Levinson ("Klausner Kaufman"), who are counsel to the Fund, and with Lead Counsel at BLB&G (collectively, "Plaintiff's Counsel") throughout the litigation. I received periodic status reports from Plaintiff's Counsel on case developments, and participated in discussions with attorneys from BLB&G and Klausner Kaufman 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 and Miami Retirement Trust personnel:

(a) participated in discussions with Plaintiff's Counsel concerning significant developments in the litigation, including case strategy;

(b) reviewed significant pleadings and briefs filed in the Action;

(c) consulted with Plaintiff's Counsel concerning the settlement negotiations as they progressed; and

(d) evaluated, approved, and recommended approval to the Miami Retirement Trust of the proposed settlement for $35,000,000 in cash.

6. The Miami Retirement Trust was kept informed of the progress of the mediation process and settlement negotiations. Prior to and during the mediation process, I conferred with Plaintiff's Counsel regarding the Parties' respective positions.

II. The Miami Retirement Trust Strongly Endorses Approval of the Settlement

7. Based on its involvement throughout the prosecution and resolution of the Action, the Miami Retirement Trust strongly endorses the Settlement and believes it provides an excellent recovery for the Class, particularly in light of the substantial risks of continuing to prosecute the claims in the Action.

III. The Miami Retirement Trust Supports Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses

8. The Miami Retirement Trust takes seriously its role as a class representative to ensure that the attorneys' fees are fair in light of the result achieved in the action and reasonably compensate plaintiffs' counsel for the work involved and the substantial risks they undertook in litigating the action. The Miami Retirement Trust understands that Lead Counsel is seeking an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund. The Miami Retirement Trust approves the amount of attorney's fees requested by Lead Counsel as fair and reasonable in light of the work performed by Plaintiff's Counsel, the risks of the litigation, and the substantial recovery obtained for the Class in this Action.

9. The Miami Retirement Trust further believes that the litigation expenses being requested for payment by Lead Counsel 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, the Miami Retirement Trust fully supports Lead Counsel's motion for attorneys' fees and litigation expenses.

10. The Miami Retirement Trust understands that reimbursement of a class representative's reasonable costs and expenses is authorized under the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(4). For this reason, in connection with Lead Counsel's request for reimbursement of litigation expenses, the Miami Retirement Trust seeks reimbursement for the costs and expenses that it incurred directly relating to its representation of the Class in the Action.

11. One of my primary responsibilities as general counsel for the Miami Retirement Trust involves monitoring litigation matters involving the fund, including the Miami Retirement Trust's activities in the securities class actions where (as here) it has been appointed lead plaintiff. The Miami Retirement Trust seeks reimbursement in the amount of $ 6000 for the total of (a) the time I devoted to supervising and participating in this Action in the amount of $5200 representing 8 hours at $ 650 per hour); and (b) the time that Miami Retirement Trust staff assisted me in the litigation in the amount of $800 representing 8 hours at $100 per hour). These hours include time spent on the prosecution of this Action for the benefit of the Class performing the following tasks: communications with Plaintiff's Counsel; review of pleadings; and monitoring the progress of settlement negotiations.

IV. Conclusion

12. In conclusion, the Miami Retirement Trust was closely involved throughout the prosecution and settlement of the claims in this Action, strongly endorses the Settlement as fair, reasonable and adequate, and believes that it represents a significant recovery for the Class. Accordingly, the Miami Retirement Trust respectfully requests that the Court approve Lead Plaintiff's motion for final approval of the proposed Settlement and approval of the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and reimbursement of litigation expenses, and the Miami Retirement Trust's request for reimbursement for its reasonable costs and expenses incurred in prosecuting the Action on behalf of the Class, as set forth above.

I declare under penalty of perjury under the laws of the United States of America that that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of the Miami Retirement Trust.

Executed this 28 day of JULY, 2020

Ron Silver
General Counsel
The City of Miami General Employees' and

Exhibit 3

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE HENRY SCHEIN, INC. SECURITIES LITIGATION	**Master File No. 1:18-cv-01428-MKB-VMS** **CLASS ACTION**

DECLARATION OF ERIC J. MILLER 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, ERIC J. MILLER, declare as follows:

1. I am a Senior Vice President of A.B. Data, Ltd.'s Class Action Administration Company ("A.B. Data"), whose Corporate Office is located in Milwaukee, Wisconsin. Pursuant to the Court's May 5, 2020 Order Preliminarily Approving Settlement and Providing for Notice (ECF No. 74) (the "Preliminary Approval Order"), A.B. Data was authorized to act as the Claims Administrator in connection with the Settlement of the above-captioned action (the "Action").[1] I am over 21 years of age and am not a party to the Action. I have personal knowledge of the facts set forth herein and, if called as a witness, could and would testify competently thereto.

DISSEMINATION OF THE NOTICE PACKET

2. Pursuant to the Preliminary Approval Order, A.B. Data mailed the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice") and the Proof of Claim and Release Form (the "Claim Form" and, collectively with the Notice, the "Notice Packet") to

[1] Unless otherwise defined herein, all capitalized terms have the meanings set forth in the Stipulation of Settlement dated April 30, 2020 (ECF No. 70-1) (the "Settlement Agreement").

potential Class Members and nominees. A copy of the Notice Packet is attached hereto as Exhibit A.

3. On May 12, 2020, A.B. Data received from Lead Counsel an email with several data files containing a total of 331 unique names and addresses of potential Class Members provided by Schein's transfer agent through Defendants' Counsel. On May 29, 2020, A.B. Data caused Notice Packets to be sent by first-class mail to those 331 potential Class Members.

4. As in most class actions of this nature, the large majority of potential Class Members are expected to be 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 respective nominees, on behalf of the beneficial purchasers. A.B. Data maintains a proprietary database with names and addresses of the largest and most common banks, brokers, and other nominees (the "Record Holder Mailing Database"). At the time of the initial mailing, the Record Holder Mailing Database contained 4,161 mailing records. On May 29, 2020, A.B. Data caused Notice Packets to be sent by first-class mail to the 4,161 mailing records contained in the Record Holder Mailing Database.

5. In total, 4,492 Notice Packets were mailed to potential Class Members and nominees by first-class mail on May 29, 2020.

6. The Notice directed those who purchased Henry Schein, Inc. common stock during the Class Period for the beneficial interest of a person or entity other than themselves, within fourteen (14) calendar days of receipt of the Notice, to either: (a) request from the Claims Administrator sufficient copies of the Notice Packet to forward to all such beneficial owners and, within fourteen (14) calendar days of receipt of those Notice Packets, forward them to all such beneficial owners; or (b) provide a list of the names, mailing addresses, and, if available, email

addresses, of all such beneficial owners to A.B. Data (who would then mail copies of the Notice Packet to those persons). *See* Notice ¶ 87.

7. As of August 11, 2020, A.B. Data has received an additional 81,769 names and addresses of potential Class Members from individuals or brokerage firms, banks, institutions, and other nominees. A.B. Data has also received requests from brokers and other nominee holders for 93,489 Notice Packets to be forwarded directly by the nominees to their customers. All such requests have been, and will continue to be, complied with and addressed in a timely manner.

8. As of August 11, 2020, a total of 179,750 Notice Packets have been mailed to potential Class Members and nominees. In addition, A.B. Data has re-mailed 737 Notice Packets to persons whose original mailings were returned by the U.S. Postal Service ("USPS") and for whom updated addresses were provided to A.B. Data by the USPS.

PUBLICATION OF THE SUMMARY NOTICE

9. In addition, A.B. Data caused the Summary Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Summary Notice") to be published in *The Wall Street Journal* and *Investor's Business Daily* on June 8, 2020 and to be transmitted over the *PR Newswire* on July 14, 2020.[2] Copies of proof of publication of the Summary Notice in *The Wall Street Journal* and *Investor's Business Daily* and over *PR Newswire* are attached hereto as Exhibits B, C, and D, respectively.

[2] The deadline for publication of the Summary Notice under the Preliminary Approval Order was July 7, 2020. The publication in the *The Wall Street Journal* and *Investor's Business Daily* was timely. The publication through the *PR Newswire* was delayed due to an oversight by A.B. Data.

TELEPHONE HELPLINE

10. On May 29, 2020, A.B. Data established a case-specific, toll-free telephone helpline, 1-888-210-5486, with an interactive voice response system and live operators, to accommodate potential Class Members with questions about the Action and the Settlement. The automated attendant answers the calls and presents callers with a series of choices to respond to basic questions. Callers requiring further help have the option to be transferred to a live operator during business hours. A.B. Data continues to maintain the telephone helpline and will update the interactive voice response system as necessary through the administration of the Settlement.

WEBSITE

11. On May 29, 2020, A.B. Data established a website dedicated to the Settlement, www.HSICSecuritiesLitigation.com, to assist potential Class Members. The website includes information regarding the Action and the proposed Settlement, including the exclusion, objection, and claim filing deadlines, and the date and time of the Court's Settlement Hearing. Copies of the Notice, Claim Form, Settlement Agreement, Preliminary Approval Order, Complaint, and other documents related to the Action are posted on the website and are available for downloading. The website became operational on May 29, 2020, and is accessible 24 hours a day, 7 days a week. A.B. Data will update the website as necessary through the administration of the Settlement.

REPORT ON REQUESTS FOR EXCLUSION RECEIVED TO DATE

12. The Notice informs potential Class Members that requests for exclusion from the Class are to be sent to the Claims Administrator, such that they are received no later than August 26, 2020. The Notice also sets forth the information that must be included in each request for exclusion. As of August 11, 2020, A.B. Data had received two (2) requests for exclusion. A.B.

Data will submit a supplemental declaration after the August 26, 2020 deadline for requesting exclusion that will address all requests received.

MAILING OF CAFA NOTICE

13. On May 8, 2020, A.B. Data, on behalf of Defendants, caused a notice consistent with the provisions of the Class Action Fairness Act of 2005, 28 U.S.C. § 1715 ("CAFA"), to be mailed to the United States Attorney General and the attorneys general of all fifty states. A copy of that notice (without exhibits) and its service list are attached hereto as Exhibit E.

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

Executed this 11th day of August 2020, at Palm Beach Gardens, FL.

ERIC J. MILLER

EXHIBIT A

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE HENRY SCHEIN, INC. SECURITIES LITIGATION	Master File No. 1:18-cv-01428-MKB-VMS CLASS ACTION

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

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

This notice is about the proposed settlement of a securities class action against Henry Schein, Inc. You might be a member of the class in that lawsuit, and you might be eligible to receive money under the proposed settlement.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (the "Action") pending in the United States District Court for the Eastern District of New York (the "Court") if you purchased or otherwise acquired common stock of Henry Schein, Inc. ("Schein" or the "Company") during the period from March 7, 2013 through February 12, 2018, inclusive (the "Class Period") and were damaged thereby.[1]

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff, Miami General Employees' & Sanitation Employees' Retirement Trust ("Lead Plaintiff"), on behalf of itself and the Class (as defined in ¶ 23 below), has reached a proposed settlement of the Action for $35,000,000 in cash.

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

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, Schein, the other Defendants in the Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (*see* ¶ 88 below).

1. **Description of the Action and the Class:** This Notice relates to a proposed settlement of claims in a pending securities class action brought by investors alleging that Schein and certain Schein executives (collectively, "Defendants") violated the federal securities laws by making false and misleading statements concerning Schein's business. A more detailed description of the Action is set forth in ¶¶ 11-22 below. The proposed Settlement, if approved by the Court, will settle claims of the Class, as defined in ¶ 23 below.

2. **Statement of the Class's Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of itself and the Class, has agreed to settle the Action in exchange for $35,000,000 in cash (the "Settlement Amount") to be

[1] All capitalized terms that are not otherwise defined in this Notice shall have the meanings ascribed to them in the Settlement Agreement dated April 30, 2020. The Settlement Agreement is available at www.HSICSecuritiesLitigation.com.

deposited into an escrow account. The Net Settlement Amount (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less (i) any Tax Expenses; (ii) any Notice and Administration Expenses; and (iii) any attorneys' fees and expenses awarded by the Court, including any award for the costs and expenses of Lead Plaintiff) will be distributed in accordance with a Plan of Allocation that the Court approves. The proposed Plan of Allocation is set forth in ¶¶ 51-72 below. The Plan of Allocation will determine how the Net Settlement Amount will be distributed to members of the Class.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff's damages expert's estimate of the number of shares of Schein common stock that were purchased during the Class Period and that may have been affected by the conduct at issue in the Action, and assuming that all Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) is $0.43 per affected share.[2] Class Members should note, however, that the foregoing average recovery is only an estimate. Some Class Members may recover more or less than the estimated amount depending on, among other factors, when and at what prices they purchased or sold their shares, and the total number and value of valid Claim Forms submitted. Distributions to Class Members will be made based on the Plan of Allocation set forth herein (*see* ¶¶ 51-72 below) 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 average amount of damages per share of Schein common stock that would be recoverable if Lead Plaintiff were to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any Class Members suffered any damages as a result of Defendants' alleged conduct.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, which have been prosecuting the Action on a wholly contingent basis, have not received any payment of attorneys' fees for their representation of the Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action.[3] Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 25% of the Settlement Fund. In addition, Lead Counsel will apply for payment of expenses paid or incurred by Plaintiffs' Counsel in connection with the institution, prosecution, and resolution of the Action in an amount not to exceed $200,000, and Lead Plaintiff will apply for payment of the reasonable costs and expenses it incurred directly related to its representation of the Class, pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA"), in an amount not to exceed $25,000. Any fees and expenses that the Court awards to Plaintiffs' Counsel and Lead Plaintiff will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses. The estimated average cost for such fees and expenses, if the Court approves Lead Counsel's fee and expense application and Lead Plaintiff's application for a PSLRA Award, is $0.11 per affected share.

6. **Identification of Attorneys' Representatives:** Lead Plaintiff and the Class are represented by James A. Harrod of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, 44th Floor, New York, NY 10020, 1-800-380-8496, settlements@blbglaw.com.

7. **Reasons for the Settlement:** Lead Plaintiff's principal reason for entering into the Settlement is the substantial and certain recovery for the Class without the risk or the delays inherent in further litigation. Moreover, the substantial recovery provided under the Settlement must be considered against the significant risk that a smaller recovery—or indeed no recovery at all—might be achieved after contested motions, 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, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

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[2] Schein common stock experienced a 2-for-1 stock split during that Class Period on September 15, 2017. The per-share estimates for recovery and costs stated here and in ¶ 5 are based on the post-split denomination of shares in effect from September 15, 2017 through the end of the Class Period.

[3] Plaintiffs' Counsel include Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP ("Lead Counsel") and additional counsel for Lead Plaintiff, Klausner, Kaufman, Jensen & Levinson ("Klausner Kaufman").

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN SEPTEMBER 2, 2020.	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Class Member and you remain in the Class, you will be bound by the Settlement as approved by the Court, and you will give up any Released Class Claims (defined in ¶ 35 below) that you have against Defendants and the other Releasees (defined in ¶ 36 below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION THAT IS *RECEIVED* NO LATER THAN AUGUST 26, 2020.	If you exclude yourself from the Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Releasees concerning the Released Class Claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION THAT IS *RECEIVED* NO LATER THAN AUGUST 26, 2020.	If you do not like the proposed Settlement, the proposed Plan of Allocation, the request for attorneys' fees and expenses, or the proposed award to Lead Plaintiff, you may write to the Court and explain why you do not like them. You cannot object to any of those matters unless you are a Class Member and do not exclude yourself from the Class.
GO TO A HEARING ON SEPTEMBER 16, 2020 AT 11:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR THAT IS *RECEIVED* NO LATER THAN AUGUST 26, 2020.	Filing a written objection and notice of intention to appear by August 26, 2020 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and expenses or the award to Lead Plaintiff. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection. The Court may change the date of the Fairness Hearing and may also order the Hearing to be held by telephone, in which case instructions about date, time, and how to participate will be posted on www.HSICSecuritiesLitigation.com.
DO NOTHING.	If you are a member of the 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 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.

WHAT THIS NOTICE CONTAINS

WHY DID I GET THIS NOTICE?

8. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Schein common stock during the Class Period. You therefore might be a Class Member in this Action, so you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation, the Claims Administrator selected by Lead Plaintiff 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 might be affected, and how to exclude yourself from the Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, of your right to object to it, 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, Lead Counsel's motion for attorneys' fees and litigation expenses, and Lead Plaintiff's application for an award of costs (the "Fairness Hearing"). *See* ¶¶ 79-80 below for details about the Fairness 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 to complete.

WHAT IS THIS CASE ABOUT?

11. Henry Schein, Inc. ("Schein") is one of the largest distributors of dental supplies and equipment in the United States. The Company's common stock trades on the NASDAQ under the symbol "HSIC." Lead Plaintiff alleges that Defendants made false and misleading statements and material omissions about Schein's North American Dental business, including the operation of that business in a competitive environment and the

sources of the dental business's financial success. Lead Plaintiff alleges that these misstatements inflated the price of Schein's common stock during the Class Period and that the price declined when several private collusion lawsuits and a Federal Trade Commission ("FTC") action revealed to investors that Defendants had allegedly sought to reduce competition by entering into agreements to refuse to provide discounts to or compete for the business of groups of independent dentists, rather than compete based on price. Lead Plaintiff also alleged that, as a result of these lawsuits, Schein ceased to engage in the allegedly collusive behavior and that the cessation adversely affected the Company's publicly reported financial results. Defendants have denied those allegations.

12. On March 7, 2018, Joseph Salkowitz filed a class-action complaint in the United States District Court for the Eastern District of New York (the "Court"), asserting federal securities claims against Schein and certain of its executive officers.

13. By Order dated June 22, 2018, the Court appointed Miami General Employees' & Sanitation Employees' Retirement Trust as Lead Plaintiff for the Action, and approved Lead Plaintiff's selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel.

14. On September 14, 2018, Lead Plaintiff filed and served the Consolidated Class Action Complaint ("Complaint"). The Complaint asserted claims against Schein and three of its officers, Stanley Bergman, Schein's Chief Executive Officer, Steven Paladino, Schein's Chief Financial Officer, and Timothy J. Sullivan, the president of Schein's North American Dental Group, under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and against the individual defendants under Section 20(a) of the Exchange Act. The Complaint alleged that Defendants made materially false and misleading statements during the Class Period about: (i) the competitive environment of Schein's North American Dental business; (ii) Schein's business dealings with dental buying groups; (iii) Schein's financial results; and (iv) the sources of Schein's financial success. The Complaint also alleged that Schein failed to disclose material information required to be disclosed by Item 303 of Regulation S-K (17 C.F.R. §229.303). The Complaint further alleged that the price of Schein's common stock was artificially inflated during the Class Period as a result of Defendants' allegedly false and misleading statements and omissions, and declined when the truth was revealed in three partial corrective disclosures in August and November 2017 and in February 2018.

15. On December 10, 2018, Defendants moved to dismiss the Complaint. On January 23, 2019, Lead Plaintiff served its response in opposition to Defendants' motion to dismiss, and, on February 22, 2019, Defendants served their reply papers. The parties also submitted supplemental authorities in connection with the pending motion to dismiss in April and September 2019.

16. On September 27, 2019, the Court granted in part and denied in part Defendants' motion to dismiss. The Court dismissed the claims against Bergman and Paladino, and claims based on statements concerning Schein's financial results, but sustained claims under Section 10(b) against Schein and Section 20(a) against Sullivan, including in connection with statements about Schein's competitive environment. The Court also dismissed claims based on the August 2017 corrective disclosures pleaded in the Complaint, and partially dismissed claims based on the November 2017 disclosures, but sustained in full the claims based on the February 2018 disclosures.

17. On October 12, 2019, Defendants moved for partial reconsideration of the Court's September 27, 2019 Order. Defendants sought reconsideration of the Court's findings that Lead Plaintiff had adequately pleaded Schein's scienter and Sullivan's control over Schein.

18. While the Parties were briefing the reconsideration motion, they discussed the possibility of resolving the litigation through settlement and agreed to mediation before the Hon. Daniel Weinstein (Ret.) and Jed D. Melnick, Esq. of JAMS (the "Mediators"). On November 1, 2019, after the Parties had finished the briefing on the reconsideration motion, they filed a joint request to stay the pending motion until the conclusion of the parties' scheduled mediation. The Court granted the joint request that same day.

19. The Parties exchanged detailed mediation statements with numerous exhibits that were also submitted to the Mediators, and they then held two full-day mediation sessions with the Mediators in New York on February 4 and 5, 2020. During the mediation sessions, the Parties engaged in vigorous settlement negotiations with the assistance of the Mediators, and, at the conclusion of the second day, the Settling Parties reached an agreement in principle to settle the Action for $35,000,000, based on a recommendation by the Mediators. That same day, the Settling Parties executed a Term Sheet setting forth their agreement in principle to settle and release all claims asserted in the Action in return for a cash payment by or on behalf of Defendants of $35,000,000 for the benefit of the Class, subject to certain terms and conditions (including the completion of due-diligence discovery by Lead Plaintiff), the execution of a stipulation and agreement of settlement and related papers, and approval by the Court.

20. On April 30, 2020, the Settling Parties entered into the Settlement Agreement, which sets forth the terms and conditions of the Settlement. The Settlement Agreement is available at www.HSICSecuritiesLitigation.com. You should read it if you want a full understanding of its terms.

21. The Settlement Agreement is subject to the completion of Due-Diligence Discovery to confirm the fairness of the Settlement. In connection with the Due-Diligence Discovery, Schein has been producing documents and information regarding the allegations and claims asserted in the Complaint, and relevant Schein employees will be interviewed by Lead Counsel. Pursuant to the Settlement Agreement, Lead Plaintiff has the right to withdraw from and terminate the Settlement at any time before filing its motion in support of final approval of the Settlement if information produced during Due-Diligence Discovery causes Lead Plaintiff and Lead Counsel reasonably and in good faith to conclude that the proposed Settlement is not fair, reasonable, and adequate.

22. On May 5, 2020, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Class Members, and scheduled the Fairness 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 CLASS?

23. If you are a member of the Class, you are subject to the Settlement unless you timely request to be excluded. The Class consists of:

> all persons and entities who purchased or otherwise acquired Schein common stock during the period from March 7, 2013 through February 12, 2018, inclusive (the "Class Period") and who were damaged thereby.

Excluded from the Class are:

a. such persons or entities who submit valid and timely requests for exclusion from the Class (For information on how to submit a request for exclusion, see "What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself?" on page 16 below.);

b. such persons or entities who, while represented by counsel, settled an actual or threatened lawsuit or other proceeding against one or more of the Releasees (defined below in ¶ 36) arising out of or related to the Released Class Claims (defined below in ¶ 35); and

c. Schein and (*i*) all officers and directors of Schein currently and during the Class Period (including Stanley Bergman, Steven Paladino, and Timothy J. Sullivan), (*ii*) Schein's Affiliates, subsidiaries, successors, and predecessors, (*iii*) any entity in which Schein or any individual identified in (*i*) has or had during the Class Period a Controlling Interest, and (*iv*) for the individuals identified in (*i*), (*ii*), and/or (*iii*), their Family Members, legal representatives, heirs, successors, and assigns.

PLEASE NOTE: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to a payment from the Settlement.

If you are a Class Member and you wish to be eligible to receive a payment from the Settlement, you must submit the Claim Form that is being distributed with this Notice, as well as the required supporting documentation described in the Claim Form, postmarked no later than September 2, 2020.

WHAT ARE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENT?

24. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. First, Lead Plaintiff would have faced substantial risks from Defendants' motion for partial reconsideration of the Court's ruling on Defendants' motion to dismiss. That reconsideration motion was pending when the Parties reached an agreement in principle to settle the action. In partially denying Defendants' motion to dismiss, the Court held that Schein's scienter could be established by Defendant Sullivan's alleged knowledge of anticompetitive activities in the dental supplies market and that Defendant Sullivan had sufficient control over Schein so that he could be held liable as a controlling person for Schein's alleged primary securities-law violations. Defendants sought reconsideration of these holdings, contending (among other things) that Lead Plaintiff had failed to plead facts showing that Sullivan had participated in or controlled Schein's allegedly false and misleading statements and omissions. While Lead Plaintiff opposed Defendants' motion seeking reconsideration and believes that the motion lacks merit, Lead Plaintiff acknowledges that there was a meaningful risk that Defendants could have persuaded the Court to reconsider its rulings on the motion to dismiss. Significantly, had Defendants succeeded in convincing the Court that Sullivan's knowledge could not establish Schein's scienter, such a ruling would have led to dismissal of the entire case and eliminated entirely any recovery for the Class.

25. Second, had the Complaint survived Defendants' reconsideration motion, Lead Plaintiff would have faced substantial challenges in developing facts to survive summary judgment or establish Defendants' liability at trial. To start, Lead Plaintiff would have faced challenges showing that Defendants' statements about the competition facing Schein, trends towards cost containment in the healthcare distribution space, and the emergence of buying groups were materially false and misleading. For example, Defendants likely would have contended that each of these statements was factually true and therefore non-actionable. Such arguments likely grew significantly stronger in October 2019, when, following a full trial on the merits, an FTC administrative law judge exonerated Schein from liability over the FTC's claims that Schein violated several provisions of the federal antitrust laws. In addition, Defendants likely would have continued to argue that such statements were mere corporate optimism or puffery, and therefore non-actionable. Lead Plaintiff would also have faced challenges in proving that Schein made the alleged false statements with the intent to mislead investors or was reckless in making the statements. For example, Defendants would likely have continued to argue that scienter was not established as to any of the statements remaining in the case and that Sullivan's knowledge—even if demonstrated—would have been insufficient to establish Schein's scienter.

26. Lead Plaintiff would also have faced significant hurdles in establishing "loss causation"—i.e., that the alleged misstatements were the cause of investors' losses—and in proving damages. The Court has already dismissed Lead Plaintiff's allegations of loss causation as to the August 2017 disclosures, and Defendants would likely have raised various arguments as to the other two disclosures. First, Defendants would likely have argued that key facts that Lead Plaintiff alleged were revealed by the corrective disclosures were actually already well known in the market, because it was public knowledge that Schein had been accused of antitrust law violations before and during the Class Period (including through publicly filed lawsuits by regulators, competitors, and dental practices). Second, with respect to the November 2017 corrective disclosure in the Complaint, Defendants would have argued that intraday stock pricing information demonstrated that Schein's stock price did not respond to the disclosure of two antitrust lawsuits against the Company, the only aspect of the corrective disclosure sustained by the Court, but was responding to other Company news released that day. The two lawsuits were mentioned in Schein's Form 10-Q filing, which was not filed until after 2:00 p.m. on November 6, 2017, so Defendants would argue that the drop in the stock price earlier in the day could not have resulted from any news about the two lawsuits, but must have resulted from the earnings release that had been

issued before the market opened. Third, with respect to the February 2018 disclosure of the FTC's filing of an antitrust complaint against Schein, which was the only other corrective disclosure remaining in the case, Defendants likely would have had strong arguments that the disclosure of a complaint is insufficient to reveal the truth about Defendants' alleged fraud—and that the fact that Schein was exonerated after a trial demonstrates that the filing of the Complaint did not reveal any relevant "truth" to the market. Fourth, Defendants would have had meaningful arguments that Lead Plaintiff and the Class could not demonstrate any damages in connection with the November 2017 disclosure, and that damages associated with the February 2018 disclosure would have been substantially reduced if the effects of confounding negative information about Schein were appropriately disaggregated. Moreover, on all these issues, Lead Plaintiff would have to prevail at several stages – on a motion for summary judgment and at trial, and if it prevailed on those, on the appeals that would likely to follow. Thus, there were very significant risks attendant to the continued prosecution of the Action.

27. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Class, and subject to the satisfactory completion of Due-Diligence Discovery, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Class, namely $35,000,000 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 recovery, or no recovery, after summary judgment, trial, and appeals, possibly years in the future.

28. Defendants have denied the claims asserted against them in the Action and deny that the Class was harmed or suffered any damages as a result of the conduct alleged in the Action. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

29. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of its claims against Defendants, neither Lead Plaintiff nor the other members of the Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on appeal, the Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

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

30. As a Class Member, you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice 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?," below.

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

32. If you are a Class Member and you wish to object to the Settlement, the Plan of Allocation, Lead Counsel's application for attorneys' fees and expenses, or Lead Plaintiff's PSLRA Award, and if you do not exclude yourself from the 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?," below.

33. If you are a Class Member and you do not exclude yourself from the Class, you will be bound by any orders issued by the Court even if you have pending or later file any claim or lawsuit against the Releasees (as

defined in ¶ 36 below) relating to the Released Class Claims (as defined in ¶ 35 below). If the Settlement is approved, the Court will enter a judgment (the "Judgment") and a final approval order (the "Approval Order"). The Judgment and Approval Order will dismiss with prejudice the claims against Defendants and will provide that, upon the Final Settlement Date, Lead Plaintiff and each of the other Class Members, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such ("Releasors"), or any person purporting to assert a Released Class Claim on behalf of, for the benefit of, or derivatively for any such Releasors, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Approval Order and Judgment shall have, fully, finally, and forever released, relinquished, settled, and discharged:

a. all Released Class Claims (as defined in ¶ 35 below) against each and every one of the Releasees as (defined in ¶ 36 below);

b. all Claims, damages, and liabilities as to each and every one of the Releasees to the extent that any such Claims, damages, or liabilities relate in any way to any or all acts, omissions, nondisclosures, facts, matters, transactions, occurrences, or oral or written statements or representations in connection with, or directly or indirectly relating to, (i) the prosecution, defense, or settlement of the Action, (ii) the Settlement Agreement or its implementation, (iii) the Settlement terms and their implementation, (iv) the provision of notice in connection with the proposed Settlement, and/or (v) the resolution of any Claim Forms submitted in connection with the Settlement; and

c. all Claims against any of the Releasees for attorneys' fees, costs, or disbursements incurred by Plaintiffs' Counsel or any other counsel representing Lead Plaintiff or any other Class Member in connection with or related in any manner to the Action, the settlement of the Action, or the administration of the Action and/or its Settlement, except to the extent otherwise specified in the Settlement Agreement.

34. In addition, the Judgment and Approval Order will provide that:

a. all Class Members (and their attorneys, accountants, agents, heirs, executors, administrators, trustees, predecessors, successors, Affiliates, representatives, and assigns) who have not validly and timely requested exclusion from the Class – and anyone else purporting to act on behalf of, for the benefit of, or derivatively for any of such persons or entities – are permanently enjoined from filing, commencing, prosecuting, intervening in, participating in (as class members or otherwise), or receiving any benefit or other relief from any other lawsuit, arbitration, or administrative, regulatory, or other proceeding (as well as a motion or complaint in intervention in the Action if the person or entity filing such motion or complaint in intervention purports to be acting as, on behalf of, for the benefit of, or derivatively for any of the above persons or entities) or order, in any jurisdiction or forum, as to the Releasees based on or relating to the Released Class Claims; and

b. all persons and entities are permanently enjoined from filing, commencing, or prosecuting any other lawsuit as a class action (including by seeking to amend a pending complaint to include class allegations or by seeking class certification in a pending action in any jurisdiction) or other proceeding on behalf of any Class Members as to the Releasees, if such other lawsuit is based on or related to the Released Class Claims.

35. "Released Class Claims" means each and every Claim that existed as of, on, or before the Execution Date and that Lead Plaintiff or any other Class Member (*i*) asserted against any of the Releasees in the Action (including all Claims alleged in the Complaint) or (*ii*) could have asserted or could assert against any of the Releasees in connection with or relating directly or indirectly to any of the Operative Facts or any alleged statements about, mischaracterizations of, or omissions concerning them, whether arising under any federal, state, or other statutory or common-law rule or under any foreign law, in any court, tribunal, agency, or other forum, if such Claim also arises out of or relates to the purchase or other acquisition of Schein common stock,

or to any other Investment Decision, during the Class Period; *provided, however*, that the term "Released Class Claims" does not include (and will not release or impair): (*i*) any claims asserted in any action under the Employee Retirement Income Security Act of 1974 or in any derivative action, including without limitation the claims asserted in the Derivative Settlement (*In re Henry Schein, Inc. Derivative Litigation*, Lead Case No. 1:19-cv-06485-LDH-JO (E.D.N.Y.)) or *Finazzo v. Bergman*, No. 1:19-cv-06485-LDH-JO (E.D.N.Y.), or *Sloan v. Bergman*, No. 1:20-cv-0076 (E.D.N.Y.), or any cases consolidated into those actions; (*ii*) any claims asserted in *City of Hollywood Police Officers Ret. Sys. v. Henry Schein, Inc.*, No. 2:19-cv-5530 (E.D.N.Y.), or any cases consolidated into that action; (*iii*) any claims asserted in the Antitrust Proceedings or by any governmental entity that arise out of any governmental investigation of Defendants relating to the Operative Facts except to the extent that any such claims arise from or are based on the purchase of Schein common stock during the Class Period; or (*iv*) any claims to enforce this Settlement Agreement.

36. "Releasees" means Schein, its affiliates, and their current and former officers (including Messrs. Bergman, Paladino, and Sullivan), directors, employees, agents, and representatives, counsel, advisors, administrators, accountants, accounting advisors, auditors, consultants, assigns, assignees, beneficiaries, representatives, partners, successors-in-interest, insurance carriers, reinsurers, parents, affiliates, subsidiaries, successors, predecessors, fiduciaries, service providers, and investment bankers, and other certain persons and entities affiliated with or related to them. The full definition of Releasees is set forth in the Settlement Agreement, available at www.HSICSecuritiesLitigation.com.

37. The Judgment and Approval Order will also provide that, upon the Final Settlement Date, all Releasees, and anyone purporting to act on behalf of, for the benefit of, or derivatively for any such persons or entities, are permanently enjoined from commencing, prosecuting, intervening in, or participating in any claims or causes of action relating to Released Releasees' Claims.

38. "Released Releasees Claims" means each and every Claim that has been, could have been, or could be asserted in the Action or in any other proceeding by any Releasee against Lead Plaintiff, any other Class Members, or any of their respective attorneys (including, without limitation, Plaintiffs' Counsel) and that arises out of or relates in any way to the initiation, prosecution, or settlement of the Action or the implementation of the Settlement Agreement; *provided, however*, that Released Releasees' Claim shall not include any Claim to enforce the Settlement Agreement.

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

39. To be eligible for a payment from the Settlement, you must be a member of the Class and you must timely complete and return the Claim Form with adequate supporting documentation ***postmarked*** **no later than September 2, 2020**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, www.HSICSecuritiesLitigation.com. You may also request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-888-210-5486 or by emailing the Claims Administrator at info@HSICSecuritiesLitigation.com. Please retain all records of your ownership of and transactions in Schein common stock, as they will be needed to document your Claim. The Parties and Claims Administrator do not have information about your transactions in Schein common stock.

40. If you request exclusion from the Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Amount.

HOW MUCH WILL MY PAYMENT BE?

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

42. Pursuant to the Settlement, Defendants have agreed to pay or caused to be paid a total of $35,000,000 in cash (the "Settlement Amount"). 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 if the Final Settlement Date occurs, the "Net Settlement Amount" (that is, the Settlement Fund less (i) any Tax Expenses; (ii) any Notice and Administration Expenses; and (iii) any attorneys' fees and expenses awarded to Plaintiffs' Counsel or Lead Plaintiff by the Court) will be distributed to 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.

43. The Net Settlement Amount will not be distributed unless and until the Court has approved the Settlement and a Plan of Allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

44. Neither Defendants nor any other person or entity that 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 shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Amount, or the Plan of Allocation.

45. Approval of the Settlement is independent from approval of a Plan of Allocation. Any determination about a Plan of Allocation will not affect the Settlement, if approved.

46. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked on or before September 2, 2020 shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a member of the Class and be subject to the provisions of the Settlement Agreement, including the terms of any Judgment entered and the releases given. This means that each Class Member releases the Released Class Claims (as defined in ¶ 35 above) against the Releasees (as defined in ¶ 36 above) and will be barred and enjoined from prosecuting any of the Released Class Claims against any of the Releasees whether or not such Class Member submits a Claim Form.

47. Participants in, and beneficiaries of, any Schein employee-benefit plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in a Schein common stock held through the ERISA Plan in any Claim Form that they submit in this Action. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan's purchases or acquisitions of Schein common stock during the Class Period may be made by the plan's trustees.

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

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

50. Only members of the Class will be eligible to share in the distribution of the Net Settlement Amount. Persons and entities that are excluded from the Class by definition or that request exclusion from the Class will not be eligible for a payment and should not submit Claim Forms. The only security that is included in the Settlement is Schein common stock.

PROPOSED PLAN OF ALLOCATION

51. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Amount to those Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation 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 Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Amount.

52. 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 Schein common stock. In this case, Lead Plaintiff alleges that Defendants made false statements and omitted material facts during the period from March 7, 2013 through February 12, 2018, inclusive, which had the effect of artificially inflating the price of Schein common stock. Lead Plaintiff further alleges that corrective information was released to the market on November 6, 2017 and on February 12, 2018 (after the close of trading), which removed the artificial inflation from the price of Schein common stock on November 6, 2017 and February 13, 2018. (Lead Plaintiff had also alleged that disclosures on August 8, 2017 constituted corrective information, but the Court dismissed the Complaint's allegations as to those disclosures.)

53. In developing the Plan of Allocation, Lead Plaintiff's damages expert calculated the estimated amount of artificial inflation in the price of Schein common stock allegedly caused by Defendants' allegedly false and misleading statements and material omissions. In calculating the estimated artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiff's damages expert considered price changes in the stock in reaction to the public disclosures allegedly revealing the truth concerning Defendants' alleged misrepresentations and material omissions, adjusting for price changes on that day that were attributable to market or industry forces. The Plan of Allocation does not consider price changes following the August 2017 disclosures alleged in the Complaint, because the Court dismissed claims relating to that date. In addition, the amount of artificial inflation considered to have been removed from the price of Schein common stock on November 6, 2017 has been reduced by 90% as a result of the Court's partial dismissal of the loss-causation allegations related to that alleged corrective disclosure and to account for other difficulties that the Class would face in establishing that the alleged misstatements were responsible for the abnormal price decline on that date (*i.e.*, Defendants' argument that the disclosure of two lawsuits on that date did not occur until after the stock price had already dropped following Schein's issuance of its earnings release).

54. Recognized Loss Amounts for transactions in Schein common stock are calculated under the Plan of Allocation based primarily on the difference in the amount of alleged artificial inflation in the price of Schein common stock at the time of purchase and the time of sale or the difference between the actual purchase price and sale price. In order to have a Recognized Loss Amount, a Class Member who purchased Schein common stock during the Class Period must have held his, her, or its shares through at least the close of trading on November 5, 2017, and Class Members who purchased Schein common stock on or after November 6, 2017 must have held those shares through at least the close of trading on February 12, 2018.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

55. Based on the formula stated below, a "Recognized Loss Amount" will be calculated for each purchase of Schein common stock during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, the Recognized Loss Amount for that transaction will be zero.

56. For each share of Schein common stock purchased during the period from March 7, 2013 through November 5, 2017, inclusive, and

a) sold on or before November 5, 2017, the Recognized Loss Amount is zero;

b) sold from November 6, 2017 through February 12, 2018, the Recognized Loss Amount is ***the lesser of:*** (i) $0.73 per share; or (ii) the purchase price per share *less* the sales price per share;

c) sold from February 13, 2018 through the close of trading on May 11, 2018, the Recognized Loss Amount is ***the least of:*** (i) $5.47; (ii) the purchase price per share *less* the sales price per share, or (iii) the purchase price per share *less* the average closing price per share applicable to the date of sale as found in Table A at the end of this Notice; or

d) held at the end of trading on May 11, 2018, the Recognized Loss Amount is ***the lesser of:*** (i) $5.47 per share; or (ii) the purchase price per share *less* $69.28.[4]

57. For each share of Schein common stock purchased during the period from November 6, 2017 through February 12, 2018, inclusive, and

a) sold before the close of trading on February 12, 2018, the Recognized Loss Amount is zero;

b) sold from February 13, 2018 through the close of trading on May 11, 2018, the Recognized Loss Amount is ***the least of:*** (i) $4.74; (ii) the purchase price per share *less* the sales price per share, or (iii) the purchase price per share *less* the average closing price per share applicable to the date of sale as found in Table A at the end of this Notice; or

c) held at the end of trading on May 11, 2018, the Recognized Loss Amount is ***the lesser of:*** (i) $4.74 per share; or (ii) the purchase price per share *less* $69.28.

58. Schein common stock experienced a 2-for-1 stock split on September 15, 2017. The per-share prices and Recognized Loss Amount values listed above in ¶ 56 and ¶ 57 and in Table A are based on the price and number of Schein shares after giving effect to the September 2017 stock split. Claimants' submitted transactions will be adjusted for this 2-for-1 stock split before calculation of Recognized Loss Amounts. Specifically, share amounts before September 15, 2017 will be multiplied by two, and per-share purchase/acquisition and sale prices before September 15, 2017 will be divided by two.

ADDITIONAL PROVISIONS

59. The Net Settlement Amount will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 68 below) is $10.00 or greater.

60. **Calculation of Claimant's "Recognized Claim":** A Claimant's "Recognized Claim" will be the sum of his, her, or its Recognized Loss Amounts as calculated above for all purchases of Schein common stock during the Class Period.

61. **FIFO Matching:** If a Class Member made more than one purchase/acquisition or sale of Schein common stock during the Class Period, all purchases/acquisitions and sales will be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any holdings of Schein common stock at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

62. **"Purchase/Sale" Dates:** Purchases and sales of Schein common stock will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. "Purchases" eligible under the Settlement and this Plan of Allocation include all purchases or other acquisitions of Schein common stock in

[4] Pursuant to Section 21(D)(e)(1) of the Exchange Act, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." The average (mean) closing price of Schein common stock during the 90-day look-back period from February 13, 2018 through May 11, 2018, inclusive, was $69.28.

exchange for value and are not limited to purchases made on or through a stock exchange, as long as the purchase is adequately documented. However, the receipt or grant by gift, inheritance, or operation of law of Schein common stock during the Class Period shall not be deemed a purchase or sale for the calculation of a Claimant's Recognized Loss Amount; nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/sale of the stock unless (i) the donor or decedent purchased the Schein common stock during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, the decedent, or anyone else as to those shares.

63. **Short Sales:** The date of covering a "short sale" is deemed to be the date of purchase of the Schein common stock. The date of a "short sale" is deemed to be the date of sale of the Schein common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" and the purchases covering "short sales" is zero.

64. If a Claimant has an opening short position in Schein common stock, the earliest purchases or acquisitions of Schein common stock during the Class Period will be matched against such opening short position, and will not be entitled to a recovery, until that short position is fully covered.

65. **Shares Purchased/Sold Through the Exercise of Options:** Option contracts are not securities eligible to participate in the Settlement. For shares of Schein common stock purchased or sold through the exercise of an option, the purchase/sale date of the Schein common stock is the exercise date of the option, and the purchase/sale price is the exercise price of the option.

66. **Market Gains and Losses:** The Claims Administrator will determine whether the Claimant had a "Market Gain" or a "Market Loss" on his, her, or its overall transactions in Schein common stock during the Class Period. For purposes of making this calculation, the Claims Administrator shall determine the difference between (i) the Claimant's Total Purchase Amount[5] and (ii) the sum of the Claimant's Total Sales Proceeds[6] and the Claimant's Holding Value.[7] If the Claimant's Total Purchase Amount *minus* the sum of the Claimant's Total Sales Proceeds and the Holding Value is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain.

67. If a Claimant had a Market Gain from his, her, or its overall transactions in Schein common stock, the value of the Claimant's Recognized Claim will be zero, and the Claimant will not be eligible to receive a payment in the Settlement, but will nonetheless be bound by the Settlement. If a Claimant suffered an overall Market Loss from his, her, or its overall transactions in Schein common stock but that Market Loss was less than the Claimant's Recognized Claim, then the Claimant's Recognized Claim will be limited to the amount of the Market Loss.

68. **Determination of Distribution Amount:** The Net Settlement Amount 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. That Distribution Amount shall 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 Amount.

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[5] The "Total Purchase Amount" is the total amount the Claimant paid (excluding all fees, taxes, and commissions) for all Schein common stock purchased or acquired during the Class Period.

[6] The Claims Administrator shall match any sales of Schein common stock during the Class Period first against the Claimant's opening position in Schein common stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (not deducting any fees, taxes, and commissions) for sales of the remaining Schein common stock sold during the Class Period is the "Total Sales Proceeds."

[7] The Claims Administrator shall ascribe a "Holding Value" of $67.39 per share of Schein common stock purchased during the Class Period that was still held as of the close of trading on February 12, 2018.

69. If an 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.

70. After the initial distribution of the Net Settlement Amount, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain after the initial distribution, and if Lead Counsel, in consultation with the Claims Administrator, determines 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, determines 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 is not cost-effective, the remaining balance will be contributed to one or more nonsectarian, not-for-profit, § 501(c)(3) organizations to be recommended by Lead Counsel and approved by the Court.

71. Payment pursuant to the proposed Plan of Allocation, or such other Plan of Allocation as may be approved by the Court, will be conclusive against all Claimants. No person or entity shall have any claim against Lead Plaintiff, Lead Counsel, the Claims Administrator, or any other agent designated by Lead Counsel, or Defendants' Releasees and/or their respective counsel, arising from distributions made substantially in accordance with the Settlement Agreement, the Plan of Allocation approved by the Court, or any order of the Court. Lead Plaintiff and Defendants, and their respective counsel, and all other Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Amount, any Plan of Allocation, or the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

72. The Plan of Allocation set forth herein is the plan that Lead Plaintiff, after consultation with its damages expert, is proposing to the Court for approval. The Court may approve this plan as proposed, or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the case website, www.HSICSecuritiesLitigation.com.

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

73. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Class; nor have Plaintiffs' Counsel been paid for their litigation expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 25% of the Settlement Fund. Lead Counsel has a retention agreement with Lead Plaintiff that provides for a contingency fee to be awarded to Lead Counsel after notice to the class and approval by the Court. The retention agreement between Lead Plaintiff and Lead Counsel also provides that Klausner Kaufman, additional fiduciary counsel for Lead Plaintiff, will work together with Lead Counsel on this action, and Lead Counsel will compensate Klausner Kaufman for that work from the total attorneys' fees that the Court approves. Klausner Kaufman will be compensated in an amount commensurate with its efforts in this litigation. At the same time as its motion for attorneys' fees, Lead Counsel also intends to apply for payment of litigation expenses paid or incurred by Plaintiffs' Counsel in an amount not to exceed $200,000, and for the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Class, pursuant to the PSLRA, in an amount not to exceed $25,000. The Court will determine the amount of any award of attorneys' fees and expenses to Plaintiffs' Counsel or any PSLRA Award to Lead Plaintiff. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members will not be personally liable for any such fees or expenses.

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

74. Each 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 from the Class, addressed to *In re Henry Schein, Inc. Securities Litigation*, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217. The Request for Exclusion must be ***received*** no **later than August 26, 2020**. You will not be able to exclude yourself from the Class after that date. A potential Class Member's request for exclusion must include the following information: (*i*) name, (*ii*) address, (*iii*) telephone number, (*iv*) email address, if available, (*v*) a statement that the potential Class Member wishes to request exclusion from the Class in *In re Henry Schein, Inc. Securities Litigation*, Master File No. 1:18-cv-01428-MKB-VMS, (*vi*) the number of shares of Schein common stock held as of opening of trading on March 7, 2013 and purchased or otherwise acquired and/or sold during the Class Period, (*vii*) price(s) paid or value at receipt, and, if sold, the sales price(s), (*viii*) the date of each such transaction involving each such security, and (*ix*) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

75. If you do not want to be part of the 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 Class Claim against any of the Releasees.

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

77. 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 Class in an amount that exceeds an amount agreed to by Lead Plaintiff and Defendants.

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

78. **Class Members do not need to participate in the Fairness Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not speak at or otherwise observe the hearing. You can participate in the Settlement without attending the Fairness Hearing.**

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

80. The Fairness Hearing will be held on **September 16, 2020 at 11:00 a.m.**, before the Honorable Margo K. Brodie either in-person at the United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, NY 11201, Courtroom 6F, or by telephone, to determine, among other things, (i) whether

the proposed Settlement on the terms and conditions provided for in the Settlement Agreement is fair, reasonable, and adequate to the Class, and should be finally approved by the Court; (ii) whether, for purposes of the Settlement only, the Action should be certified as a class action on behalf of the Class, Lead Plaintiff should be certified as Class Representative for the Class, and Lead Counsel should be appointed as Class Counsel for the Class; (iii) whether the Action should be dismissed with prejudice against Defendants and whether the Releases specified and described in the Settlement Agreement (and in this Notice) should be granted; (iv) whether the proposed Plan of Allocation should be approved as fair and reasonable; (v) whether Lead Counsel's motion for attorneys' fees and litigation expenses and Lead Plaintiff's motion for costs and expenses should be approved; and (vi) any other matters that may properly be brought before the Court in connection with the Settlement. The Court reserves the right to certify the Class; approve the Settlement, the Plan of Allocation, and Lead Counsel's motion for attorneys' fees and litigation expenses; and/or consider any other matter related to the Settlement at or after the Fairness Hearing without further notice to the members of the Class.

81. Any Class Member who does not request exclusion may object to the Settlement, the proposed Plan of Allocation, Lead Counsel's motion for attorneys' fees and expenses, or Lead Plaintiff's application for 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 Eastern District of New York at the address set forth below **on or before August 26, 2020**. You must also serve the papers on Lead Counsel and on Defendants' Counsel at the addresses set forth below so that the papers are ***received*** **on or before August 26, 2020**.

Clerk's Office	**Lead Counsel**	**Defendants' Counsel**
United States District Court Eastern District of New York 225 Cadman Plaza East Brooklyn, NY 11201	**Bernstein Litowitz Berger & Grossmann LLP** James A. Harrod, Esq. 1251 Avenue of the Americas 44th Floor New York, NY 10020	**Proskauer Rose LLP** Jonathan E. Richman, Esq. Eleven Times Square New York, NY 10036

You must also ***email*** the objection and any supporting papers on or before August 26, 2020 to settlements@blbglaw.com and to jerichman@proskauer.com.

82. Any objection must state the specific reason(s), if any, for each objection, including any legal support the Class Member wishes to bring to the Court's attention and any evidence the Class Member wishes to introduce in support of such objection, and shall state whether the objection applies only to the objector, to a specific subset of the Class, or to the entire Class. In addition to the reason(s) for the objection, an objection must also include the name and docket number of this case (*In re Henry Schein, Inc. Securities Litigation*, Master File No. 1:18-cv-01428-MKB-VMS) and the following information about the Class Member: (*i*) name, (*ii*) address, (*iii*) telephone number, (*iv*) email address, if available, (*v*) number of shares of Schein common stock held as of opening of trading on March 7, 2013 and purchased or otherwise acquired and/or sold during the Class Period, (*vi*) price(s) paid or value at receipt, and, if sold, the sales price(s), (*vii*) the date of each such transaction involving each such security, and (*viii*) account statements verifying all such transactions. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and expenses if you exclude yourself from the Class or if you are not a member of the Class.

83. You may file a written objection without having to speak at the Fairness Hearing. You may not, however, speak at the Fairness Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

84. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and expenses, and if you have timely filed and served 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 on Defendants' Counsel at the addresses set forth in ¶ 81 above so that it is ***received*** **on or before August 26, 2020**. Persons who intend to object and present evidence at the Fairness Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

85. You are not required to hire an attorney to represent you in making written objections or in appearing at the Fairness Hearing. However, if you decide to hire an attorney, you may do so 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 ¶ 81 above so that the notice is ***received*** **on or before August 26, 2020**.

86. **Unless the Court orders otherwise, any 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, or Lead Counsel's motion for an award of attorneys' fees and expenses. Class Members do not need to appear at the Fairness Hearing or take any other action to indicate their approval of the proposed Settlement.**

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

87. If you purchased or otherwise acquired Schein common stock during the period from March 7, 2013 through February 12, 2018, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either (i) within fourteen (14) calendar days after receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and then, within fourteen (14) calendar days after receipt of those Notice Packets, forward them to all such beneficial owners; or (ii) within fourteen (14) calendar days after receipt of this Notice, provide a list of the names, addresses, and email addresses (if available) of all such beneficial owners to *In re Henry Schein, Inc. Securities Litigation*, c/o A.B. Data, Ltd., Attn: Fulfillment Dept., P.O. Box 173098, Milwaukee, WI 53217, or info@HSICSecuritiesLitigation.com. 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 also be obtained from the Settlement website, www.HSICSecuritiesLitigation.com, by calling the Claims Administrator toll-free at 1-888-210-5486, or by emailing the Claims Administrator at info@HSICSecuritiesLitigation.com.

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

88. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you should review the papers on file in the Action, including the Settlement Agreement, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, NY 11201. Additionally, copies of the Settlement Agreement and any related orders entered by the Court will be posted on the Settlement website, www.HSICSecuritiesLitigation.com.

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

In re Henry Schein, Inc. Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173098
Milwaukee, WI 53217

1-888-210-5486
info@HSICSecuritiesLitigation.com
www.HSICSecuritiesLitigation.com

and/or

James A. Harrod, Esq.
Bernstein Litowitz Berger
& Grossmann LLP
1251 Avenue of the Americas, 44th Floor
New York, NY 10020

1-800-380-8496
settlements@blbglaw.com

DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS, OR THEIR COUNSEL REGARDING THIS NOTICE.

Dated: May 29, 2020

By Order of the Court
United States District Court
Eastern District of New York

Table A

Henry Schein Common Stock Closing Price and Average Closing Price
February 13, 2018 – May 11, 2018

Date	Closing Price	Average Closing Price Between February 13, 2018 and Date Shown	Date	Closing Price	Average Closing Price Between February 13, 2018 and Date Shown
2/13/2018	$67.39	$67.39	3/29/2018	$67.21	$67.03
2/14/2018	$68.43	$67.91	4/2/2018	$65.83	$66.99
2/15/2018	$68.38	$68.07	4/3/2018	$66.84	$66.99
2/16/2018	$69.52	$68.43	4/4/2018	$68.51	$67.03
2/20/2018	$67.97	$68.34	4/5/2018	$67.82	$67.05
2/21/2018	$68.68	$68.40	4/6/2018	$66.78	$67.05
2/22/2018	$67.97	$68.33	4/9/2018	$66.87	$67.04
2/23/2018	$68.05	$68.30	4/10/2018	$69.34	$67.10
2/26/2018	$67.69	$68.23	4/11/2018	$69.07	$67.15
2/27/2018	$67.21	$68.13	4/12/2018	$69.72	$67.21
2/28/2018	$66.19	$67.95	4/13/2018	$68.98	$67.25
3/1/2018	$63.44	$67.58	4/16/2018	$69.94	$67.32
3/2/2018	$65.19	$67.39	4/17/2018	$71.02	$67.40
3/5/2018	$66.04	$67.30	4/18/2018	$70.93	$67.48
3/6/2018	$66.03	$67.21	4/19/2018	$69.75	$67.53
3/7/2018	$67.13	$67.21	4/20/2018	$69.07	$67.56
3/8/2018	$67.13	$67.20	4/23/2018	$73.79	$67.69
3/9/2018	$68.43	$67.27	4/24/2018	$73.83	$67.82
3/12/2018	$67.85	$67.30	4/25/2018	$74.49	$67.95
3/13/2018	$68.04	$67.34	4/26/2018	$76.25	$68.11
3/14/2018	$68.30	$67.38	4/27/2018	$76.80	$68.28
3/15/2018	$67.99	$67.41	4/30/2018	$76.00	$68.43
3/16/2018	$68.05	$67.44	5/1/2018	$76.87	$68.58
3/19/2018	$67.83	$67.46	5/2/2018	$76.59	$68.73
3/20/2018	$65.72	$67.39	5/3/2018	$75.02	$68.84
3/21/2018	$65.67	$67.32	5/4/2018	$75.55	$68.96
3/22/2018	$65.93	$67.27	5/7/2018	$76.27	$69.08
3/23/2018	$64.59	$67.17	5/8/2018	$71.08	$69.12
3/26/2018	$65.54	$67.12	5/9/2018	$71.58	$69.16
3/27/2018	$65.08	$67.05	5/10/2018	$72.62	$69.22
3/28/2018	$66.27	$67.02	5/11/2018	$72.94	$69.28

In re Henry Schein, Inc. Securities Litigation
Toll-Free Number: 1-888-210-5486
Email: info@HSICSecuritiesLitigation.com
Website: www.HSICSecuritiesLitigation.com

PROOF OF CLAIM AND RELEASE FORM

To be eligible to receive a share of the Net Settlement Amount in connection with the Settlement of this Action, you must complete and sign this Proof of Claim and Release Form ("Claim Form") and mail it by first-class mail to the address below, with supporting documentation, ***postmarked*** **no later than September 2, 2020**.

Mail to:

In re Henry Schein, Inc. Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173098
Milwaukee, WI 53217

You need to submit this Claim Form if you want to make a claim to share in the settlement payment in this lawsuit. If you fill out this Claim Form in accordance with the instructions below, you might be eligible to receive a cash payment if the Court approves the proposed Settlement.

If you do not submit your Claim Form by the date specified, your claim may be rejected, and you may be precluded from being eligible to receive a payment from the Settlement.

Do not mail or deliver your Claim Form to the Court, Lead Counsel, Defendants' Counsel, or any of the Parties to the Action. Submit your Claim Form only to the Claims Administrator at the address set forth above.

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PART I – CLAIMANT INFORMATION

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. Complete names of all persons and entities must be provided.

Beneficial Owner's Name

First Name

Last Name

Joint Beneficial Owner's Name (*if applicable*)

First Name

Last Name

If this claim is submitted for an IRA, and if you would like any check that you MAY be eligible to receive to be made payable to the IRA, please include "IRA" in the "Last Name" box above (*e.g.*, Jones IRA).

Entity Name (if the Beneficial Owner is not an individual)

Name of Representative, if applicable (*executor, administrator, trustee, c/o, etc.*), if different from Beneficial Owner

Last 4 digits of Social Security Number or Taxpayer Identification Number

Street Address

City

State/Province

Zip Code

Foreign Postal Code (if applicable)

Foreign Country (if applicable)

Telephone Number (Day)

Telephone Number (Evening)

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)

Type of Beneficial Owner:

Specify one of the following:

☐ Individual(s) ☐ Corporation ☐ UGMA Custodian ☐ IRA

☐ Partnership ☐ Estate ☐ Trust ☐ Other (describe: _____)

PART II – 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 Fairness Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice") that accompanies this Claim Form, including the Plan of Allocation of the Net Settlement Amount set forth in the Notice. The Notice describes the proposed Settlement, how Class Members are affected by the Settlement, and the manner in which the Net Settlement Amount will be distributed if the Court approves the Settlement and Plan of Allocation. 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 provided for in this Claim Form.

2. By submitting this Claim Form, you will be making a request to receive a payment from the Settlement described in the Notice. IF YOU ARE NOT A CLASS MEMBER (*see* the definition of the Class on page 6 of the Notice, which sets forth who is included in and who is excluded from the Class), OR IF YOU, OR SOMEONE ACTING ON YOUR BEHALF, SUBMITTED A REQUEST FOR EXCLUSION FROM THE CLASS, DO NOT SUBMIT A CLAIM FORM. **YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT IF YOU ARE NOT A CLASS MEMBER.** THUS, IF YOU ARE EXCLUDED FROM THE CLASS, ANY CLAIM FORM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED.

3. **Submission of this Claim Form does not guarantee that you will be eligible to receive a payment from the Settlement. The distribution of the Net Settlement Amount 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.**

4. Use the Schedule of Transactions in Part III of this Claim Form to supply all required details of your transaction(s) in, and holdings of, common stock of Henry Schein, Inc. ("Schein"). On this schedule, provide all of the requested information about your holdings, purchases, acquisitions, and sales of Schein common stock (including free transfers and deliveries), 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.**

5. **Please note**: Only Schein common stock purchased during the Class Period (*i.e.*, from March 7, 2013 through February 12, 2018, inclusive) is eligible under the Settlement. However, sales of Schein common stock during the period from February 13, 2018 through and including the close of trading on May 11, 2018, will be used for purposes of calculating your claim under the Plan of Allocation. Although purchases and acquisitions during the period from February 13, 2018 through May 11, 2018 are not eligible for payment, you must provide information about them so that the Claims Administrator can balance your claim – *i.e.*, confirm that all transactions have been included by checking whether (a) the number of shares you held at the opening of trading on March 7, 2013 *plus* the number of shares you purchased/acquired from March 7, 2013 through May 11, 2018 *is equal to* (b) the number of shares you sold from March 7, 2013 through May 11, 2018 *plus* the number of shares you held at the close of trading on May 11, 2018.

6. You must submit genuine and sufficient documentation for all of your transactions in and holdings of Schein common stock as 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 Schein 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.**

7. Use Part I of this Claim Form entitled "CLAIMANT INFORMATION" to identify the beneficial owner(s) of the Schein common stock. The complete name(s) of the beneficial owner(s) must be entered. If you held the Schein common stock in your own name, you were the beneficial owner as well as the record owner. If, however, your shares of Schein common stock were registered in the name of a third party, such as a nominee or brokerage firm, you were the beneficial owner of the stock, but the third party was the record owner. The beneficial owner, not the record owner, must sign this Claim Form to be eligible to participate in the Settlement. If there were joint beneficial owners, each must sign this Claim Form, and their names must appear as "Claimants" in Part I of this Claim Form.

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

9. 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 Schein common stock; and

(c) furnish 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.)

10. By submitting a signed Claim Form, you will be swearing that you:

(a) own(ed) the Schein common stock you have listed in the Claim Form; or

(b) are expressly authorized to act on behalf of the owner of that stock.

11. By submitting a signed Claim Form, you will be swearing to the truth of the statements it contains and the genuineness of the documents attached to it, 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 Amount. 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 the Notice, you may contact the Claims Administrator, A.B. Data, Ltd., at the above address, by email at info@HSICSecuritiesLitigation.com, or by toll-free phone at 1-888-210-5486, or you can visit the Settlement website, www.HSICSecuritiesLitigation.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 Settlement website at www.HSICSecuritiesLitigation.com, or you may email the Claims Administrator's electronic filing department at info@HSICSecuritiesLitigation.com. **Any file not in accordance with the required electronic filing format will be subject to rejection.** Only one claim should be submitted for each separate legal entity (*see* ¶ 8 above), and the ***complete*** name of the beneficial owner of the securities must be entered where called for (*see* ¶ 7 above). No electronic files will be considered to have been submitted unless the Claims Administrator issues an email 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 after your submission, you should contact the electronic filing department at info@HSICSecuritiesLitigation.com to inquire about your file and confirm it was received.**

IMPORTANT: PLEASE NOTE

YOUR CLAIM IS NOT DEEMED FILED UNTIL YOU RECEIVE AN ACKNOWLEDGEMENT POSTCARD. THE CLAIMS ADMINISTRATOR WILL ACKNOWLEDGE RECEIPT OF YOUR CLAIM FORM WITHIN 60 DAYS AFTER YOUR SUBMISSION. IF YOU DO NOT RECEIVE AN ACKNOWLEDGEMENT POSTCARD WITHIN 60 DAYS, CONTACT THE CLAIMS ADMINISTRATOR TOLL-FREE AT 1-888-210-5486.

PART III – SCHEDULE OF TRANSACTIONS IN SCHEIN COMMON STOCK

Use this section to provide information on your holdings and trading of Schein common stock (NASDAQ Ticker Symbol: **HSIC**, CUSIP: 806407102) during the requested time periods.[1] Please include proper documentation with your Claim Form as described in detail in Part II – General Instructions, ¶ 6 above.

1. HOLDINGS AS OF MARCH 7, 2013– State the total number of shares of Schein common stock held as of the opening of trading on March 7, 2013. (Must be documented.) If none, write "zero" or "0." _____	Confirm Proof of Position Enclosed ○

2. PURCHASES/ACQUISITIONS FROM MARCH 7, 2013 THROUGH FEBRUARY 12, 2018 – Separately list each and every purchase or acquisition (including free receipts) of Schein common stock from after the opening of trading on March 7, 2013 through and including the close of trading on February 12, 2018. (Must be documented.)

Date of Purchase/ Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/Acquired	Purchase Price Per Share	Total Purchase Price (excluding any fees, commissions, and taxes)	Confirm Proof of Purchase Enclosed
/ /		$	$	○
/ /		$	$	○
/ /		$	$	○
/ /		$	$	○

3. PURCHASES/ACQUISITIONS FROM FEBRUARY 13, 2018 THROUGH MAY 11, 2018 – State the total number of shares of Schein common stock purchased or acquired (including free receipts) from February 13, 2018 through the close of trading on May 11, 2018. If none, write "zero" or "0."[2] _____

4. SALES FROM MARCH 7, 2013 THROUGH MAY 11, 2018 – Separately list each and every sale or disposition (including free deliveries) of Schein common stock from after the opening of trading on March 7, 2013 through and including the close of trading on May 11, 2018. (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 any fees, commissions, and taxes)	Confirm Proof of Sale Enclosed
/ /		$	$	○
/ /		$	$	○
/ /		$	$	○
/ /		$	$	○

4. HOLDINGS AS OF MAY 11, 2018 – State the total number of shares of Schein common stock held as of the close of trading on May 11, 2018. (Must be documented.) If none, write "zero" or "0." _____	Confirm Proof of Position Enclosed ○

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. ☐

[1] During the Class Period, Schein common stock experienced a 2-for-1 stock split on September 15, 2017. In this schedule, Claimants should report numbers of shares purchased, sold, or held and per-share purchase and sale prices based on the share prices and share amounts in effect at the time of those transactions or holding dates (*i.e.*, holdings and transactions before September 15, 2017 should be listed without taking the subsequent stock split into account). The Claims Administrator will make the necessary adjustments.

[2] **Please note**: Information requested about your purchases and acquisitions of Schein common stock from February 13, 2018 through and including the close of trading on May 11, 2018 is needed in order to balance your claim; purchases during this period, however, are not eligible under the Settlement and will not be used for purposes of calculating your Recognized Claim under the Plan of Allocation.

PART IV - RELEASE OF CLAIMS AND SIGNATURE

YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON PAGE 10 OF THIS CLAIM FORM.

1. I (we) hereby acknowledge that, pursuant to the terms set forth in the Settlement Agreement, without further action by anyone, upon the Final Settlement Date, I (we), on behalf of myself (ourselves) and my (our) (the claimant(s)') heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such ("Releasors"), or any person purporting to assert a Released Class Claim on behalf of, for the benefit of, or derivatively for any such Releasors, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Approval Order and Judgment shall have, fully, finally, and forever released, relinquished, settled, and discharged:

   a. all Released Class Claims (as defined in the Notice) against each and every one of the Releasees (as defined in the Notice);

   b. all Claims, damages, and liabilities as to each and every one of the Releasees to the extent that any such Claims, damages, or liabilities relate in any way to any or all acts, omissions, nondisclosures, facts, matters, transactions, occurrences, or oral or written statements or representations in connection with, or directly or indirectly relating to, (*i*) the prosecution, defense, or settlement of the Action, (*ii*) the Settlement Agreement or its implementation, (*iii*) the Settlement terms and their implementation, (*iv*) the provision of notice in connection with the proposed Settlement, and/or (*v*) the resolution of any Claim Forms submitted in connection with the Settlement; and

   c. all Claims against any of the Releasees for attorneys' fees, costs, or disbursements incurred by Plaintiffs' Counsel or any other counsel representing Lead Plaintiff or any other Class Member in connection with or related in any manner to the Action, the settlement of the Action, or the administration of the Action and/or its Settlement, except to the extent otherwise specified in the Settlement Agreement.

2. In addition, the Judgment and Approval Order will provide that:

   a. all Class Members (and their attorneys, accountants, agents, heirs, executors, administrators, trustees, predecessors, Affiliates, representatives, and assigns) who have not validly and timely requested exclusion from the Class – and anyone else purporting to act on behalf of, for the benefit of, or derivatively for any of such persons or entities – are permanently enjoined from filing, commencing, prosecuting, intervening in, participating in (as class members or otherwise), or receiving any benefit or other relief from any other lawsuit, arbitration, or administrative, regulatory, or other proceeding (as well as a motion or complaint in intervention in the Action if the person or entity filing such motion or complaint in intervention purports to be acting as, on behalf of, for the benefit of, or derivatively for any of the above persons or entities) or order, in any jurisdiction or forum, as to the Releasees based on or relating to the Released Class Claims; and

   b. all persons and entities are permanently enjoined from filing, commencing, or prosecuting any other lawsuit as a class action (including by seeking to amend a pending complaint to include class allegations or by seeking class certification in a pending action in any jurisdiction) or other proceeding on behalf of any Class Members as to the Releasees, if such other lawsuit is based on or related to the Released Class Claims.

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) Class Member(s), as defined in the Notice, and is (are) not excluded by definition from the Class as set forth in the Notice;

3. that the claimant(s) did ***not*** submit a request for exclusion from the Class;

4. that I (we) own(ed) the Schein common stock identified in the Claim Form and have not assigned the claim against any of the 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 of Schein 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 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, and 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 (i) the claimant(s) is (are) exempt from backup withholding or (ii) the claimant(s) has (have) not been notified by the IRS that he, she, or it is subject to backup withholding as a result of a failure to report all interest or dividends or (iii) the IRS has notified the claimant(s) that he, she, or it is no longer subject to backup withholding. **If the IRS has notified the claimant(s) that he, she, it, or 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.**

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES OF AMERICA 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

Print claimant name here

Signature of joint claimant, if any Date

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

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 ¶ 9 on page 4 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. Keep the original documents.

3. Do not highlight any portion of the Claim Form or any supporting documents.

4. Keep copies of the completed Claim Form and documentation for your own records.

5. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days after your submission. Your claim is not deemed filed 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 1-888-210-5486.**

6. If your address changes in the future, or if this Claim Form was sent to an old or incorrect address, 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, contact the Claims Administrator at the address below, by email at info@HSICSecuritiesLitigation.com, or by toll-free phone at 1-888-210-5486, or you may visit www.HSICSecuritiesLitigation.com. DO NOT call Schein or its counsel with questions regarding your claim.

THIS CLAIM FORM MUST BE MAILED TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, ***POSTMARKED*** **NO LATER THAN SEPTEMBER 2, 2020,** ADDRESSED AS FOLLOWS:

In re Henry Schein, Inc. Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173098
Milwaukee, WI 53217

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 2, 2020 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.

#1368271

EXHIBIT B

Fashion Firms Embrace Masks

By Julie Wernau

Yael Aflalo dedicated her high-end fashion company Reformation to making masks during the pandemic, to help meet what she thought would be a temporary need.

Instead, she found a popular new accessory for her brand's latest collection: masks in fashionable patterns for sale on Reformation's website for $10. "The darker scenario is, this is going to be around for a long time," Ms. Aflalo said. "We thought, why not make a for-profit mask that's more designed?"

Fashion brands are adding masks to their lineups as people re-emerge from their homes under health officials' instructions to wear face coverings in public.

Many of these companies began making masks for essential workers this spring, as retail demand cratered, to keep their manufacturing workers busy. Now they are adding more luxurious fabrics, logos and embroidery to masks. Some sell for less than $10, while others fetch far more: Givenchy, the luxury label owned by **LVMH** Moët Hennessy SE, is selling a baseball cap with a matching snap-on mask for $590.

A $25 five-pack of masks from athleisure company Outdoor Voices and a $16 three-pack from **Adidas** AG were sold out online recently. **Wolford** AG recently advertised a $35 mask on its website with the slogan "get ready for summer."

Madewell, owned by **J. Crew Group** Inc., is selling "limited edition" masks made from fabric scraps. Rowing Blazers in Manhattan's SoHo neighborhood is making masks to match office wear using leftover suiting fabric from the garment district.

"I think this item is here to stay," said Sarah Mullins, professor of footwear and accessories design at the Fashion Institute of Technology.

Fashion search engine Lyst said searches for face masks are up 510% from the beginning of the year. Lyst said masks have joined luxury handbags and sneakers as one of their hottest products.

One of Lyst's most popular men's products in the first quarter was a $95 mask from Off-White, an Italian luxury label founded by American designer Virgil Abloh. The mask sold out and is now fetching more than its list price on the secondary market.

GAP (2); ROWING BLAZERS; OUTDOOR VOICES; MASKCLUB; MADEWELL; NEON COWBOYS; REFORMATION

From left to right, starting with top row, Gap, Rowing Blazers and Gap. Middle row: Outdoor Voices, MaskClub and Madewell. Bottom row: Neon Cowboys and Reformation.

Love of Tech Firms Fuels Rally

Continued from page B1

trends—from cloud computing to digital payments—that they expect to persist beyond the pandemic.

When stocks tumbled earlier in the year, trading activity by investors through brokerages such as **TD Ameritrade Holding** Corp. and **Charles Schwab** Corp. surged, helping power the recovery.

Much of that trading has been concentrated in the technology sector. If major indexes fall again, many of these investors say they are ready to buy internet shares on the cheap. That gives some market watchers confidence that stocks will recover quickly even if they slide anew.

One recent buyer is Gabriel Daniels, a 38-year-old who lives in Chantilly, Va. He has added about $2,000 worth of investments in recent weeks to his $15,000 portfolio that includes behemoths **Microsoft** Corp., **Facebook** Inc. and smaller tech firms such as **Slack Technologies** Inc. and **Datadog** Inc.

The CEO of a small cybersecurity-consulting firm, Mr. Daniels thinks trends like artificial intelligence, 5G wireless technology and big-data analysis will support these stocks for years to come. "Those are the things of the future," he said. "I wouldn't say I have FOMO—the fear of missing out—but I want to keep my eyes open."

He said he has $5,000 ready to deploy in the sector if markets tumble again.

After this past week's gain, the S&P 500 has risen 43% from its March 19 low and is down just 1.1% for the year. The information-technology sector has climbed 11% in 2020, while the communication-services and consumer-discretionary groups that house some internet shares are also positive for the year. Many popular tech stocks have risen 25% or more this quarter.

STEPHEN VOSS FOR THE WALL STREET JOURNAL

Gabriel Daniels, CEO of a cybersecurity-consulting firm, thinks trends like artificial intelligence, 5G wireless technology and big-data analysis will support these stocks for years to come.

Investors in the coming week will be monitoring the Federal Reserve's latest policy statement and comments from Chairman Jerome Powell to gauge the central bank's views on the economy. Fresh data on jobless claims will be in focus after Friday's jobs report showed the unemployment rate unexpectedly fell last month.

Still, the economic fallout from the pandemic is hurting many companies and driving bleak earnings projections for the months ahead. Some technology firms are part of a narrow group expected to continue growing, making them mainstays for many different types of investors. As individual investors pile into technology, they join hedge funds and other institutional investors also favoring the group.

Many popular stocks for ordinary investors are also common for hedge funds to hold, including Amazon, Microsoft and Facebook, Goldman Sachs Group found in a recent analysis.

"The market is so starved for growth," said Dan Morgan, a senior portfolio manager who focuses on tech at Synovus Trust Co.

After their recent gains, Microsoft, Apple, Amazon, Google parent **Alphabet** Inc. and Facebook make up more than 20% of the S&P 500. Five years ago, the concentration of market value in the index's largest five components was 12%.

Their shares, and those of smaller tech companies like **Zoom Video Communications** Inc. and Canadian e-commerce firm **Shopify** Inc., are popular among traders who frequently buy and sell shares to capitalize on short-term opportunities. Trading activity on TD Ameritrade, Charles Schwab and Interactive Brokers has increased in recent months, as has the number of accounts trading common tech holdings on the app Robinhood.

The number of Robinhood user positions in S&P 500 stocks doubled between mid-March—just before the S&P hit its low point for the year—and mid-May, Goldman found.

Reza Shahsavari started trading stocks and options that allow the holder to buy or sell shares at a certain price by a specific date on Robinhood late last year. The 38-year-old manager of a medical practice in Southern California has a roughly $4,500 portfolio and frequently trades technology companies like **Netflix** Inc. and **Nvidia** Corp. He has had much more time to trade lately with the pandemic keeping him at home.

"It's become an addiction to where I want to wake up and look at the stock market in the morning," Mr. Shahsavari said.

Even for investors holding the stocks, the big moves up and down are unsettling. Joshua Nash sold roughly half of his $300,000 portfolio of mostly tech stocks to raise cash back in March as stocks tumbled. The 38-year-old technology consultant living in Victoria, British Columbia, has since bought more shares and now has roughly 25% of his portfolio in cash.

Some of his main holdings are Shopify, cloud-computing firm **Twilio** Inc., electric-car maker **Tesla** Inc. and digital-payments firm **Square** Inc.

Mr. Nash regrets unloading so many shares during the sell-off and is shocked by how quickly many of these stocks have risen. He is waiting for a future downturn to buy more shares, wagering that long-term drivers of the rally will persist. "They've just gone through the roof," he said.

EXHIBIT C

Exchange Traded Funds continued from previous page

YTD% Chg	RS	Acc Dis	52-wk High	Fund	Symbol	Div Yld	Close Price	Chg	Vol% Chg
-12.4	35	C	62.1	Inv S&P500 LowVol	SPLV	2.6	51.10	0.71	-22
-16.4	33	D-	35.2	Pacr TrendPilot US LC	PTLC	1.3	27.97	0.68	-16
-17.8	28	B	55.6	Inv S&P MC Low Vol	XMLV	3.0	44.24	0.86	8
-6.8	28	C	71.9	ProS Short Dow 30	DOG	1.4	45.97	-1.47	25
-21.2	28	C+	40.0	SPDR S&P500 High Div	SPYD	5.8	31.10	1.07	83
-5.0	26	D+	59.2	ProS Short Russ 2000	RWM	1.5	35.04	-1.41	61
-8.9	25	E	33.2	ProS Short S&P 500	SH	1.6	21.87	-0.56	19
-19.5	15	B-	30.9	ProS Short QQQ	PSQ	1.9	19.76	-0.39	22
-16.4	12	D-	8.0	AdvShr Ranger Eq Bear	HDGE	0.2	4.48	-0.21	43

Leveraged

YTD% Chg	RS	Acc Dis	52-wk High	Fund	Symbol	Div Yld	Close Price	Chg	Vol% Chg
14.0	91	C-	151.0	ProS Ultra QQQ	QLD	0.1	139.00	5.24	-19
3.9	90	E	118.8	ProS UltPro QQQ	TQQQ	0.1	89.89	5.03	-27
-11.3	67	E	166.5	ProS Ultra S&P 500	SSO	0.5	133.77	6.58	-25
-19.2	40	B-	59.6	ProS Ultra Dow 30	DDM	0.8	44.91	2.66	59
-29.2	34	C-	76.3	DX LC Bull 3X Shrs	SPXL	1.2	46.77	3.34	-23
-39.6	16	D+	137.4	ProS UltPro Dow30	UDOW	0.8	74.91	6.30	-1
-22.5	9	C	44.5	ProS UltSht Dow 30	DXD	1.9	17.47	-1.17	57
-21.5	8	D+	30.1	ProS UltSht Russ 2000	TWM	1.7	9.84	-0.82	53
-41.4	4	C-	37.8	ProS UltSht QQQ	QID	3.9	13.77	-0.58	28
-44.1	3	D-	28.9	DX Bear 3X Shrs	SPXS	2.4	7.41	-0.63	-1
-42.7	3	E	95.9	ProS UltP Shrt Dow 30	SDOW	3.3	21.83	-2.25	46
-44.0	3	D-	43.7	ProS UltPro Sht SP500	SPXU	3.4	11.21	-0.93	6
-43.2	2	E	118.7	DX SC Bear 3X Shrs	TZA	2.5	19.94	-2.61	136
-43.6	2	E	60.3	ProS UltP Shrt R 2000	SRTY	3.2	10.13	-1.33	95
-61.4	1	D	46.4	ProS UltPro Shrt QQQ	SQQQ	6.9	8.64	-0.54	5

Sector/Industry

YTD% Chg	RS	Acc Dis	52-wk High	Fund	Symbol	Div Yld	Close Price	Chg	Vol% Chg
8.4	89	B-	269.4	IS Phlx Sox Smcdct	SOXX	1.2	272.21	6.51	-31
17.5	89	D-	56.7	KS CSI China Internet	KWEB	0.1	57.22	1.37	-65
8.0	88	C	152.6	VV Semicndctr	SMH	1.4	152.70	3.52	-3
9.8	87	B	23.9	GX Robo & Artfl Itel	BOTZ	0.7	24.01	0.40	77
15.4	87	C+	271.7	IS Expnd Tech Softwr	IGV	0.5	268.87	3.96	87
10.6	87	E	102.9	SPDR Technology	XLK	1.2	101.41	2.60	-25
10.3	86	B	81.0	Fidelity MSCI Info Tech	FTEC	1.1	79.93	1.91	-1
8.2	86	B-	108.0	SPDR S&P Biotech	XBI	0.0	102.91	0.83	-17
10.4	86	D-	273.7	VG Info Tech	VGT	1.1	270.43	6.38	-29
10.9	86	C	37.5	VV Gold Miners	GDX	0.6	32.46	-0.65	33
5.0	86	A-	50.4	VV Jr Gold Mine	GDXJ	0.4	44.38	-0.90	-8
9.0	85	B	136.2	IS Nasdaq Biotech	IBB	0.2	131.35	-0.09	74
3.5	79	B-	57.8	Comm Srv SelSec SPDR	XLC	0.8	55.51	0.89	-26
4.6	79	B	132.7	SPDR Cnsmr Discrtnry	XLY	1.3	131.25	3.07	20
7.1	77	C+	14.3	IS Glbl Clean Energy	ICLN	1.3	12.59	0.22	11
4.0	76	B+	50.5	IS DJ US Home Const	ITB	0.5	46.19	1.91	57
0.6	76	B-	75.7	IS ESG MSCI USA ETF	ESGU	1.3	71.77	1.66	-4
1.3	76	B	105.1	SPDR Health Care	XLV	1.5	103.21	1.64	17
-3.6	76	B+	46.6	SPDR S&P Retail	XRT	1.7	44.35	1.03	-37
-2.6	73	B-	61.9	SPDR Materials	XLB	2.1	59.83	1.49	-19
0.2	73	B-	49.4	SPDR S&P Homebldrs	XHB	0.9	45.60	1.62	-3
-12.1	53	B-	33.8	Flx Glb Upstr NatRes	GUNR	3.6	29.48	0.92	-10
-4.1	52	C-	64.8	SPDR Consmr Stpls	XLP	2.6	60.42	0.83	-15
-8.2	52	B+	85.3	SPDR Industrial	XLI	2.1	74.79	2.65	43
-4.2	48	B+	42.0	Real Est SelSec SPDR	XLRE	3.2	37.05	1.31	-35
-14.7	47	A-	31.4	SPDR Financial	XLF	2.2	26.24	0.94	87
-21.5	45	B-	29.8	SPDR S&P Metal&Mng	XME	2.8	22.99	0.86	55
-5.3	45	C	71.1	Util Sel Sec SDPR	XLU	3.2	61.19	0.77	18
-15.4	45	C+	78.0	VG Financials	VFH	2.6	64.55	2.41	3
-14.0	43	D	34.6	FirstTr Fin AlphaDEX	FXO	2.5	28.82	1.38	-67
-9.1	38	B	100.8	IS DJ US Real Est	IYR	3.3	84.59	2.97	25
-8.7	38	D	99.7	VG REIT	VNQ	3.7	84.69	3.09	-26
-12.0	37	B-	26.5	FirstTr NAm EngyInf	EMLP	4.4	22.43	0.51	-33
-22.5	36	A-	48.2	SPDR KBW Bank	KBE	2.9	36.66	1.97	153
-23.5	36	A-	59.4	SPDR KBW Regnl Bnk	KRE	3.1	44.55	2.44	84
-32.8	36	C+	111.9	SPDR S&P O&G Expl	XOP	0.6	63.72	6.72	45
-20.1	34	B+	19.8	IS MSCI Europe Fncl	EUFN	5.7	15.57	0.57	0
-15.8	33	B-	59.7	VG Glbl X-US Real Est	VNQI	9.0	49.74	1.39	-50
-26.5	31	B-	86.5	VG Energy	VDE	4.6	59.87	4.34	-17
-21.7	29	B-	40.2	GX MLP & Eng Infra	MLPX	7.6	28.84	1.38	17
-14.1	29	C+	48.6	Schwab US REIT	SCHH	3.3	39.50	1.82	-22
-25.3	29	C+	64.7	SPDR Energy	XLE	5.1	44.84	3.10	39
-26.5	28	B	17.5	Fidelity MSCI Energy	FENY	8.5	11.76	0.85	95
-24.9	28	B-	25.9	JPMorgan Alerian ETN	AMJ	10.6	16.38	0.78	-50
-24.3	28	C	22.1	UBS Etrc Alrn MLP Infr	MLPI	11.2	14.04	0.68	-10
-26.3	27	C+	35.0	IS DJ US Energy Idx	IYE	4.6	23.67	1.67	37
-17.3	25	D+	28.9	IS Global REIT	REET	6.3	22.83	0.89	-55
-25.4	24	C-	32.9	IS S&P Glb Energy	IXC	5.3	23.00	1.37	-44
-29.0	22	B	55.0	GX MLP	MLPA	12.8	33.56	1.62	-14
-28.4	21	B-	50.9	Alerian MLP	AMLP	2.4	30.44	1.50	-56
-19.2	21	B-	41.3	SPDR DJ Wil Intl RE	RWX	11.2	31.36	0.61	-40
-18.0	19	B+	33.2	ETFMG Alt Harvest	MJ	6.3	14.04	0.04	6
-41.8	17	B+	305.4	VV Oil Service	OIH	0.2	154.35	17.64	106
-36.2	16	A	32.4	US Global Jets	JETS	1.9	20.09	0.92	468
-40.1	7	B+	48.4	IS Mort RE Cap	REM	14.1	26.69	0.83	107
-43.2	6	B+	15.8	GX SuperDiv REIT	SRET	12.5	8.73	0.37	54

Leveraged

YTD% Chg	RS	Acc Dis	52-wk High	Fund	Symbol	Div Yld	Close Price	Chg	Vol% Chg
-10.9	84	D+	335.5	DX Tech Bull 3X	TECL	0.2	215.48	15.48	-10
-29.4	77	E	331.0	DX Semicon Bull 3X	SOXL	0.4	194.01	13.17	-39
-17.6	73	C+	64.3	DX SP Biotch Bul 3X	LABU	0.3	47.37	1.17	-14
-55.2	6	A-	108.1	DX Finl Bull 3X	FAS	1.3	42.37	4.13	35
-47.4	2	E	77.6	DX Finl Bear 3X	FAZ	2.4	14.59	-1.78	54
-64.4	2	D+	225.5	DX Gld Mnr Bull 2X	NUGT	0.3	61.99	-2.47	29
-87.8	1	B-	209.2	DX Energy Bull 3X	ERX	1.3	21.43	2.77	71
-76.6	1	D-	446.7	DX GldMnrs Bear 3X	DUST	0.3	32.88	1.42	36
-90.9	1	E	1089.0	DX JrGldMnrs Br 3X	JDST	0.8	22.28	0.97	6
-89.2	1	C-	1052.4	DX JrGldMnrs Bul 3X	JNUG	0.2	90.44	-3.89	4
-74.1	1	E	74.3	DX Semicon Bear 3X	SOXS	6.8	5.47	-0.47	2
-96.4	1	B	3040.0	DX SP OilGs Exp Bul3X	GUSH	1.1	53.25	10.10	29
-66.8	1	E	170.5	Dx Tech Bear 3X	TECS	0.5	23.75	-2.12	71
-74.2	1	C-	32.2	MicroS FANG 3XInv	FNGD	..	2.85	-0.23	6
-61.5	1	D-	28.8	SPDR Biotech Bear 3X	LABD	4.4	4.75	-0.12	49

Global

YTD% Chg	RS	Acc Dis	52-wk High	Fund	Symbol	Div Yld	Close Price	Chg	Vol% Chg
1.0	76	C	67.8	IS MCSI China	MCHI	1.4	64.70	1.09	25
-3.3	74	B+	41.8	IS MSCI Taiwan	EWT	2.6	39.78	1.04	11
-3.6	73	B+	64.2	IS MSCI South Korea	EWY	2.2	59.97	2.50	26
-3.3	69	A-	30.0	IS MSCI Germany	EWG	2.6	28.44	0.53	139
-3.7	69	B	60.8	IS MSCI Japan	EWJ	2.1	57.06	0.81	5
-6.3	69	B	56.2	WT Jpn Hedged	DXJ	2.6	50.37	1.22	31
-3.6	68	E	25.6	JPM BetaBldrs Japan	BBJP	2.4	23.66	0.34	1352
-3.5	67	B	81.8	IS MSCI ACWI	ACWI	2.0	76.45	1.71	-18
-4.4	67	C+	83.2	VG Total World Stock	VT	2.3	77.46	1.82	19
-4.9	65	C-	45.3	IS FTSE China 25	FXI	2.9	41.48	0.91	-28
-5.0	65	A-	76.4	IS MSCI Asia Ex Jpn	AAXJ	1.9	69.85	1.72	266
-5.0	65	D+	71.1	VG MSCI Pacifc	VPL	2.8	66.07	1.43	15
-3.2	64	B+	42.3	IS MSCI Switzerland	EWL	1.9	39.32	-0.05	37
-3.5	62	C+	30.9	Dxt CSI 300	ASHR	1.0	28.60	0.54	-14
-6.5	59	B-	34.8	Dxt MSCI EAFE Hedg	DBEF	3.2	31.59	0.57	-34
-4.4	58	B+	30.3	IS MSCI Malaysia	EWM	3.0	27.25	0.31	74
-8.1	56	E	66.1	IS Core MSCI EAFE	IEFA	3.5	59.96	1.01	48
-6.6	56	D+	31.4	IS Curr Hdg MSCI EAFE	HEFA	3.4	28.50	0.53	-14
-9.2	56	B-	62.9	IS MSCI Eafe Sml Cp	SCZ	3.9	56.54	0.86	-28
-7.7	56	C+	34.1	Schwab Intl Equity	SCHF	3.2	31.03	0.59	-43
-7.8	56	C+	31.8	SPDR Devl Wrld x-US	SPDW	3.4	28.91	0.52	-31
-8.4	56	C+	54.8	VG FTSE Wrld X-US	VEU	3.2	49.26	0.99	-9
-8.4	56	E	44.7	VG MSCI Eafe	VEA	3.2	40.37	0.78	42
-8.1	55	C-	70.4	IS MSCI Eafe Idx	EFA	3.4	63.82	1.08	-13
-8.8	55	B-	46.3	IS MSCI Emrg Mkts	EEM	2.4	40.92	1.05	4
-8.7	55	B+	42.4	IS MSCI Emu Indx	EZU	3.1	38.29	0.76	74
-8.8	55	B+	41.3	SPDR Euro Stoxx 50	FEZ	2.9	37.19	1.07	56
-9.3	54	B	37.1	IS ESG MSCI EM	ESGE	2.2	32.58	0.82	23
-9.8	54	B-	25.9	JPM BetaBldrs Europe	BBEU	3.7	23.07	0.39	1216
-9.2	53	D+	55.5	IS Core MSCI EM	IEMG	2.8	48.84	1.24	-14
-9.5	53	B-	50.3	IS Core MSCI Europe	IEUR	3.6	45.11	0.78	92
-8.4	53	B	63.0	IS Core MSCI Ttl Intl Stk	IXUS	3.2	56.69	1.17	-45
-8.6	53	B	50.0	IS MSCI ACWI Ex US	ACWX	3.3	44.92	0.83	-39
-9.6	53	C-	28.2	Schwab Emerg Mkt	SCHE	3.6	24.74	0.58	-20
-9.5	53	B	38.7	SPDR Emrg Mkt	SPEM	3.2	34.02	0.83	-33
-8.7	53	B-	56.7	VG Total Intl Stk	VXUS	3.2	50.83	0.97	-5
-9.4	52	B-	45.9	VG MSCI Em Mkt	VWO	3.5	40.27	0.91	-18
-10.0	52	D	59.1	VG MSCI Europn	VGK	3.5	52.73	0.93	40
-11.0	50	B-	34.9	Schwab Intl SmCp	SCHC	3.6	30.83	0.55	140
-8.0	48	C	59.7	IS MSCI EM Min Vol	EEMV	2.9	53.94	0.84	-37
-10.8	48	B	34.6	IS MSCI Saudia Arab	KSA	2.4	27.58	0.54	-20
-6.9	48	A	35.2	VV Emrg Mkt Bnd	EMLC	6.1	31.66	0.12	-59
-14.2	48	C	26.6	VV Russia	RSX	6.6	21.42	0.40	26
-11.7	47	B+	33.0	IS MSCI France	EWQ	2.8	28.87	0.75	-35
-10.8	46	B	29.7	Hrtfrd MltiFctr Dev Mkt	RODM	3.1	26.19	0.50	-27
-12.6	46	D	29.2	Schwab Fndmtl Intl LC	FNDF	3.6	25.28	0.71	-43
-10.2	45	D	23.5	IS MSCI Australia	EWA	4.4	20.32	0.54	51
-9.9	45	B-	30.8	IS MSCI Canada	EWC	2.4	26.94	0.64	31
-8.3	43	C	75.9	IS MSCI EAFE Min Vol	EFAV	4.6	68.32	0.43	-15
-9.2	42	D+	26.6	IS MSCI Hong Kong	EWH	2.9	22.09	0.70	-13
-10.1	42	C+	48.1	IS MSCI Pac Ex-Japn	EPP	4.3	41.63	1.11	-27
-14.1	40	B+	51.0	IS MSCI EAFE Value	EFV	5.4	42.89	1.23	104
-15.0	38	B	30.4	IS MSCI Italy	EWI	4.5	25.08	0.45	50
-12.6	37	B+	23.9	Innovator IBD ETF Ldrs	LDRS	1.4	19.69	0.00	-100
-17.9	37	B-	30.4	Schwab EM LC	FNDE	4.2	24.51	0.66	-29
-18.0	36	C-	22.8	Inv FTSE RAFI EM	PXH	4.0	18.29	0.54	-44
-18.2	34	D+	34.3	IS MSCI Untd Kingdm	EWU	5.0	27.88	0.61	-11
-18.5	33	B+	34.1	IS DJ Intl Selct Divnd	IDV	8.0	27.36	0.56	17
-16.8	33	A-	36.3	IS MSCI India	INDA	1.2	29.23	0.69	-12
-16.0	32	A-	25.1	IS MSCI Singapore	EWS	5.6	20.27	0.53	31
-16.6	30	D+	29.6	IS MSCI Spain	EWP	4.4	24.11	0.64	-33
-20.1	28	B+	26.6	WT India Earn	EPI	0.9	19.88	0.43	-44
-31.0	26	B+	30.9	GX FTSE Greece 20	GREK	1.0	20.96	0.63	124
-21.7	24	B+	55.8	IS MSCI So Africa	EZA	5.3	38.42	1.64	185
-21.7	23	A-	48.2	IS MSCI Mexico	EWW	3.7	35.24	1.54	48
-24.0	22	B+	26.7	IS MSCI Indonesia	EIDO	2.3	19.51	0.49	74
-28.8	21	A-	35.3	IS S&P Latin Am 40	ILF	4.3	24.20	1.05	72
-33.6	18	B	48.5	IS MSCI Brazil	EWZ	3.8	31.50	1.17	50
-32.3	15	A	18.1	Global X SuprDiv	SDIV	11.2	11.97	0.50	128

Leveraged

YTD% Chg	RS	Acc Dis	52-wk High	Fund	Symbol	Div Yld	Close Price	Chg	Vol% Chg
-33.4	26	B-	24.6	DX FTSE China Bul 3X	YINN	1.8	14.73	0.84	67
-22.4	6	D+	70.4	DX FTSE China Bear 3X	YANG	1.9	30.26	-2.23	34
-24.2	5	B-	77.6	DX MSCI EM Bear3X	EDZ	1.9	25.46	-2.14	40
-93.4	1	B-	1444.8	DX Brazil Bull 3X	BRZU	0.4	88.98	6.28	81

Bond/Income

YTD% Chg	RS	Acc Dis	52-wk High	Fund	Symbol	Div Yld	Close Price	Chg	Vol% Chg
6.9	78	B	60.5	SPDR Brcly Conv Sec	CWB	2.9	59.35	1.10	25
15.2	71	D-	179.7	IS Brcly 20+ Yr Trsy	TLT	1.8	156.11	-1.12	75
15.2	71	D	51.3	SPDR LT Treasury	SPTL	2.0	44.77	-0.33	31
8.7	69	D	123.4	IS Brcly 7-10 Yr Trs	IEF	1.6	119.77	-0.60	178
5.9	68	B-	59.3	Schwab Intrm US Treas	SCHR	2.0	58.18	-0.20	99
5.4	67	D+	133.7	IS Brcly 3-7 Yr Trsy	IEI	1.6	132.55	-0.32	-25
6.2	67	D	33.3	SPDR Portf Int Term	SPTI	2.0	32.86	-0.11	-26
5.3	67	C+	92.9	VG Intrmed-Term Bd	BIV	2.5	91.84	-0.14	49
6.0	67	C+	70.8	VG Intrmed-Trm Treas	VGIT	1.9	69.86	-0.21	-38
4.0	65	D	119.3	IS Brcly Agg Bd Fd	AGG	2.5	116.90	0.07	-23
6.3	65	D-	28.5	IS Core US Trsy	GOVT	1.7	27.57	-0.09	80
3.4	65	A-	134.5	IS Iboxx $ Invgrdcp	LQD	3.1	132.26	0.68	46
4.0	65	C	56.7	Schwab US Aggr Bnd	SCHZ	2.6	55.59	0.03	2
4.1	65	D	59.9	Schwab US TIPS	SCHP	1.9	58.97	0.05	66
3.9	65	B+	31.4	SPDR Agg Bond	SPAB	2.7	30.53	0.02	-37
7.4	65	C	117.6	VG Long-Term Bond	BLV	3.1	107.80	-0.02	-37
2.5	65	C	54.7	VG Mrtg Backed Sec	VMBS	2.4	54.49	-0.07	-49
1.9	62	B-	23.8	Inv Bullet 2022 Crp Bnd	BSCM	2.6	21.91	0.06	-1
1.5	62	B	55.0	IS Brcly 1-3 Yr Cr	IGSB	2.8	54.44	0.19	-9
2.4	62	A-	60.4	IS Brcly Intmd CrpBnd	IGIB	3.2	59.38	0.16	4
1.9	62	B-	51.4	IS Core 1-5 Yr USD Bnd	ISTB	2.5	51.38	-0.01	11
2.1	62	B	52.0	Schwab ST US Treas	SCHO	1.9	51.54	-0.02	13
1.3	62	B-	31.3	SPDR Brcly St Crd Bnd	SPSB	2.5	31.23	0.03	-38
2.3	62	A+	36.4	SPDR Intrm Crp Bond	SPIB	2.7	36.11	0.04	8
1.4	62	C+	50.0	SPDR Nuv Brcly ST Bn	SHM	1.3	49.82	-0.04	6
2.6	62	B	32.7	SPDR Port LT Corp Bnd	SPLB	3.5	30.89	0.25	27
3.5	62	B	30.4	SPDR Portfolio TIPS	SPIP	2.7	29.56	-0.01	-18
2.3	62	A-	31.4	SPDR Short Trm Treas	SPTS	1.7	30.66	-0.01	-50
2.6	62	A-	95.2	VG Intmd Corp Bond	VCIT	3.1	93.73	0.11	39
2.7	62	D-	83.0	VG Short-Term Bond	BSV	2.1	82.75	-0.07	-24
1.4	62	A-	83.5	VG Shrt Trm Corp Bond	VCSH	2.8	82.14	0.12	52
2.1	62	C	62.5	VG ST Treasury	VGSH	1.9	62.10	-0.03	-5
2.2	61	C-	86.8	IS Brcly 1-3 Yr Trsy	SHY	1.7	86.50	-0.03	-12
3.6	61	D-	123.2	IS Brcly TIPS	TIP	2.2	120.81	-0.01	-33
1.9	61	B	61.0	IS Brd USD InvGrd Crp	USIG	3.2	59.39	0.22	-8
0.3	60	D	101.0	GS Access Treas 0-1 Yr	GBIL	1.7	100.49	0.01	18
0.4	60	E	50.6	IS Ultra S-T Bond	ICSH	2.2	50.51	0.01	128
0.0	59	D+	21.4	Inv Bullet 2020 Crp Bnd	BSCK	2.4	21.29	-0.02	-13
0.2	59	E	113.0	IS Brcly Shrt Trsy	SHV	1.8	110.71	0.00	57
0.1	59	E	96.0	SPDR Brcly 1-3MoTbill	BIL	1.6	91.52	-0.02	18
1.9	59	A-	52.6	SPDR NV Brcly Muni	TFI	2.1	51.52	-0.08	-65
2.4	59	B	110.0	VG LngTrm Corp Bond	VCLT	3.7	103.80	0.66	1
1.3	59	B	50.0	VG Shrt Trm Infl-Protc	VTIP	1.9	49.92	0.07	-11
0.2	59	A-	25.1	WT Flt Rate Treas	USFR	1.5	25.11	0.01	-56
-0.2	57	C-	53.0	FrstTr Low Dur Opps	LMBS	2.4	51.72	0.05	-4
0.4	57	C	55.4	VG Tax-Exmpt Bond	VTEB	2.2	53.73	-0.06	-1
-0.4	56	C-	72.3	FrstTr Enh Shrt Matur	FTSM	2.1	59.84	-0.03	10
0.0	56	C+	50.5	Inv UltraShort Dur	GSY	2.4	50.37	0.02	43
-1.0	56	C-	51.1	IS Fltng Rate Bond	FLOT	2.4	50.39	0.06	-53
0.5	56	B-	118.2	IS S&P Natl Muni	MUB	2.3	114.43	-0.12	20
-1.1	56	B	30.8	SPDR BB InvGrd Flt Rt	FLRN	2.3	30.39	0.05	-35
-2.5	56	B+	30.5	VV Fall Angel HY Bnd	ANGL	5.2	29.10	0.49	-9
-1.0	54	D	50.4	IS Shrt Matr Bond	NEAR	2.4	49.74	0.05	100
-3.2	53	A-	19.1	Inv Financial Prfd	PGF	5.1	18.26	0.04	14
-3.4	53	C+	19.3	Inv High Yld Corp	PHB	4.1	18.60	0.23	-9
-0.4	53	C+	27.6	Inv Natl AMT-Free Muni	PZA	2.7	26.36	-0.01	-35
-3.5	53	C	15.3	Inv Preferred	PGX	5.3	14.48	0.01	-20
-4.0	53	B+	88.5	IS Iboxx Hi Yd C Bd	HYG	5.1	84.46	0.79	9
1.0	53	D	59.3	VG Totl Intl Bond	BNDX	3.3	57.13	0.06	8
-4.2	51	B+	50.7	Dxt USD HY Corp Bnd	HYLB	5.8	48.27	0.45	-35
-4.6	51	B+	41.5	IS Broad USD HY Crp	USHY	5.8	39.20	0.36	6
-4.6	50	C+	22.9	Inv Senior Loan	BKLN	4.7	21.76	0.12	2
-4.5	50	B+	110.3	SPDR Brcly HiYld Bnd	JNK	5.6	104.61	1.07	-18
-5.3	48	C+	38.3	IS S&P US Pfd Stk	PFF	5.5	35.61	0.31	-2
-4.5	48	A-	27.3	SPDR Brcly St HY Bnd	SJNK	5.8	25.72	0.28	51
-5.6	48	B	46.9	SPDR BlkStn GSO Snr Ln	SRLN	5.3	43.95	0.39	-47
-6.2	46	B	20.5	FrstTr Pref Sec & Inc	FPE	5.5	18.83	0.17	-44
-5.6	46	C+	47.5	IS 0-5 Yr HY Corp Bnd	SHYG	5.5	43.83	0.37	65
-5.3	45	A	117.2	IS JPM USD Emg Mkts	EMB	4.5	108.46	0.88	-14
-11.8	39	B-	24.2	GX Nasd 100 CovCall	QYLD	11.2	20.82	0.01	15
-17.0	36	C-	20.9	ProS Short 20+ Yr Trs	TBF	1.8	16.27	0.11	71
-8.1	36	A	66.3	VV High-Yield Muni	HYD	4.4	58.84	0.58	-1
-10.2	34	B+	30.3	Inv Emrg Mkt Sovgn	PCY	5.3	26.55	0.30	2

Leveraged

YTD% Chg	RS	Acc Dis	52-wk High	Fund	Symbol	Div Yld	Close Price	Chg	Vol% Chg
36.6	71	C+	58.3	DX 20+ Treas Bull 3X	TMF	0.8	35.29	-0.80	136
-33.6	21	B-	30.2	ProS UltSht 20+ Yr	TBT	2.8	17.61	0.25	129
-48.9	12	D+	144.7	DX 20+ Treas Bear 3X	TMV	0.3	60.35	1.22	90

Commodity/Currency

YTD% Chg	RS	Acc Dis	52-wk High	Fund	Symbol	Div Yld	Close Price	Chg	Vol% Chg
-8.9	87	A-	12.7	ETFMG Pri Jr Silv Mnr	SILJ	1.6	11.33	-0.31	54
92.9	86	C+	78.8	IP B SP500 VIX ST ETN	VXX	..	29.17	-1.67	14
92.4	86	B-	64.6	ProS VIX ST Futures	VIXY	..	23.92	-1.36	-9
10.6	79	D	17.5	SPDR Gold MiniShares	GLDM	..	16.75	-0.36	-37
10.6	78	C+	16.9	Aberdeen Stan Gold	SGOL	..	16.17	-0.35	0
10.8	78	D+	16.8	IS Gold Trust	IAU	..	16.06	-0.33	68
-2.9	67	B+	18.4	IS Silver Trust	SLV	..	16.20	-0.34	7
-24.1	65	A-	14.8	FirstTr Natural Gas	FCG	3.6	9.15	0.98	48
0.9	56	E	28.9	Inv DB US$ Bullish	UUP	1.0	26.21	0.05	120
-22.0	27	C-	16.9	Inv Optm Yld Dvrs Com	PDBC	1.8	12.91	0.22	-62
-22.8	26	C	16.3	Inv DB Commdty Idx	DBC	2.0	12.32	0.24	32
-33.8	18	A-	11.1	Inv DB Oil	DBO	2.4	7.06	0.25	2
-44.1	12	C-	69.8	ProS Short VIX ST Fut	SVXY	..	36.48	0.94	-4
-34.0	9	D-	23.4	United States NatGas	UNG	..	11.12	-0.14	26
-47.2	8	B	22.0	US Brent Oil	BNO	..	11.01	0.62	-17

Leveraged

YTD% Chg	RS	Acc Dis	52-wk High	Fund	Symbol	Div Yld	Close Price	Chg	Vol% Chg
63.8	96	E	425.2	VS 3X Invr NatGas ETN	DGAZ	..	299.65	10.31	-20
113.7	70	D	135.0	ProS Ult VIX ShrtTrm	UVXY	..	27.55	-2.43	5
54.7	62	D+	67.3	ProS UltSht Crude Oil	SCO	..	18.79	-2.12	-44
111.4	23	D+	1000.0	VS 2X VIX ShrtTrm ETN	TVIX	..	108.50	-13.22	49
-81.1	1	E	239.8	VS 3X Lng NatGas ETN	UGAZ	..	13.75	-0.60	89

ETF abbreviations: Bldrs=Builders; Brcly=Barclays; DB=Deutsche Bank; DX=Direxion; Dxt=Deutsche X-trackers; FrstTr=First Trust; GS=Goldman Sachs; GX=Global X; HT=Holdrs Trust; Inv=Invesco; IP=iPath; IS=iShares; KS=KraneShares; Nv=Nuveen; ProS=ProShares; RX=Rydex; VG=Vanguard; VS=VelocityShares; VV=VanEck Vectors; WT=WisdomTree

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE HENRY SCHEIN, INC. SECURITIES LITIGATION	Master File No. 1:18-cv-01428-MKB-VMS CLASS ACTION

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

TO: All persons and entities who purchased or otherwise acquired the common stock of Henry Schein, Inc. ("Schein") during the period from March 7, 2013 through February 12, 2018, inclusive (the "Class Period"), and were damaged thereby (the "Class").[1]

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 Eastern District of New York (the "Court"), that the above-captioned securities class action (the "Action") is pending in the Court.

YOU ARE ALSO NOTIFIED that Lead Plaintiff in the Action, City of Miami General Employees' & Sanitation Employees' Retirement Trust, has reached a proposed settlement of the Action for $35,000,000 in cash (the "Settlement"), which, if approved, will resolve all claims in the Action.

A hearing will be held on **September 16, 2020 at 11:00 a.m.**, before the Honorable Margo K. Brodie, either in-person at the United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, NY 11201, Courtroom 6F, or by telephone, to determine (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether, for purposes of the proposed Settlement only, the Action should be certified as a class action on behalf of the Class, Lead Plaintiff should be certified as Class Representative for the Class, and Lead Counsel should be appointed as class counsel for the Class; (iii) whether the Action should be dismissed with prejudice against Defendants and whether the releases specified and described in the Settlement Agreement dated April 30, 2020 (and in the Notice) should be granted; (iv) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (v) whether Lead Counsel's motion for an award of attorneys' fees and expenses and Lead Plaintiff's motion for costs and expenses should be approved. If the hearing is held by telephone, information on how to participate will be posted at www.HSICSecuritiesLitigation.com.

If you are a member of the Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to a payment from the Settlement. If you have not yet received the Notice and Claim Form, you may obtain copies of them by contacting the Claims Administrator at *In re Henry Schein, Inc. Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173098, Milwaukee, WI 53217; 1-888-210-5486; or info@HSICSecuritiesLitigation.com. Copies of the Notice and Claim Form can also be downloaded from the Settlement website, www.HSICSecuritiesLitigation.com.

If you are a member of the Class, you must submit a Claim Form ***postmarked*** **no later than September 2, 2020** in order to be eligible to receive a payment from the Settlement. If you are a Class Member and do not submit a proper Claim Form, you will not be eligible to receive a payment from the Settlement, but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Class and wish to exclude yourself from the Class, you must submit a request for exclusion that is ***received*** **no later than August 26, 2020**, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Class, you will not be bound by any judgments or orders entered by the Court in the Action, and you will not be eligible to receive a payment from 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, even if you have pending or later file another lawsuit or other proceeding against the Releasees related to the claims covered by the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, 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 August 26, 2020**, in accordance with the instructions set forth in the Notice.

Please do not contact the Court, the Clerk's office, Defendants, or their counsel regarding this notice. All questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to the Claims Administrator or Lead Counsel.

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

In re Henry Schein, Inc. Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173098
Milwaukee, WI 53217
1 888-210-5486
www.HSICSecuritiesLitigation.com

Inquiries, other than requests for the Notice and Claim Form, should be made to Lead Counsel:

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP
James A. Harrod, Esq.
1251 Avenue of the Americas, 44th Floor
New York, NY 10020
(800) 380-8496
settlements@blbglaw.com

By Order of the Court

[1] Certain persons and entities are excluded from the Class by definition as set forth in the full Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice"), available at www.HSICSecuritiesLitigation.com.

EXHIBIT D

Bernstein Litowitz Berger & Grossmann LLP Announces a Proposed Settlement in the Henry Schein, Inc. Securities Litigation

NEWS PROVIDED BY
Bernstein Litowitz Berger & Grossmann LLP →
Jul 14, 2020, 11:15 ET

NEW YORK, July 14, 2020 /PRNewswire/ --

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE HENRY SCHEIN, INC. SECURITIES LITIGATION	Master File No. 1:18-cv-01428-MKB-VMS CLASS ACTION

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

TO: All persons and entities who purchased or otherwise acquired the common stock of Henry Schein, Inc. ("Schein") during the period from March 7, 2013 through February 12, 2018, inclusive (the "Class Period"), and were damaged thereby (the "Class").[1]

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 Eastern District of New York (the "Court"), that the above-captioned securities class action (the "Action") is pending in the Court.

YOU ARE ALSO NOTIFIED that Lead Plaintiff in the Action, City of Miami General Employees' & Sanitation Employees' Retirement Trust, has reached a proposed settlement of the Action for $35,000,000 in cash (the "Settlement"), which, if approved, will resolve all claims in the Action.

A hearing will be held on **September 16, 2020 at 11:00 a.m.**, before the Honorable Margo K. Brodie, either in-person at the United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, NY 11201, Courtroom 6F, or by telephone, to determine (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether, for purposes of the proposed Settlement only, the Action should be certified as a class action on behalf of the Class, Lead Plaintiff should be certified as Class Representative for the Class, and Lead Counsel should be appointed as class counsel for the Class; (iii) whether the Action should be dismissed with prejudice against Defendants and whether the releases specified and described in the Settlement Agreement dated April 30, 2020 (and in the Notice) should be granted; (iv) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (v) whether Lead Counsel's motion for an award of attorneys' fees and expenses and Lead Plaintiff's motion for costs and expenses should be approved. If the hearing is held by telephone, information on how to participate will be posted at www.HSICSecuritiesLitigation.com.

If you are a member of the Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to a payment from the Settlement. If you have not yet received the Notice and Claim Form, you may obtain copies of them by contacting the Claims Administrator at *In re Henry Schein, Inc. Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173098, Milwaukee, WI 53217; 1-888-210-5486; or info@HSICSecuritiesLitigation.com. Copies of the Notice and Claim Form can also be downloaded from the Settlement website, http:///www.HSICSecuritiesLitigation.com.

If you are a member of the Class, you must submit a Claim Form ***postmarked*** **no later than September 2, 2020** in order to be eligible to receive a payment from the Settlement. If you are a Class Member and do not submit a proper Claim Form, you will not be eligible to receive a

payment from the Settlement, but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Class and wish to exclude yourself from the Class, you must submit a request for exclusion that is ***received*** **no later than August 26, 2020**, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Class, you will not be bound by any judgments or orders entered by the Court in the Action, and you will not be eligible to receive a payment from 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, even if you have pending or later file another lawsuit or other proceeding against the Releasees related to the claims covered by the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, 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 August 26, 2020**, in accordance with the instructions set forth in the Notice.

Please do not contact the Court, the Clerk's office, Defendants, or their counsel regarding this notice. All questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to the Claims Administrator or Lead Counsel.

Requests for the Notice and Claim Form should be made to: *In re Henry Schein, Inc. Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173098, Milwaukee, WI 53217, (888) 210-45486 (toll free), HSICSecuritiesLitigation.com.

Inquiries, other than requests for the Notice and Claim Form, should be made to Lead Counsel: Bernstein Litowitz Berger & Grossmann LLP, James A. Harrod, Esq., 1251 Avenue of the Americas, 44th Floor, New York, NY 10020, (800) 380-8496, settlements@blbglaw.com

Dated: June 8, 2020
By Order of the Court

[1] Certain persons and entities are excluded from the Class by definition as set forth in the full Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice"), available at www.HSICSecuritiesLitigation.com.

SOURCE Bernstein Litowitz Berger & Grossmann LLP

EXHIBIT E

Proskauer Proskauer Rose LLP Eleven Times Square New York, NY 10036-8299

Jonathan E. Richman
Member of the Firm
d 212.969.3448
f 212.969.2900
jerichman@proskauer.com
www.proskauer.com

May 8, 2020

By priority mail

The United States Attorney General and
All State Attorneys General on the
Attached Service List A

RE: ***In re Henry Schein, Inc. Securities Litigation***
United States District Court for the Eastern District of New York
Master File No. 1:18-cv-01428-MKB-VMS

Dear Sir or Madame:

Pursuant to the provisions of the Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1715, this letter notifies you of a proposed settlement of the above-referenced consolidated putative class action brought under the federal securities laws (the "Action").

The CD enclosed with this notice includes copies of the following materials as PDF files readable with Adobe Acrobat:

Exhibit	Description
1.	Original Complaint in *Salkowitz v. Henry Schein, Inc.*, Case No. 1:18-cv-01428-MKB-VMS (E.D.N.Y.), filed March 7, 2018.
2.	Consolidated Complaint in *In re Henry Schein, Inc. Securities Litigation*, Master File No. 1:18-cv-01428 (E.D.N.Y.), filed September 14, 2018.
3.	Stipulation of Settlement in *In re Henry Schein, Inc. Securities Litigation*, Master File No. 1:18-cv-01428 (E.D.N.Y.), dated as of April 30, 2020, attaching Exhibits A through G. The Stipulation of Settlement was filed with the court on April 30, 2020, together with Lead Plaintiff's memorandum in support of issuance of a preliminary approval order.
4.	Lead Plaintiff's memorandum of law in support of motion for issuance of a preliminary approval order in *In re Henry Schein, Inc. Securities Litigation*, Master File No. 1:18-cv-01428 (E.D.N.Y.), dated April 30, 2020.

5. Defendants' brief in support of Lead Plaintiff's motion for issuance of a preliminary approval order in *In re Henry Schein, Inc. Securities Litigation*, Master File No. 1:18-cv-01428 (E.D.N.Y.), dated May 1, 2020.

6. Declaration of Jonathan E. Richman (with accompanying exhibits), filed on May 1, 2020 with Defendants' brief in support of Lead Plaintiff's motion for issuance of a preliminary approval order in *In re Henry Schein, Inc. Securities Litigation*, Master File No. 1:18-cv-01428 (E.D.N.Y.).

7. Order entered on May 5, 2020 in *In re Henry Schein, Inc. Securities Litigation*, Master File No. 1:18-cv-01428 (E.D.N.Y.), granting preliminary approval of the proposed settlement, certifying the class for settlement purposes, and scheduling the fairness hearing.

If you are unable to access, or prefer to receive paper copies of, any of the documents on the enclosed CD, please contact me.

The complaints included on the enclosed CD as Exhibits 1 and 2 satisfy the notice requirements of 28 U.S.C. § 1715(b)(l).

The Stipulation of Settlement included on the enclosed CD as Exhibit 3 satisfies the notice requirements of 28 U.S.C. §§ 1715(b)(4)-(5). The parties also executed a confidential, nonpublic Supplemental Agreement concerning the Termination Threshold described in Section XIV.C of the Stipulation of Settlement. The Supplemental Agreement was not filed with the court, but we will make it available to you on a confidential basis if necessary.

The proposed individual notice, claim form, and publication notice attached as Exhibits D, F, and E, respectively, to the Stipulation of Settlement included on the enclosed CD as Exhibit 3 satisfy the notice requirements of 28 U.S.C. § 1715(b)(3).

The proposed Final Order and Final Judgment attached as Exhibits B and C, respectively, to the Stipulation of Settlement included on the enclosed CD as Exhibit 3 satisfy the notice requirements of 28 U.S.C. § 1715(b)(6).

The court's order of May 5, 2020 (attached as Exhibit 7 on the enclosed CD) preliminarily approving the proposed settlement scheduled a fairness hearing for September 16, 2020, at 10:00 a.m. ET. The order thus provides the information responsive to 28 U.S.C. § 1715(b)(2).

Because the Action settled before the parties identified the members of the putative class, it is not possible at this time to identify and provide the names of putative class members who reside in each state or to estimate the number of putative class members residing in each state. *See* 28 U.S.C. §§ 1715(b)(7)(A)-(B). Nor is it possible at this time to provide the estimated proportionate share of the claims of putative class members residing in any state in relation to the entire settlement amount. *See id.* Some of this information could become available to the Lead

Plaintiff if the court hearing the Action issues the preliminary approval order and the class members then submit claim forms.

The court has not issued any final judgment, notice of dismissal, or written opinion on the proposed settlement or the notice to the putative class members. Lead Plaintiff's memorandum in support of issuance of a preliminary approval order was filed on April 30, 2020, and is included on the enclosed CD as Exhibit 4.

This notice and the accompanying materials are intended to satisfy any and all notification obligations that defendant might have under CAFA with respect to the Action.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Jonathan E. Richman

Enclosures

cc: James Harrod, Esq. (w/o exhibits), Lead Counsel for Lead Plaintiff and the class

CAFA Service List

Office

United States Attorney General
Office of the Alaska Attorney General
Office of the Alabama Attorney General
Office of the Arizona Attorney General
Office of the Arkansas Attorney General
Office of the California Attorney General
Office of the Colorado Attorney General
Office of the Connecticut Attorney General
Office of the Delaware Attorney General
Office of the District of Columbia Attorney General
Office of the Florida Attorney General
Office of the Georgia Attorney General
Office of the Hawaii Attorney General
Office of the Idaho Attorney General
Office of the Illinois Attorney General
Office of the Indiana Attorney General
Office of the Iowa Attorney General
Office of the Kansas Attorney General
Office of the Kentucky Attorney General
Office of the Louisiana Attorney General
Office of the Maine Attorney General
Office of the Maryland Attorney General
Office of the Massachusetts Attorney General
Office of the Michigan Attorney General
Office of the Minnesota Attorney General
Office of the Mississippi Attorney General
Office of the Missouri Attorney General
Office of the Montana Attorney General
Office of the Nebraska Attorney General
Office of the Nevada Attorney General
Office of the New Hampshire Attorney General
Office of the New Jersey Attorney General
Office of the New Mexico Attorney General
Office of the New York Attorney General
Office of the North Carolina Attorney General
Office of the North Dakota Attorney General
Office of the Ohio Attorney General
Office of the Oklahoma Attorney General
Office of the Oregon Attorney General
Office of the Pennsylvania Attorney General
Office of the Puerto Rico Attorney General
Office of the Rhode Island Attorney General
Office of the South Carolina Attorney General
Office of the South Dakota Attorney General
Office of the Tennessee Attorney General
Office of the Texas Attorney General
Office of the Utah Attorney General
Office of the Vermont Attorney General
Office of the Virgin Islands Attorney General
Office of the Virginia Attorney General
Office of the Washington Attorney General
Office of the West Virginia Attorney General
Office of the Wisconsin Attorney General
Office of the Wyoming Attorney General
Yap State Office of the Attorney General
Office of the Chuuk Attorney General
Office of the Kosrae Attorney General
Office of the Pohnpei Attorney General
Office of the American Samoa Attorney General
Office of the Guam Attorney General
Office of the Northern Mariana Islands (Acting) Attorney General

Exhibit 4

EXHIBIT 4

In re Henry Schein, Inc. Sec. Litig.,
Master File No. 1:18-cv-01448-MKB-VMS (E.D.N.Y.)

SUMMARY OF PLAINTIFFS' COUNSEL'S LODESTAR AND EXPENSES

Exh.	FIRM	HOURS	LODESTAR	EXPENSES
4A	Bernstein Litowitz Berger & Grossmann LLP	9,941.00	$4,485,241.25	$102,840.56
4B	Klausner, Kaufman, Jensen & Levinson	22.60	$14,690.00	$0
	TOTAL:	**9,963.60**	**$4,499,931.25**	**$102,840.56**

Exhibit 4A

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE HENRY SCHEIN, INC. SECURITIES LITIGATION	**Master File No. 1:18-cv-01428-MKB-VMS** **CLASS ACTION**

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, declare pursuant to 28 U.S.C. § 1746 as follows:

1. I am a Member of the law firm Bernstein Litowitz Berger & Grossmann LLP ("BLB&G" or "Lead Counsel"). I submit this Declaration in support of Lead Counsel's application for an award of attorneys' fees in connection with services rendered in the above-captioned class action (the "Action"), as well as for payment of expenses incurred by my firm in connection with the Action. I have personal knowledge of the matters set forth herein.[1]

2. My firm, as Court-appointed in the Action and counsel for Lead Plaintiff, The City of Miami General Employees' and Sanitation Employees' Retirement Trust ("Miami GESE"), was involved in all aspects of prosecution and resolution of the Action, as set forth in my Declaration in Support of (I) Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses, filed herewith.

3. Attached hereto as Exhibit 1 is a detailed summary indicating the amount of time spent by each BLB&G attorney and professional support staff employee involved in this Action

[1] Unless otherwise defined in this Declaration, all capitalized terms have the meanings set out in the Stipulation of Settlement dated April 30, 2020 (ECF No. 70-1).

who devoted more than ten hours to the Action from its inception through and including July 15, 2020 and the lodestar calculation for those individuals based on my firm's current hourly rates. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by BLB&G.

4. As the partner responsible for supervising my firm's work on this case, I reviewed these time and expense records to prepare this Declaration. The purpose of this review was to confirm both the accuracy of the time entries and expenses and the necessity for, and reasonableness of, the time and expenses committed to the litigation. As a result of this review, reductions were made in the exercise of counsel's judgment. In addition, all time expended in preparing this application for fees and expenses has been excluded.

5. Following this review and the adjustments made, I believe that the time reflected in the firm's lodestar calculation and the expenses for which payment is sought as stated in this Declaration are reasonable in amount and were necessary for the effective and efficient prosecution and resolution of the litigation. In addition, based on my experience in similar litigation, the expenses are all of a type that would normally be billed to a fee-paying client in the private legal marketplace.

6. The hourly rates for the BLB&G attorneys and professional support staff employees included in Exhibit 1 are the same as, or comparable to, the rates submitted by my firm and accepted by courts for lodestar cross-checks in other securities class action litigation fee applications.

7. My firm's rates are set based on periodic analysis of rates used by firms performing comparable work and have been approved by courts. Different timekeepers within the same employment category (*e.g.*, partners, associates, paralegals, etc.) may have different rates based on a variety of factors, including years of practice, years at the firm, year in the current position

(*e.g.*, years as a partner), relevant experience, relative expertise, and the rates of similarly experienced peers at our firm or other firms.

8. The total number of hours expended on this Action by my firm from its inception through and including July 15, 2020, is 9,941.00 hours. The total lodestar for my firm for that period is $4,485,241.25. My firm's lodestar figures are based upon the firm's hourly rates, which do not include costs for expense items.

9. Attached as Exhibit 2 are summary descriptions of the principal tasks that each attorney and the key professional support staff from my firm performed in this Action.

10. None of the attorneys listed in the exhibits to this Declaration and included in my firm's lodestar for the Action are (or were) "contract attorneys." Except for the partners listed in the attached schedule, all of the other attorneys and professional support staff listed in the schedule are (or were) W-2 employees of the firm and were not independent contractors issued Form 1099s. Thus, the firm pays FICA and Medicare taxes on their behalf, along with state and federal unemployment taxes. These employees are (or were) fully supervised by the firm's partners and have (or had) access to secretarial, paralegal, and information technology support. BLB&G also assigns a firm email address to each attorney or other employee it employs, including those listed.

11. As detailed in Exhibit 3, my firm is seeking payment for a total of $102,840.56 in expenses incurred in connection with the prosecution of this Action from its inception through and including July 15, 2020.

12. The following is additional information regarding certain of these expenses:

a. **Online Legal Research** ($21,019.09) and **Online Factual Research** ($9,851.38). The charges reflected are for out-of-pocket payments to vendors such as Westlaw, Lexis/Nexis, ALM Media, Thomson Reuters, Bureau of National Affairs, and PACER for research done in connection with this litigation. These resources were used to obtain access to court filings, to

conduct legal research and cite-checking of briefs, and to obtain factual information regarding the claims asserted through access to various financial databases and other factual databases. These expenses represent the actual expenses incurred by BLB&G for use of these services in connection with this litigation. There are no administrative charges included in these figures. Online research is billed to each case based on actual usage at a charge set by the vendor. When BLB&G utilizes online services provided by a vendor with a flat-rate contract, access to the service is by a billing code entered for the specific case being litigated. At the end of each billing period, BLB&G's costs for such services are allocated to specific cases based on the percentage of use in connection with that specific case in the billing period.

b. **Document Hosting & Management** ($8,950.25). BLB&G seeks $8,950.25 for the costs associated with establishing and maintaining the internal document database that was used to process and review the more than 680,000 pages of documents produced by Defendants in this Action. BLB&G charges a rate of $3 per gigabyte of data per month and $15 per user 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 Class.

c. **Working Meals** ($432.68). Out-of-office meals are capped at $25 per person for lunch and $50 per person for dinner and in-office working meals are capped at $20 per person for lunch and $30 per person for dinner.

d. **Experts** ($20,835.00). Lead Counsel retained Chad Coffman of Global Economics Group LLC to provide expert advice on damages and loss causation issues. Lead Counsel consulted with Mr. Coffman throughout the litigation of the Action, including the investigation

and preparation of the Complaint and the settlement negotiations. Lead Counsel also worked with Mr. Coffman and his team in developing the proposed Plan of Allocation. In addition, Lead Counsel also consulted with economic and antitrust experts at The Brattle Group in connection with the preparation of Lead Plaintiff's mediation statement.

e. **Mediation** ($39,804.00). This represents Lead Plaintiff's share of fees paid to JAMS for the services of the mediators, the Hon. Daniel Weinstein (Ret.) and Jed D. Melnick, Esq. Judge Weinstein and Mr. Melnick conducted the two full-day mediation sessions in February 2020 that lead to the settlement of the Action.

13. The expenses incurred in this Action are reflected in the records of my firm, which are regularly prepared and maintained in the ordinary course of business. These records are prepared from expense vouchers, check records, and other source materials and are an accurate record of the expenses incurred.

14. With respect to the standing of my firm, attached hereto as Exhibit 4 is a brief biography of BLB&G and the attorneys employed with the firm and involved in this matter.

I declare, under penalty of perjury, that the foregoing facts are true and correct.

Executed on August 12, 2020

/s/ James A. Harrod
JAMES A. HARROD

EXHIBIT 1

In re Henry Schein, Inc. Sec. Litig.,
Master File No. 1:18-cv-01448-MKB-VMS (E.D.N.Y.)

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

TIME REPORT

Inception through July 16, 2020

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Max W. Berger	77.25	$1,300	$100,425.00
James A. Harrod	563.50	$950	$535,325.00
Avi Josefson	17.00	$950	$16,150.00
Gerald Silk	42.00	1,100	$46,200.00
Senior Counsel			
David L. Duncan	100.25	$750	$75,187.50
John Mills	13.00	$750	$9,750.00
Associates			
Michael M. Mathai	883.25	$575	$507,868.75
Ross Shikowitz	42.50	$600	$25,500.00
Catherine van Kampen	31.50	$700	$22,050.00
Staff Attorneys			
Alexa Butler	59.00	$395	$23,305.00
Jeffrey Castro	641.25	$395	$253,293.75
Chris Clarkin	81.25	$395	$32,093.75
Alex Dickin	24.00	$375	$9,000.00
Danielle Disporto	634.75	$395	$250,726.25
Igor Faynshteyn	33.50	$375	$12,562.50
Stephen Imundo	186.00	$395	$73,470.00
Laura Lefkowitz	73.50	$395	$29,032.50
Jeffrey Messinger	648.50	$395	$256,157.50
Comfort Orji	629.50	$395	$248,652.50
Julius Panell	651.00	$395	$257,145.00
Chesley Parker	634.75	$395	$250,726.25
Jessica Purcell	585.25	$395	$231,173.75
Susan Rubinstein	671.00	$395	$265,045.00
Joanna Tarnawski	561.50	$375	$210,562.50

NAME	HOURS	HOURLY RATE	LODESTAR
Mark Weaver	72.00	$395	$28,440.00
Kit Wong	66.50	$395	$26,267.50
Cecile Wortman	618.75	$350	$216,562.50
Financial Analysts			
Vincent Alfano	22.25	$350	$7,787.50
Nick DeFilippis	14.00	$600	$8,400.00
Matthew McGlade	15.00	$375	$5,625.00
Tanjila Sultana	45.25	$375	$16,968.75
Adam Weinschel	23.50	$525	$12,337.50
Investigators			
Chris Altiery	64.50	$255	$16,447.50
Amy Bitkower	44.75	$550	$24,612.50
Jacob Foster	21.50	$300	$6,450.00
Jenna Goldin	404.00	$375	$151,500.00
Joelle (Sfeir) Landino	32.25	$375	$12,093.75
Paralegals and Case Managers			
Jesse Axman	27.00	$255	$6,885.00
Matthew Gluck	423.25	$350	$148,137.50
Matthew Mahady	25.25	$350	$8,837.50
Desiree Morris	65.50	$350	$22,925.00
Litigation Support			
Babatunde Pedro	19.50	$295	$5,752.50
Roberto Santamarina	19.25	$375	$7,218.75
Managing Clerk			
Mahiri Buffong	16.75	$350	$5,862.50
Errol Hall	15.25	$310	$4,727.50
TOTALS	**9,941.00**		**$4,485,241.25**

EXHIBIT 2

In re Henry Schein, Inc. Sec. Litig.,
Master File No. 1:18-cv-01448-MKB-VMS (E.D.N.Y.)

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

SUMMARY DESCRIPTIONS OF WORK PERFORMED

PARTNERS

Max W. Berger (77.25 hours): Mr. Berger, Managing Partner and Founder of BLB&G, was actively involved in developing litigation strategy for the Action and was directly engaged with the mediators and Defendants' Counsel in all aspects of the mediation and settlement process.

James A. Harrod (563.50 hours): I was the Partner at BLB&G primarily responsible for supervising both the day-to-day management and overall strategy of the litigation, and oversaw the prosecution of the case following the appointment of BLB&G as Lead Counsel. I oversaw the drafting and editing of the Complaint, the drafting of our briefing in opposition to Defendants' motion to dismiss the Complaint, and the drafting of the briefing in opposition to Defendants' motion for reconsideration.

I was involved in supervising and managing Lead Counsel's investigatory efforts and the due diligence discovery efforts and I conducted the due diligence witness interview of Mark Mlotek, Schein's Executive Vice President and Chief Strategic Officer and a member of its Board of Directors. I participated in the settlement negotiations and mediation process, including preparing Lead Plaintiff's mediation statement and engaging in negotiations with Defendants' Counsel. I supervised preparation of the formal settlement documents, including Lead Plaintiff's Motion for Preliminary Approval and the submissions submitted herewith and negotiations with Defendants' Counsel in connection with those documents and I will appear for Lead Plaintiff at the upcoming final approval hearing.

I was responsible for overall case management, including supervising the counsel, associates, and staff attorneys working on the case. I was involved in identifying, retaining, and consulting with experts during the litigation and had administrative responsibility for managing the litigation expenses and staffing of the case.

Avi Josefson (17.00 hours): Mr. Josefson is a BLB&G Partner and a member of the firm's New Matters department. Mr. Josefson was principally involved in the initial evaluation of the merits of this action and the motion for appointment of Miami GESE as Lead Plaintiff and BLB&G as Lead Counsel.

Gerald Silk (42.00 hours): Mr. Silk is a BLB&G Partner and the leader of the firm's New Matters department. Mr. Silk was principally involved in the initial evaluation of the merits of this action and the motion for appointment of Miami GESE as Lead Plaintiff and BLB&G as Lead Counsel. Mr. Silk also actively participated in major strategic and tactical decisions throughout the litigation.

SENIOR COUNSEL

David L. Duncan (100.25 hours): Mr. Duncan is a Senior Counsel in the Firm's Settlement Department. Mr. Duncan's primary role at the Firm is to manage and implement class-action settlements. Mr. Duncan had responsibility for drafting, editing, and coordinating all settlement documentation, including the Stipulation of Settlement and its exhibits and Lead Plaintiff's submissions seeking preliminary and final approval of the Settlement. Mr. Duncan was also responsible for coordinating with the claims administrator regarding dissemination of notice to the Class.

John Mills (13.00 hours): Mr. Mills is also Senior Counsel in the Firm's Settlement Department. Mr. Mills assisted Mr. Duncan with drafting of the brief in support of preliminary approval of the Settlement.

ASSOCIATES

Michael M. Mathai (883.25 hours): Mr. Mathai, an Associate at BLB&G, was extensively involved in all aspects of the case following the appointment of BLB&G as Lead Counsel, including the investigation of the claims asserted and the drafting of the Complaint, researching and drafting Lead Plaintiff's briefing in opposition to Defendants' motion to dismiss, and researching and drafting Lead Plaintiff's briefing in opposition to Defendants' motion for reconsideration. Mr. Mathai also participated in the mediation and assisted in preparing the mediation statement.

Mr. Mathai also directly oversaw the review of documents produced by Defendants as part of the due diligence discovery, including the work done by Staff Attorneys who performed this review, and he conducted the due diligence witness interview of Defendant Timothy J. Sullivan, the president of Schein's North America Dental Group. In addition, Mr. Mathai participated in the drafting of the papers in support of the motion for final approval of the Settlement.

Ross Shikowitz (42.50 hours): Mr. Shikowitz, a former Associate in the Firm's New Matters department, assisted in the initial analysis of the potential claims in the Action and the preparation of the submissions made in support of the motion for appointment of Lead Plaintiff.

Catherine Van Kampen (31.50 hours): Ms. Van Kampen is an Associate in the firm's Settlement Department. Ms. van Kampen had responsibility for coordinating the process of selecting the claims administrator through a bidding process, as well as other matters related to the administration of the Settlement, including responsibility for banking matters and administration of the escrow account.

STAFF ATTORNEYS

Team Leader

Danielle Disporto (634.75 hours): Ms. Disporto served as the Staff Attorney team lead for the due diligence discovery review. In that role, Ms. Disporto led the work of the due diligence discovery team, including by liaising between Mr. Harrod and Mr. Mathai and the team, staffing projects, and overseeing weekly team meetings to discuss "hot" documents and other findings from the due diligence review ("Hot Document Meetings"). Ms. Disporto was also heavily involved in preparations for due diligence interviews, including by overseeing Staff Attorney efforts to identify potential witnesses, conducting second-level review of documents and analysis related to key issues for interview questions, and preparing interview exhibits, Ms. Disporto also attended each of the interviews, and drafted related notes and analysis.

In addition, in connection with the Parties' mediation, Ms. Disporto reviewed and analyzed documents publicly submitted in connection with the FTC Trial against Schein, including identifying key documents to support Lead Plaintiff's claims that constituted important evidence Lead Plaintiff submitted in connection with its mediation statement.

Team Members

Alexa Butler (59.00 hours): In connection with the drafting of the Complaint, Ms. Butler reviewed and analyzed documents provided by a former employee of Schein.

Jeffrey Castro (641.25 hours): Mr. Castro was a member of the Staff Attorney team that reviewed documents produced by Defendants in the course of due diligence discovery. In addition to reviewing documents and presenting them during the weekly Hot Document Meetings and helping to prepare for witness interviews, Mr. Castro worked on special projects related to analyzing the merits of the case, including analyses of evidence concerning Schein's participation in dental trade associations and Schein's conduct with respect to the Texas Dental Association and its TDA Perks buying group.

Chris Clarkin (81.25 hours): In connection with the Parties' mediation, Mr. Clarkin reviewed and analyzed documents publicly submitted in connection with the FTC Trial against Schein, including identifying key documents to support Lead Plaintiff's claims that constituted important evidence Lead Plaintiff submitted in connection with its mediation statement.

Alex Dickin (24.00 hours): In connection with Lead Plaintiff's opposition to Defendants' motion to dismiss the Complaint, Mr. Dickin reviewed and analyzed documents publicly submitted in connection with the FTC Trial against Schein, including identifying key documents related to Lead Plaintiff's arguments against dismissal.

Igor Faynshteyn (33.50 hours): In connection with the Parties' mediation, Mr. Faynshteyn reviewed and analyzed documents publicly submitted in connection with the FTC Trial against Schein, including identifying key documents to support Lead Plaintiff's claims that constituted important evidence Lead Plaintiff submitted in connection with its mediation statement.

Stephen Imundo (186.00 hours): In connection with the Parties' mediation, Mr. Imundo reviewed and analyzed documents publicly submitted in connection with the FTC Trial against Schein, including identifying key documents to support Lead Plaintiff's claims that constituted important evidence Lead Plaintiff submitted in connection with its mediation statement.

Laura Lefkowitz (73.50 hours): In connection with the drafting of the Complaint, Ms. Lefkowitz reviewed and analyzed documents provided by a former employee of Schein.

Jeffrey Messinger (648.50 hours): Mr. Messinger was a member of the Staff Attorney team that reviewed documents produced by Defendants in the course of due diligence discovery. In addition to reviewing documents and presenting them during the weekly Hot Document Meetings and helping to prepare for witness interviews, Mr. Messinger worked on special projects related to analyzing the merits of the case, including an analysis of evidence concerning Schein's business dealings with buying groups during the Class Period.

Comfort Orji (629.50 hours): Ms. Orji was a member of the Staff Attorney team that reviewed documents produced by Defendants in the course of due diligence discovery. In addition to reviewing documents and presenting them during the weekly Hot Document Meetings and helping to prepare for witness interviews, Ms. Orji worked on special projects related to analyzing the merits of the case, including an analysis of evidence concerning Schein's conduct with respect to the Texas Dental Association and its TDA Perks buying group.

Julius Panell (651.00 hours): Mr. Panell was a member of the Staff Attorney team that reviewed documents produced by Defendants in the course of due diligence discovery. In addition to reviewing documents and presenting them during the weekly Hot Document Meetings and helping to prepare for witness interviews, Mr. Panell worked on special projects related to analyzing the merits of the case, including analyses of evidence concerning Schein's Special Markets division, Schein's communications and relationships with certain actual or potential buying groups, Schein's policies towards buying groups, Schein's relationships with its competitors, and evidence concerning the relationship between Schein's margins and allegations of collusion or other anticompetitive conduct.

Chesley Parker (634.75 hours): Ms. Parker was a member of the Staff Attorney team that reviewed documents produced by Defendants in the course of due diligence discovery. Ms. Parker reviewed documents and presented them during the weekly Hot Document Meetings and helped to prepare for witness interviews.

Jessica Purcell (585.25 hours): Ms. Purcell was a member of the Staff Attorney team that reviewed documents produced by Defendants in the course of due diligence discovery. In addition to reviewing documents and presenting them during the weekly Hot Document Meetings and helping to prepare for witness interviews, Ms. Purcell worked on special projects related to analyzing the merits of the case, including an analysis of evidence concerning the relationship between Schein's margins and allegations of collusion or other anticompetitive conduct.

Susan Rubinstein (671.00 hours): Ms. Rubinstein was a member of the Staff Attorney team that reviewed documents produced by Defendants in the course of due diligence discovery. In addition to reviewing documents and presenting them during the weekly Hot Document Meetings, Ms.

Rubinstein worked on special projects related to analyzing the merits of the case, including analyses of evidence concerning between Schein's relationships with its competitors, Schein's policies towards buying groups, and Defendant Timothy J. Sullivan's role in Schein's financial reporting. Ms. Rubinstein also worked extensively to prepare for Mr. Mathai's interview of Defendant Sullivan.

Joanna Tarnawski (561.50 hours): Ms. Tarnawski was a member of the Staff Attorney team that reviewed documents produced by Defendants in the course of due diligence discovery. In addition to reviewing documents and presenting them during the weekly Hot Document Meetings, Ms. Tarnawski worked on special projects related to analyzing the merits of the case, including an analysis of evidence concerning the relationship between Schein's margins and allegations of collusion or other anticompetitive conduct. Ms. Tarnawski also worked extensively to prepare for Mr. Harrod's interview of Mark Mlotek.

Mark Weaver (72.00 hours): In connection with the drafting of the Complaint, Mr. Weaver reviewed and analyzed documents provided by a former employee of Schein.

Kit Wong (66.50 hours): In connection with the drafting of the Complaint, Ms. Wong reviewed and analyzed documents provided by a former employee of Schein.

Cecile Wortman (618.75 hours): Ms. Wortman was a member of the Staff Attorney team that reviewed documents produced by Defendants in the course of due diligence discovery. In addition to reviewing documents and presenting them during the weekly Hot Document Meetings and helping to prepare for witness interviews, Ms. Wortman worked on special projects related to analyzing the merits of the case, including analyses of evidence concerning Schein's Special Markets division, Schein's policies towards buying groups, and Schein's relationships with its competitors.

FINANCIAL ANALYSTS

Nick DeFilippis (14.00 hours), **Adam Weinschel** (23.50 hours), **Vincent Alfano** (22.25 hours), **Matthew McGlade** (15.00 hours), and **Tanjila Sultana** (45.25 hours): Mr. DeFilippis, Director of Financial Analysis, Mr. Weinschel, Director of Institutional Investor Services at BLB&G, Mr. Alfano, a former Financial Analyst at BLB&G, Mr. McGlade, a Financial Analyst at BLB&G, and Ms. Sultana, a Financial Analyst at BLB&G, researched and assisted in the evaluation of claims against Defendants, and conducted research into and analysis of losses suffered by investors as a result of Defendants' alleged fraud.

INVESTIGATORS

Amy Bitkower (44.75 hours), **Chris Altiery** (64.50 hours), **Jenna Goldin** (404.00 hours), **Jacob Foster** (21.50 hours), and **Joelle (Sfeir) Landino** (32.25 hours): Ms. Bitkower, Director of Investigations at BLB&G, Mr. Altiery, a former Investigator at BLB&G, Ms. Goldin, a Senior Investigator at BLB&G, Mr. Foster, an Investigator at BLB&G , and Ms. (Sfeir) Landino, a Senior Investigator at BLB&G, conducted an investigation into the claims asserted in the Complaint by

interviewing former employees of Schein and other knowledgeable individuals for relevant information and leads. The investigators compiled an extensive list of former employees and other individuals likely to have knowledge of the claims. The investigators, as supervised by Ms. Bitkower, spoke to numerous former employees concerning the issues in this lawsuit and drafted reports for the review of the attorneys working on the case.

SUPPORT STAFF – Case Managers, Paralegals, Litigation Support Professionals, and Filing Support

Jesse Axman (27.00 hours); **Matthew Gluck** (423.25 hours), **Matthew Mahady** (25.25 hours), and **Desiree Morris** (65.50 hours): Mr. Axman, Mr. Gluck, Mr. Mahady, and Ms. Morris are all current or former members of the Firm's Paralegal Department. Mr. Mahady is a Senior Case Manager; Mr. Gluck and Ms. Morris are Case Managers; and Mr. Axman is a former Paralegal. All of these individuals performed paralegal work in this case, including collecting and organizing research materials related to the case (*e.g.*, SEC filings, press reports), preparing documents for submission to the Court, cite-checking and proofreading court filings, monitoring the news and related case dockets to keep the case team apprised of relevant developments, and maintaining physical and electronic case materials (including discovery materials). After the appointment of BLB&G as Lead Counsel, Mr. Gluck and Ms. Morris were the paralegals principally responsible for this case.

Babatunde Pedro (19.50 hours) and **Robert Santamarina** (19.25 hours): Mr. Pedro was a member and Mr. Santamarina is a member of BLB&G's Litigation Support Department. They assisted in the logistics involved in the electronic discovery in this case, including by processing and loading for review the document productions made by Defendants and third parties, as well as running various reports, as needed, reflecting the progress of that review.

Mahiri Buffong (16.75 hours) and **Errol Hall** (15.25 hours): Mr. Buffong is BLB&G's Managing Clerk and Mr. Hall is BLB&G's former Managing Clerk. In this case, Mr. Buffong and Mr. Hall were principally responsible for maintaining the Firm's calendar and "tickler" system related to all case deadlines, electronically filing documents with the Court, and supervising those filings for conformity with local rules, procedures, and electronic-filing requirements.

EXHIBIT 3

In re Henry Schein, Inc. Sec. Litig.,
Master File No. 1:18-cv-01448-MKB-VMS (E.D.N.Y.)

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

EXPENSE REPORT

CATEGORY	AMOUNT
Court Fees	$ 211.00
On-Line Legal Research	21,019.09
On-Line Factual Research	9,851.38
Document Hosting & Management	8,950.25
Postage, Express Mail & Hand Delivery	103.19
Local Transportation	1,574.03
Working Meals	432.68
Court Reporting and Transcripts	59.94
Experts	20,835.00
Mediation Fees	39,804.00
TOTAL EXPENSES:	**$102,840.56**

EXHIBIT 4

In re Henry Schein, Inc. Sec. Litig.,
Master File No. 1:18-cv-01448-MKB-VMS (E.D.N.Y.)

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

FIRM RESUME

BLB&G

Trusted Advocacy. Proven Results.

Bernstein Litowitz Berger & Grossmann LLP

Attorneys at Law

Firm Resume

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Tel: 312-373-3880
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Tel: 302-364-3600

BLB&G Bernstein Litowitz Berger & Grossmann LLP

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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 and Illinois, 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 WORLDCOM, 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 Vytorin. Specifically, we alleged that the companies knew that their "ENHANCE" clinical trial of Vytorin (a combination of Zetia and a generic) demonstrated that Vytorin 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 A. 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.

BLB&G Bernstein Litowitz Berger & Grossmann LLP

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

MAX W. BERGER, the firm's senior founding partner, has grown BLB&G from a partnership of four lawyers in 1983 into what the *Financial Times* described as "one of the most powerful securities class action law firms in the United States" by prosecuting seminal cases which have increased market transparency, held wrongdoers accountable, and improved corporate business practices in groundbreaking ways.

Described by sources quoted in leading industry publication *Chambers USA* as "the smartest, most strategic plaintiffs' lawyer [they have] ever encountered," Max has litigated many of the firm's most high-profile and significant cases and secured some of the largest recoveries ever achieved in securities fraud lawsuits, negotiating seven of the largest securities fraud settlements in history, each in excess of a billion dollars: *Cendant* ($3.3 billion), *Citigroup-WorldCom* ($2.575 billion), *Bank of America/Merrill Lynch* ($2.4 billion), *JPMorgan Chase-WorldCom* ($2 billion), *Nortel* ($1.07 billion), *Merck* ($1.06 billion), and *McKesson* ($1.05 billion). Max's prosecution of the *WorldCom* litigation, which resulted in unprecedented monetary contributions from WorldCom's outside directors (nearly $25 million out of their own pockets on top of their insurance coverage) "shook Wall Street, the audit profession and corporate boardrooms." (*The Wall Street Journal*)

Max's cases have resulted in sweeping corporate governance overhauls, including the creation of an independent task force to oversee and monitor diversity practices (*Texaco* discrimination litigation), establishing an industry-accepted definition of director independence, increasing a board's power and responsibility to oversee internal controls and financial reporting (*Columbia/HCA*), and creating a Healthcare Law Regulatory Committee with dedicated funding to improve the standard for regulatory compliance oversight by a public company board of directors (*Pfizer*). His cases have yielded results which have served as models for public companies going forward.

Most recently, before the #metoo movement came alive, on behalf of an institutional investor client, Max handled 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 unveiled 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.

Max's work has garnered him extensive media attention, and he has been the subject of feature articles in a variety of major media publications. *The New York Times* highlighted his remarkable track record in an October 2012 profile entitled "Investors' Billion-Dollar Fraud Fighter," which also discussed his role in the *Bank of America/Merrill Lynch Merger* litigation. In 2011, Max was twice profiled by *The American Lawyer* for his role in negotiating a $627 million recovery on behalf of investors in the *In re Wachovia Corp. Securities Litigation,* and a $516 million recovery in *In re Lehman Brothers Equity/Debt Securities Litigation.* For his outstanding efforts on behalf of WorldCom investors, he was featured in articles in *BusinessWeek* and *The American Lawyer*, and *The National Law Journal* profiled Max (one of only eleven attorneys selected nationwide) in its annual 2005 "Winning Attorneys" section. He was subsequently featured in a 2006 *New York Times* article, "A Class-Action Shuffle," which assessed the evolving landscape of the securities litigation arena.

One of the "100 Most Influential Lawyers in America"

Widely recognized as the "Dean" of the US plaintiff securities bar for his remarkable career and his professional excellence, Max has a distinguished and unparalleled list of honors to his name.

- He was selected as one of the "100 Most Influential Lawyers in America" by *The National Law Journal* for being "front and center" in holding Wall Street banks accountable and obtaining over $5 billion in cases arising from the subprime meltdown, and for his work as a "master negotiator" in obtaining numerous multi-billion dollar recoveries for investors.
- Described as a "standard-bearer" for the profession in a career spanning over 40 years, he was the recipient of *Chambers USA's* award for Outstanding Contribution to the Legal Profession. In presenting this prestigious honor, *Chambers* recognized Max's "numerous headline-grabbing successes," as well as his unique stature among colleagues – "warmly lauded by his peers, who are nevertheless loath to find him on the other side of the table." Max has been recognized as a litigation "star" and leading lawyer in his field by *Chambers* since its inception.
- *Benchmark Litigation* recently inducted him into its exclusive "Hall of Fame" in recognition of his career achievements and impact on the field of securities litigation.
- Upon its tenth anniversary, *Lawdragon* named Max a "Lawdragon Legend" for his accomplishments. He was recently inducted into *Lawdragon's* "Hall of Fame." He is regularly included in the publication's "500 Leading Lawyers in America" and "100 Securities Litigators You Need to Know" lists.
- *Law360* published a special feature discussing his life and career as a "Titan of the Plaintiffs Bar," named him one of only six litigators selected nationally as a "Legal MVP," and selected him as one of "10 Legal Superstars" nationally for his work in securities litigation.
- Max has been regularly named a "leading lawyer" in the *Legal 500 US Guide*, as well as *The Best Lawyers in America*® guide.
- Max was honored for his outstanding contribution to the public interest by Trial Lawyers for Public Justice, which named him a "Trial Lawyer of the Year" Finalist in 1997 for his work in *Roberts, et al. v. Texaco*, the celebrated race discrimination case, on behalf of Texaco's African-American employees.

Max has lectured extensively for many professional organizations, and is the author and co-author of numerous articles on developments in the securities laws and their implications for public policy. He 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*. An esteemed voice on all sides of the legal and financial markets, in 2008 the SEC and Treasury called on Max to provide guidance on regulatory changes being considered as the accounting profession was experiencing tectonic shifts shortly before the financial crisis.

Max also serves the academic community in numerous capacities. A long-time member of the Board of Trustees of Baruch College, he served as the President of the Baruch College Fund from 2015-2019 and now serves as its Chairman. In May 2006, he was presented with the Distinguished Alumnus Award for his contributions to Baruch College, and in 2019, was awarded an honorary Doctor of Laws degree at Baruch's commencement, the highest honor Baruch College confers upon an individual for non-academic achievement. The award recognized his decades-long dedication to the mission and vision of the College, and in bestowing it, Baruch described Max as "one of the most influential individuals in the history of Baruch College."

A member of the Dean's Council to Columbia Law School, Max has taught Profession of Law, an ethics course at Columbia Law School, and serves on the Advisory Board of Columbia Law School's Center on Corporate Governance. In February 2011, Max received Columbia Law School's most prestigious and highest honor, "The Medal for Excellence." This award is presented

annually to Columbia Law School alumni who exemplify the qualities of character, intellect, and social and professional responsibility that the Law School seeks to instill in its students. As a recipient of this award, Max was profiled in the Fall 2011 issue of *Columbia Law School Magazine.* Max is a member of the American Law Institute and an Advisor to its Restatement Third: Economic Torts project.

Among numerous charitable and volunteer works, Max is a significant and long-time contributor to 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 many legal problems they face. He is also an active supporter of City Year New York, a division of AmeriCorps, dedicated to encouraging young people to devote time to public service. In July 2005, he was named City Year New York's "Idealist of the Year," for his commitment to, service for, and work in the community. A celebrated photographer, Max has held two successful photography shows that raised hundreds of thousands of dollars for City Year and Her Justice. He and his wife, Dale, have also established the Dale and Max Berger Public Interest Law Fellowship at Columbia Law School and the Max Berger Pre-Law Program at Baruch College.

EDUCATION: Baruch College-City University of New York, B.B.A., Accounting, 1968; President of the student body and recipient of numerous awards. Columbia Law School, J.D., 1971, Editor of the *Columbia Survey of Human Rights Law*.

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

GERALD H. SILK'S practice focuses on representing institutional investors on matters involving federal and state securities laws, accountants' liability, and the fiduciary duties of corporate officials, as well as general commercial and corporate litigation. He also advises creditors on their rights with respect to pursuing affirmative claims against officers and directors, as well as professionals both inside and outside the bankruptcy context.

Jerry is a member of the firm's Management Committee. He also oversees the firm's New Matter department in which he, along with a group of attorneys, financial analysts and investigators, counsels institutional clients on potential legal claims. In December 2014, Jerry was recognized by *The National Law Journal* in its inaugural list of "Litigation Trailblazers & Pioneers" – one of several lawyers in the country who have changed the practice of litigation through the use of innovative legal strategies – in no small part for the critical role he has played in helping the firm's investor clients recover billions of dollars in litigation arising from the financial crisis, among other matters.

In addition, *Lawdragon* magazine, which has named Jerry one of the "100 Securities Litigators You Need to Know," one of the "500 Leading Lawyers in America," and one of America's top 500 "Rising Stars" in the legal profession, also profiled him as part of its "Lawyer Limelight" special series, discussing subprime litigation, his passion for plaintiffs' work and the trends he expects to see in the market. Recognized as one of an elite group of notable practitioners, *Chambers USA* ranked Jerry nationally "for his expertise in a range of cases on the plaintiff side." He is also named as a "Litigation Star" by *Benchmark*, is recommended by the Legal 500 USA guide in the field of plaintiffs' securities litigation, and has been selected by Thomson Reuters as a *Super Lawyer* every year since 2006.

In the wake of the financial crisis, he advised the firm's institutional investor clients on their rights with respect to claims involving transactions in residential mortgage-backed securities (RMBS) and collateralized debt obligations (CDOs). His work representing Cambridge Place Investment Management Inc. on claims under Massachusetts state law against numerous investment banks arising from the purchase of billions of dollars of RMBS was featured in a 2010 *New York Times* article by Gretchen Morgenson titled, "Mortgage Investors Turn to State Courts for Relief."

Jerry also represented the New York State Teachers' Retirement System in a securities litigation against the General Motors Company arising from a series of misrepresentations concerning the quality, safety, and reliability of the Company's cars, which resulted in a $300 million settlement. He was also a member of the litigation team responsible for the successful prosecution of *In re Cendant Corporation Securities Litigation* in the District of New Jersey, which was resolved for $3.2 billion. In addition, he is actively involved in the firm's prosecution of highly successful M&A litigation, representing shareholders in widely publicized lawsuits, including the litigation arising from the proposed acquisition of Caremark Rx, Inc. by CVS Corporation – which led to an increase of approximately $3.5 billion in the consideration offered to shareholders.

A graduate of the Wharton School of Business, University of Pennsylvania and Brooklyn Law School, in 1995-96, Jerry served as a law clerk to the Hon. Steven M. Gold, U.S.M.J., in the United States District Court for the Eastern District of New York.

Jerry lectures to institutional investors at conferences throughout the country, and has written or substantially contributed to several articles on developments in securities and corporate law, including his most recent article, "SEC Statement On Emerging Markets Is A Stunning Failure," which was published by *Law360* on April 27, 2020. He has authored numerous additional articles, including: "Improving Multi-Jurisdictional, Merger-Related Litigation," American Bar Association (February 2011); "The Compensation Game," *Lawdragon*, (Fall 2006); "Institutional Investors as Lead Plaintiffs: Is There A New And Changing Landscape?," 75 *St. John's Law Review* 31 (Winter 2001); "The Duty To Supervise, Poser, Broker-Dealer Law and Regulation," 3rd Ed. 2000, Chapter 15; "Derivative Litigation In New York after Marx v. Akers," *New York Business Law Journal*, Vol. 1, No. 1 (Fall 1997).

Jerry has also been a commentator for the business media on television and in print. Among other outlets, he has appeared on NBC's *Today*, and CNBC's *Power Lunch*, *Morning Call*, and *Squawkbox* programs, as well as being featured in *The New York Times*, *Financial Times*, *Bloomberg*, *The National Law Journal*, and the *New York Law Journal*.

EDUCATION: Wharton School of the University of Pennsylvania, B.S., Economics, 1991. Brooklyn Law School, J.D., *cum laude,* 1995.

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

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. His practice 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 currently serves 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. 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, Jim 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.

SENIOR COUNSEL

JOHN J. MILLS' practice focuses on negotiating, documenting, and obtaining court approval of the firm's securities, merger, and derivative settlements. Over the past decade, John was actively involved in finalizing the following settlements, among others: *In re Wachovia Preferred Sec. and Bond/Notes Litig*. (S.D.N.Y.) ($627 million settlement); *In re Wilmington Trust Sec. Litig.* (D. Del.) ($210 million settlement); *In re Freeport-McMoRan Copper & Gold Inc. Derivative Litig*. (Del. Ch.) ($153.75 million settlement); *Medina, et al. v. Clovis Oncology, Inc., et al*. (D. Colo.) ($142 million settlement); *In re News Corp. S'holder Litig*. (Del. Ch.) ($139 million recovery and corporate governance enhancements); *In re Mut. Funds Invest. Litig*. (MFS, Invesco, and Pilgrim Baxter Sub-Tracks) (D. Md.) ($127.036 million total recovery); *Fresno County Employees' Ret. Ass'n, et al. v. comScore, Inc., et al*. (S.D.N.Y.) ($110 million settlement); *In re El Paso Corp. S'holder Litig*. (Del. Ch.) ($110 million settlement); *In re Starz Stockholder Litig*. (Del. Ch.) ($92.5 million settlement); and *The Dep't of the Treasury of the State of New Jersey and its Div. of Invest. v. Cliffs Natural Res. Inc., et al*. (N.D. Ohio) ($85 million settlement).

John received his J.D. from Brooklyn Law School, *cum laude*, where he was a Carswell Merit Scholar recipient and a member of *The Brooklyn Journal of International Law*. He received his B.A. from Duke University.

EDUCATION: Duke University, B.A., 1997. Brooklyn Law School, J.D., *cum laude,* 2000; Member of *The Brooklyn Journal of International Law;* Carswell Merit Scholar recipient.

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

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. Kearse 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

MICHAEL MATHAI's practice focuses on securities fraud, corporate governance and shareholder rights litigation.

Prior to joining the firm, Michael was a litigation associate at O'Melveny & Myers LLP, where he represented financial services and other companies in securities class action, shareholder rights, antitrust, and commercial litigation matters in state and federal court. He also gained considerable experience representing companies and individuals in investigations and inquiries by regulatory bodies including the SEC, DOJ, FTC, and FINRA.

He is currently a member of the teams prosecuting securities class actions against Wells Fargo & Company, Signet Jewelers Limited, CenturyLink, Inc., and Henry Schein, Inc., among others.

EDUCATION: Harvard University, A.B., *cum laude*, 2006, Economics. London School of Economics and Political Science, 2008, M.Sc., Economics. Columbia Law School, J.D., 2012; Harlan Fiske Stone Scholar.

BAR ADMISSION: New York.

CATHERINE E. VAN KAMPEN's practice concentrates on class action settlement administration. She has extensive experience in complex litigation and litigation management, having overseen attorney teams in many of the firm's most high-profile 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.

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.

Catherine is a champion of social change and justice, particularly for immigrant and refugee women and children. In 2020, as a member of the New City Bar Association's United Nations Committee and African Affairs Committee, she spearheaded organizing the highly successful and widely-praised New York City Bar's International Law Conference on the Status of Women, Pro Bono Engagement Fair and 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 women and children afflicted by war in Iraq and Syria.

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

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.

ROSS SHIKOWITZ, a former associate of the firm, practiced out of the firm's New York office. Mr. Shikowitz focused his practice on securities litigation and was a member of the firm's New Matter group, in which he, as part of a team attorneys, financial analysts, and investigators, counseled institutional clients on potential legal claims.

Mr. Shikowitz served as a member of the litigation teams responsible for successfully prosecuting a number of the firm's significant cases involving wrongdoing related to the securitization and sale of residential mortgage-backed securities ("RMBS") and has recovered hundreds of millions of dollars on behalf of injured investors. He successfully represented Allstate Insurance Co., Metropolitan Life Insurance Company, Teachers Insurance and Annuity Association of America, Bayerische Landesbank, Dexia SA/NV, Sealink Funding Limited, and Landesbank Baden-Württemberg against various issuers of RMBS in both state and federal courts.

While in law school, Mr. Shikowitz was a research assistant to Brooklyn Law School Professor of Law Emeritus Norman Poser, a widely respected expert in international and domestic securities regulation. He also served as a judicial intern to the Honorable Brian M. Cogan of the Eastern District of New York, and as a legal intern for the Major Narcotics Investigations Bureau of the Kings County District Attorney's Office.

EDUCATION: Skidmore College, B.A., Music, *cum laude*, 2003. Indiana University-Bloomington, M.M., Music, 2005. Brooklyn Law School, J.D., *magna cum laude*, 2010; Notes/Comments Editor, *Brooklyn Law Review*; Moot Court Honor Society; Order of Barristers Certificate; CALI Excellence for the Future Award in Products Liability, Professional Responsibility.

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

STAFF ATTORNEYS

ALEXA BUTLER has worked on numerous matters at BLB&G, including *In re Signet Jewelers Limited Securities Litigation, St. Paul Teachers' Retirement Fund Association v. HeartWare International, Inc., 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 Bank of New York Mellon Corp. Forex Transactions Litigation, In re JPMorgan Chase & Co. Securities Litigation, In re Merck & Co., Inc. Securities Litigation (VIOXX-related), In re MBIA Inc. Securities Litigation*, *In re Washington Mutual, Inc. Securities Litigation, In re Merrill Lynch & Co., Inc. Securities, Derivative and ERISA Litigation (Bond Action), In re Refco , Inc. Securities Litigation* and *Affiliated Computer Services, Inc. Shareholder Derivative Litigation*.

Prior to joining the firm in 2007, Alexa was a contract attorney at Whatley Drake & Kallas, LLC, where she worked on complex class action litigation.

EDUCATION: Georgia Institute of Technology, B.S., 1993. St. John' s University School of Law, J.D., 1997.

BAR ADMISSIONS: New York.

JEFFREY CASTRO has worked on numerous matters at BLB&G, including *In re Allergan Generic Drug Pricing Securities Litigation, In re Henry Schein, Inc. Securities Litigation, Hefler et al. v. Wells Fargo & Company et al., Medina et al v. Clovis Oncology, Inc., et al, and Fresno County Employees' Retirement Association v. comScore, Inc.* Mr. Castro also worked with BLB&G on behalf of co-counsel on *In re Salix Pharmaceuticals, Ltd., Securities Litigation.*

Prior to joining the firm, Jeff worked as a contract attorney on securities litigation and other matters. Previously, Jeff was an associate at Jones Hirsch Connors & Bull P.C., where he worked on World Trade Center litigation.

EDUCATION: Binghamton University, B.A., 1996. New York Law School, J.D., 2004.

BAR ADMISSIONS: New York, New Jersey.

CHRISTOPHER CLARKIN has worked on numerous matters at BLB&G, including *In re Signet Jewelers Limited Securities Litigation, In re SunEdison, Inc., Securities Litigation, Hefler et al. v. Wells Fargo & Company et al., Fresno County Employees' Retirement Association v. comScore, Inc., In re Wilmington Trust Securities Litigation, In re Salix Pharmaceuticals, Ltd. Securities Litigation, West Palm Beach Police Pension Fund v. DFC Global Corp., In re NII Holdings, Inc. Securities Litigation, In re Facebook, Inc., IPO Securities and Derivative Litigation, In re Bank of New York Mellon Corp. Forex Transactions Litigation, SMART Technologies, Inc. Shareholder Litigation, In re Citigroup Inc. Bond Litigation* and *In re Pfizer Inc. Shareholder Derivative Litigation*.

Prior to joining the firm in 2010, Chris worked as a contract attorney on several large-scale litigations.

EDUCATION: Trinity College, B.A., 2000. New York Law School, J.D., 2006.

BAR ADMISSIONS: New York, Connecticut.

ALEX DICKIN has worked on numerous matters at BLB&G, including *In re Signet Jewelers Limited Securities Litigation, City of Sunrise General Employees' Retirement Plan v. FleetCor Technologies, Inc., et al, 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., In re Salix Pharmaceuticals, Ltd. Securities Litigation* and *In re Wilmington Trust Securities Litigation.*

Prior to joining the firm in 2014, Alex was an attorney at Labaton Sucharow, where he focused on residential mortgage-backed securities litigation. Previously, Alex was an associate at Herbert Smith Freehills, where he worked on M&A, private equity and corporate restructuring agreements, among other responsibilities.

EDUCATION: Macquarie University, B.B.A. 2005; L.L.B. 2008, with *Honors*.

BAR ADMISSIONS: New York.

DANIELLE DISPORTO has worked on numerous matters at BLB&G, including *Roofers' Pension Fund v. Joseph C. Papa, et al ("Perrigo"), In re Akorn, Inc., Securities Litigation, 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, Town of Davie Police Pension Plan v. CommVault Systems, Inc., et al* and *In re Altisource Portfolio Solutions, S.A., Securities Litigation.*

Prior to joining the firm in 2016, Danielle was an associate at Levy Konigsberg, LLP, Dreier LLP, and Wolf Popper LLP, where she worked on complex class action and derivative litigation, with an emphasis on securities, consumer, antitrust and ERISA law.

EDUCATION: University of Delaware, B.S., 1998; Seton Hall University School of Law, J.D., *cum laude*, 2003.

BAR ADMISSIONS**:** New York, New Jersey.

IGOR FAYNSHTEYN has worked on numerous matters at BLB&G, including *In re Henry Schein, Inc. Securities Litigation, Hefler et al. v. Wells Fargo & Company et al., Medina et al v. Clovis Oncology, Inc., et al, and Fresno County Employees' Retirement Association v. comScore, Inc.* Mr. Faynshteyn also worked with BLB&G on behalf of co-counsel on *In re Merck & Co., Inc., Securities Litigation (VIOXX-related).*

Prior to joining the firm, Igor worked as a contract attorney on several complex securities and patent litigations.

EDUCATION: City University of New York, Hunter College, B.A., 2005; M.A., 2006. Brooklyn Law School, J.D., 2011.

BAR ADMISSIONS: New York.

STEPHEN IMUNDO has worked on numerous matters at BLB&G, including *Roofers' Pension Fund v. Joseph C. Papa, et al ("Perrigo"), In re Akorn, Inc., Securities Litigation, In re Stericycle, Inc., Securities Litigation, St. Paul Teachers' Retirement Fund Association v. HeartWare International, Inc., Hefler et al. v. Wells Fargo & Company et al., Fernandez, et al v. UBS AG, et al ("UBS Puerto Rico Bonds"), Bach v. Amedisys, Inc., In re Salix Pharmaceuticals, Ltd. Securities Litigation, Kohut v. KBR, Inc. et al., In re Bank of New York Mellon Corp. Forex Transactions Litigation, Dexia Holdings, Inc. v. JP Morgan, In re Citigroup Inc. Bond Litigation* and *In re Huron Consulting Group, Inc. Securities Litigation*.

Prior to joining the firm in 2010, Steve worked as a contract attorney at Labaton Sucharow LLP and Constantine & Cannon, LLP.

EDUCATION: Mercy College, B.S., *summa cum laude*, 1994. Fordham University School of Law, J.D., 2002.

BAR ADMISSIONS: New York, Connecticut.

LAURA LEFKOWITZ has worked on numerous matters at BLB&G, including *In re Qualcomm Inc. Securities Litigation, In re SunEdison, Inc., Securities Litigation, Hefler et al. v. Wells Fargo & Company et al., Fresno County Employees' Retirement Association v. comScore, Inc., Town of Davie Police Pension Plan v. CommVault Systems, Inc., et al, In re Salix Pharmaceuticals, Ltd. Securities Litigation, In re NII Holdings, Inc. Securities Litigation, West Palm Beach Police Pension Fund v. DFC Global Corp., In re Bank of New York Mellon Corp. Forex Transactions Litigation, JPMorgan Mortgage Pass-Through Litigation, SMART Technologies, Inc. Shareholder Litigation, In re Citigroup Inc. Bond Litigation* and *In re Pfizer Inc. Shareholder Derivative Litigation.*

Prior to joining the firm in 2010, Laura worked as a litigation associate at Morgenstern Fisher & Blue, LLC, where she worked on bankruptcy and commercial litigation. Laura began her legal career as an associate at Stavis & Kornfeld, LLP, where she represented clients in civil and criminal actions, including criminal trials and appeals.

EDUCATION: University of Michigan, B.A., 1998. American University, Washington College of Law, J.D., *cum laude*, 2001.

BAR ADMISSIONS: New York.

JEFF MESSINGER has worked on several matters at BLB&G, including *In re Celgene Corporation Securities Litigation, In re Henry Schein, Inc. Securities Litigation* and *In re Signet Jewelers Limited Securities Litigation*.

Prior to joining the firm, Jefferey was a partner at Milberg LLP, where he prosecuted mass tort and class action litigation.

EDUCATION: State University of New York at Stony Brook, B.A., 1980. Boston University School of Law, J.D., 1984.

BAR ADMISSIONS: New York.

COMFORT ORJI has worked on several matters at BLB&G, including *In re Henry Schein, Inc. Securities Litigation, In re Signet Jewelers Limited Securities Litigation* and *In re SunEdison, Inc., Securities Litigation.*

Prior to joining the firm in 2018, Comfort worked as a staff attorney at Labaton Sucharow LLP. Comfort previously worked as an associate at Stavis & Kornfeld, LLP, where she represented clients in civil and criminal actions, including criminal trials and appeals.

EDUCATION: University of Benin, Bachelor of Laws (LL.B.), 1998. Nigerian Law School, B.L., 1999.

BAR ADMISSIONS: New York.

JULIUS PANELL has worked on numerous matters at BLB&G, including *In re Henry Schein, Inc. Securities Litigation, In re Signet Jewelers Limited Securities Litigation, Hefler et al. v. Wells Fargo & Company et al.* and *Fresno County Employees' Retirement Association v. comScore, Inc.*

Prior to joining the firm, Julius worked as a contract attorney on numerous complex litigations, including shareholder derivative and class action lawsuits. Julius began his legal career at a solo practice, working on all facets of civil and criminal matters.

EDUCATION: Queens College, B.A., 1992. John Jay College of Criminal Justice, M.A., 1996. New York Law School, J.D., 2000.

BAR ADMISSIONS: New York.

CHESLEY PARKER has worked on numerous matters at BLB&G, including *In re Henry Schein, Inc. Securities Litigation, In re Signet Jewelers Limited Securities Litigation, San Antonio Fire and Police Pension Fund et al v. Dole Food Company, Inc. et al,* and *In re Altisource Portfolio Solutions, S.A., Securities Litigation*.

Prior to joining the firm in 2016, Chesley was a contract attorney at several New York firms.

EDUCATION: The College of the Holy Cross, B.A., 2002. St. John's University School of Law, J.D., 2003.

BAR ADMISSIONS: New York.

JESSICA PURCELL has worked on numerous matters at BLB&G, including *In re Henry Schein, Inc. Securities Litigation, In re Signet Jewelers Limited Securities Litigation, In re Wilmington Trust Securities Litigation, In re Allergan, Inc. Proxy Violation Securities Litigation, In re Bank of New York Mellon Corp. Forex Transactions Litigation* and *In re Citigroup Inc. Bond Litigation*.

Prior to joining the Firm in 2011, Jessica was a contract attorney at Constantine & Cannon, LLP.

EDUCATION: Georgetown University, B.S., Business Administration (Accounting) 2002. Catholic University of America, Columbus School of Law, J.D., *cum laude*, 2006.

BAR ADMISSIONS: Connecticut, New York.

SUSAN RUBINSTEIN has worked on *In re Celgene Corporation Securities Litigation* and *In re Henry Schein, Inc. Securities Litigation.*

Prior to joining the firm, Susan worked as Special Counsel for the Special Federal Litigation Division, Office of Corporation Counsel, New York City Law Department.

EDUCATION: LaSalle University, B.A., 1986. Dickinson School of Law, J.D., 1994.

BAR ADMISSIONS: New York, Pennsylvania.

JOANNA TARNAWSKI has worked on numerous matters at BLB&G, including *In re Celgene Corporation Securities Litigation, In re Henry Schein, Inc. Securities Litigation, 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 *San Antonio Fire and Police Pension Fund et al v. Dole Food Company, Inc., et al.*

Prior to joining the firm in 2016, Joanna worked as a contract attorney on complex litigations. Prior to attending law school, Ms. Tarnawski was a Research Scientist at the Institute for Basic Research in Developmental Disabilities.

EDUCATION: University of Gdansk, M.S. Polish Academy of Sciences, Ph.D., 2003. Seton Hall University School of Law, J.D., 2008.

BAR ADMISSIONS: New York, New Jersey.

MARK WEAVER, a former staff attorney of the firm, has worked on numerous matters at BLB&G, including *General Motors Securities Litigation, In re Wilmington Trust Securities Litigation, Bear Stearns Mortgage Pass-Through Litigation, Allstate Insurance Company v. Morgan Stanley & Co., Inc.*, *JPMorgan Mortgage Pass-Through Litigation, Dexia Holdings, Inc. v. JP Morgan, Goldman Sachs Mortgage Pass-Through Litigation, Merrill Lynch Mortgage Pass-Through Litigation* and *In re Washington Mutual, Inc. Securities Litigation.*

Prior to joining the firm in 2010, Mark was a contract attorney at several major law firms. Mark also provides pro bono legal services through InMotion, Inc. and the New York County Lawyers Association.

EDUCATION: New School University, B.A, 1998. Brooklyn Law School, J.D., 2006.

BAR ADMISSIONS: New York.

KIT WONG, a former staff attorney of the firm, has worked on numerous matters at BLB&G, including *In re Henry Schein, Inc. Securities Litigation, In re SCANA Corporation Securities Litigation*, *In re Allergan, Inc. Proxy Violation Securities Litigation, In re Wilmington Trust Securities Litigation* and *In re Merck & Co., Inc. Securities Litigation (VIOXX-related).*

Prior to joining the firm in 2012, Kit was staff attorney at Labaton Sucharow LLP.

EDUCATION: City College of New York, B.A., *magna cum laude*, 1994; Phi Beta Kappa. New York Law School, J.D., 1999.

BAR ADMISSIONS: New York.

CECILE WORTMAN has worked on several matters at BLB&G, including *In re Allergan Generic Drug Pricing Securities Litigation, In re Henry Schein, Inc. Securities Litigation, In re Signet Jewelers Limited Securities Litigation* and *Hefler et al. v. Wells Fargo & Company et al.*

Prior to joining the firm, Cecile worked as a contract attorney on a complex litigation. Previously, Cecile was a law clerk at the Law Office of Herbert T. Patty.

EDUCATION: CUNY Queens College, B.A., *summa cum laude,* 2014; Phi Beta Kappa. Benjamin N. Cardozo School of Law, J.D., 2017.

BAR ADMISSIONS: New York.

Exhibit 4B

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE HENRY SCHEIN, INC. SECURITIES LITIGATION	**Master File No. 1:18-cv-01428-MKB-VMS** **CLASS ACTION**

DECLARATION OF ROBERT D. KLAUSNER IN SUPPORT OF LEAD COUNSEL'S MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES, FILED ON BEHALF OF KLAUSNER, KAUFMAN, JENSEN & LEVINSON

I, Robert D. Klausner, declare pursuant to 28 U.S.C. § 1746 as follows:

1. I am principal of the law firm of Klausner, Kaufman, Jensen & Levinson. I submit this declaration in support of Lead Counsel's application for an award of attorneys' fees in connection with services rendered in the above-captioned class action (the "Action"), as well as for reimbursement of expenses incurred by my firm in connection with the Action. I have personal knowledge of the matters set forth herein.[1]

2. My firm acted as counsel for Lead Plaintiff, The City of Miami General Employees' and Sanitation Employees' Retirement Trust (the "Miami Retirement Trust"), and one of Plaintiff's Counsel in this Action. We worked closely with Lead Counsel Bernstein Litowitz Berger & Grossmann LLP in providing client communications and coordinating with the client throughout the litigation. My firm performed the following tasks, among others: reviewed and commented on substantive pleadings throughout the litigation; participated in the mediation

[1] Unless otherwise defined in this Declaration, all capitalized terms have the meanings set out in the Stipulation of Settlement dated April 30, 2020 (ECF No. 70-1).

process; and consulted with the Miami Retirement Trust in formulating its decision-making throughout the case, including its review of the proposed Settlement.

3. The schedule attached hereto as Exhibit 1 is a detailed summary indicating the amount of time spent by each attorney of my firm who was involved in this Action who billed ten or more hours to the Action, and the lodestar calculation for those individuals based on my firm's current hourly rates. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

4. The hourly rates for the personnel in my firm included in Exhibit 1 are the same as the regular rates for their services in securities litigation and certain non-contingency matters.

5. The total number of hours expended on this Action by my firm from its inception through and including July 15, 2020, is 22.6. The total lodestar for my firm for that period is $14,690.

6. My firm's lodestar figures are based upon the firm's hourly rates, which rates do not include charges for expense items.

7. My firm has $0 in unreimbursed expenses incurred in connection with the prosecution of this Action from its inception through and including July 15, 2020.

8. With respect to the standing of my firm, attached hereto as Exhibit 2 is a brief biography of my firm and the attorneys involved in this matter.

I declare, under penalty of perjury, that the foregoing facts are true and correct.

Executed on: August 11, 2020

ROBERT D. KLAUSNER

EXHIBIT 1

In re Henry Schein, Inc. Sec. Litig.,
Master File No. 1:18-cv-01448-MKB-VMS (E.D.N.Y.)

KLAUSNER, KAUFMAN, JENSEN & LEVINSON

TIME REPORT

Inception through July 15, 2020

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Robert D. Klausner	10.7	$650	$6,955
Stuart A. Kaufman	11.9	$650	$7,735
TOTALS	22.6		$14,690

EXHIBIT 2

In re Henry Schein, Inc. Sec. Litig.,
Master File No. 1:18-cv-01448-MKB-VMS (E.D.N.Y.)

KLAUSNER, KAUFMAN, JENSEN & LEVINSON

FIRM RESUME

The law firm of **Klausner, Kaufman, Jensen & Levinson** specializes exclusively in the representation of retirement and benefit systems and related labor and employment relations matters. The firm is composed of 7 lawyers in South Florida and Robert E. Tarzca, Of Counsel (New Orleans). In addition, we have five clerical/paraprofessional employees, an administrator, and a deputy administrator/conference director.

As a result of our substantial involvement on a national level in public employee retirement matters, we have developed a unique level of knowledge and experience. By concentrating our practice in the area of public employee retirement and related employment issues, we are able to keep a focus on changing trends in the law that more general practitioners would consider a luxury.

The law firm of Klausner, Kaufman, Jensen & Levinson, among the most highly regarded in the country in the area of pension issues, is frequently called upon as an educational and fiduciary consultant by state and local governments throughout the United States on some of the newest and most sophisticated issues involving public retirement systems. The examples of those areas are:

Plan Design

The firm provides services to dozens of public employee pension plans throughout the United States in the area of plan review, design, and legislative drafting. On both the state and local levels, statutes and ordinances are reviewed for the purposes of maintaining compliance with current and pending Internal Revenue Code Regulations affecting public plans, as well as compliance with provisions of the Americans With Disabilities Act, the Older Workers Protections Act, Veterans' re-employment laws, and the Pension Protection Act. When benefit changes occur we prepare all necessary legislative drafts and appear before the appropriate legislative body to answer questions concerning those drafts. We also offer creative solutions to plan design issues brought about by unexpected economic pressures and balancing those solutions against constitutional or statutory benefit guarantees.

Fiduciary Education

The primary duty of a pension fund lawyer is to ensure that the trustees do the right thing. It is our practice to design and present a variety of educational materials and programs which explain the general principles of fiduciary responsibility, as well as more specific principles regarding voting conflicts, compliance with open meeting laws, conflict of interest laws, etc. We regularly apprise the boards of trustees and administrators through newsletters, memoranda and updates on our website of changes in the law, both legislatively and judicially, which impact upon their duties.

We also conduct training workshops to improve the trustees' skills in conducting disability and other benefit hearings. As a result of our regular participation and educational programs on a monthly basis, all of the materials prepared as speaker materials for those programs are distributed without additional charge to our clients. Our firm provides its clients, as part of the fees charged for legal and consulting services, an annual pension conference in South Florida. This national event draws internationally-known legal and financial experts and has been attended by more than 3500 trustees and administrators from throughout the United States. Only clients of the firm are permitted to attend and fees paid include attendance at the conference.

Plan Policies, Rules, and Procedures

It has been our experience that boards of trustees find themselves in costly and unnecessary litigation because of inconsistency in the administration of the fund. Accordingly, we have worked with our trustee clients in developing policies, rules, and procedures for the administration of the trust fund. The development of these rules ensures uniformity of plan practices and guarantees the due process rights of persons appearing before the board. They also serve to help organize and highlight those situations in which the legislation creating the fund may be in need of revision. By utilizing rule making powers, the board of trustees can help give definition and more practical application to sometimes vague legislative language.

Legal Counseling

In the course of its duties, the board of trustees and administrators will be called upon from time to time to interpret various provisions of the ordinance or statute which governs its conduct. The plan will also be presented with various factual situations which do not lend themselves to easy interpretation. As a result, counsel to the plan is responsible for issuing legal opinions to assist the trustees and staff in performing their function in managing the trust. It is our practice to maintain an orderly system of the issuance of legal opinions so that they can form part of the overall body of law that guides the retirement plan. As changes in the law occur, it is our practice to update those legal opinions to ensure that the subjects which they cover are in conformance with the current state of the law.

Summary Plan Descriptions

Many state laws require that pension plans provide their members with a plain language explanation of their benefits and rights under the plan. Given the complexity of most pension laws, it is also good benefits administration practice. Part of the responsibilities of a fiduciary is to ensure that plan members understand their rights and the benefits which they have earned. We frequently draft plain language summary plan descriptions using a format which is easily updatable as plan provisions change. We are also advising plans on liability issues associated with electronic communication between funds and members as part of our continuing effort at efficient risk management.

Litigation

Despite the best efforts and intentions of the trustees and staff, there will be times when the plan finds itself as either a plaintiff or defendant in a legal action. We have successfully defended retirement plans in claims for benefits, actions regarding under-funding, constitutional questions, discrimination in plan design, and failure of plan fiduciaries to fulfill their responsibilities to the trust. The firm has substantial state and federal court trial and appellate experience, including the successful defense of a state retirement system in the Supreme Court of the United States. The firm also has a substantial role in monitoring securities litigation and regularly argues complex appellate matters on both the state and federal levels. We pride ourselves on the vigorous representation of our clients while maintaining close watch on the substantial costs that are often associated with litigation. We are often called upon to provide support in a variety of cases brought by others as expert witnesses or through appearance as an *amicus curiae* (Friend of the Court).

ATTORNEY BIOGRAPHIES

ROBERT D. KLAUSNER:

Born Jacksonville, Florida, December 20, 1952; admitted to Florida Bar 1977; Texas Bar 2019; U.S. District Court, Southern District of Florida, 1978; U.S. Court of Appeals, Fifth Circuit, 1981; U.S. Court of Appeals, Eleventh Circuit, 1997; U.S. Court of Claims,1998; U.S. Court of Appeals, Eighth Circuit, 2000; U.S. Supreme Court, 2000; U.S. Court of Appeals, Sixth Circuit, 2004; U.S. District Court, Middle District of Florida, 2005; U.S. Court of Appeals, Second Circuit, 2011; U.S. District Court, Northern District of Texas, 2011; U.S. Court of Appeals, Fourth Circuit, 2013; U.S. Court of Appeals, Third Circuit, 2020.

Education:	University of Florida (B.A. with honors, 1974); University of Florida College of Law (J.D., 1977). Adjunct professor, Nova University Law School (1987 - 2005); adjunct professor, New York Institute of Technology, School of Labor Relations(1999-2003); instructor, Florida State University Center for Professional Development and Public Service (1980 - present); instructor, International Foundation of Employee Benefit Plans (1986 - present); instructor, National Conference on Public Employee Retirement Systems (1987 - present); instructor, Public Safety Officers Benefits Conference (1988 - present); instructor, Labor Relations Information Systems (1990 - present); instructor, National Education Association Benefit Conferences (1989 - present); instructor, Florida Division of Retirement Pension Trustees School (1980 - present);
Member:	The Florida Bar; American Bar Association; Phi Beta Kappa; Phi Kappa Phi.
Publication:	Co-Author, State and Local Government Employment Liability, West Publishing Co.

Author, State and Local Government Retirement Law: A Guide for Lawyers, Trustees, and Plan Administrators, West Publishing Co.

STUART A. KAUFMAN:

Born Queens, New York, March 21, 1965; admitted to New York Bar 1990; Florida Bar 1993; United States District Court, Southern District of Florida 1993; United States Court of Appeals, Eleventh Circuit, 1998.

Education: State University of New York at Binghamton (B.A. 1986); University of Miami School of Law (J.D. 1989).

Member: The Association of the Bar of the City of New York; The Association of the Bar of the State of New York; The Florida Bar; American Bar Association.

Exhibit 5

CONNELLAN & CO., INC.
[redacted]
NEWPORT COAST, CALIFORNIA 92657
[redacted]

D. MICHAEL CONNELLAN
PRESIDENT
[redacted]

August 4, 2020

Jonathan E. Richman, Esq.
Proskauer Rose LLP
Eleven Times Square
NY, NY 10036

Clerk's Office, Judge Margo K. Brodie
U.S. District Court
Eastern District of NY
225 Cadman Plaza East
Brooklyn, NY 11201

Dear Judge Brodie and Mr. Richman:

Having just received the proposed settlement of the securities class action against Henry Schein, Inc., the purpose of this letter is to commend you for the conceptual settlement but to very vigoro0usly object to the highly unreasonable 25% of the Settlement Fund, amounting to just under $9,000,000 [25% of $35,000,000 + expenses estimated to be $200,000]!

As a Managing Director of a major investment bank for many years before becoming CEO of several companies, I've retained and paid many of the top law firms – Cravath, Sullivan & Cromwell, Paul Weiss, et al – so I'm familiar with the genre. I also recognize the "contingency" aspect. However, even when one applies the time value of money concept, the risk free return, and the tax effects, my own estimates calculate a per hour equivalent far in excess of what is reasonable. From a shareholder's point of view, were I to own, say, 10,000 shares, the personal cost to me of their legal fees is $1,100 out of my pocket. In my estimation at least 90% should go to the shareholders.

Thank you for your consideration.

Yours truly,

Michael Connellan

D. Michael Connellan

Exhibit 6

CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

Securities Class Action Filings

2019 Year in Review

Table of Contents

Table of Figures

Executive Summary

For a third consecutive year, the number of new class action securities filings based on federal statutes remained above 400. Most notably, core filings surged to record levels. Market capitalization losses, as in 2018, surpassed $1 trillion.

Number and Size of Filings

- Plaintiffs filed 428 **new class action securities cases** (filings) across federal and state courts in 2019, the most on record and nearly double the 1997–2018 average. "Core" filings—those excluding M&A filings—rose to the highest number on record. (pages 5–6)
- Federal and state court class actions alleging claims under the Securities Act of 1933 (1933 Act) helped push filing activity to record levels. The number of **1933 Act filings** themselves reached unprecedented levels. (page 25)
- **Disclosure Dollar Loss (DDL)** decreased by 14 percent to $285 billion in 2019. (pages 7–8)
- **Maximum Dollar Loss (MDL)** also fell by 9 percent to $1,199 billion. (page 9)
- In 2019, eight **mega filings** in federal courts made up 52 percent of federal core DDL and 21 mega filings in federal courts made up 71 percent of federal core MDL. Both of these percentages track closely with historical averages. Filings with a DDL of at least $5 billion or an MDL of at least $10 billion are considered mega filings. (pages 33–35)

Other Measures of Filing Intensity

- In 2019, the likelihood of litigation involving a core filing for **U.S. exchange-listed companies** increased for a seventh consecutive year. This measure reached record levels because of both the heightened filing activity against public companies and an extended decline in the number of public companies over the last 15 years. (page 11)
- One in about 14 **S&P 500** companies (7.2 percent) was subject to litigation in federal courts in 2019. Companies in the Health Care sector were the most frequent targets of new core federal filings. (pages 12–13)

Core filings in 2019 increased 13 percent compared to 2018.

Figure 1: Federal and State Class Action Filings Summary

(Dollars in Billions)

	Annual (1997–2018)			2018	2019
	Average	Maximum	Minimum		
Class Action Filings	215	420	120	420	428
Core Filings	*186*	*242*	*120*	*238*	*268*
Disclosure Dollar Loss (DDL)	$130	$331	$42	$331	$285
Maximum Dollar Loss (MDL)	$638	$2,046	$145	$1,317	$1,199

Key Trends in Federal Filings

Companies on U.S. exchanges were more likely to be sued in 2019 than in any previous year whether measured solely on core filings or on total filings. Core filings in federal courts (core federal filings) against non-U.S. issuers (i.e., companies headquartered outside the United States with securities trading on U.S. exchanges) also reached record levels.

U.S. Companies

- In 2019, 5.5 percent of **U.S. exchange-listed companies** were the subject of core filings. (page 11)
- Core federal filings against **S&P 500 firms** in 2019 occurred at a rate of 7.2 percent. (page 12)

Non-U.S. Companies

- Core federal filings against **non-U.S. companies** rose to 57, the highest level on record. (pages 30–31)
- The likelihood of a core federal filing against a non-U.S. company increased from 4.8 percent in 2018 to 5.6 percent in 2019. (page 32)

By Industry

- In 2019, 66 core federal filings were brought against companies in the **Technology** and **Communications** sectors combined, up 32 percent from 2018. (page 36)
- Core federal filings in the **Consumer Non-Cyclical** sector jumped from 67 in 2018 to 88 in 2019. Within this sector, combined filings against biotechnology, pharmaceutical, and healthcare companies also increased. (pages 36–37)

By Circuit

- There were 103 and 52 core federal filings in the **Second** and **Ninth Circuits**, respectively. Second Circuit core federal filings were at historically high levels, 45 percent greater than 2018. (page 38)
- **Third Circuit** filings remained at elevated levels with 28 in 2019 compared with the 1997–2018 historical average of 17. (page 38)

M&A Filings

- Federal filings of merger-objection class actions—those involving M&A transactions with Section 14 claims but no Rule 10b-5, Section 11, or Section 12(2) claims—decreased again, from 182 in 2018 to 160 in 2019. (page 5)
- M&A filings were concentrated in the Third Circuit. In 2019, 127 of the 160 M&A filings were in the Third Circuit, including 126 in Delaware federal court. (page 14)
- M&A filings had a much higher rate of dismissal (89 percent) than core federal filings (47 percent) from 2009 to 2018. (page 15)

Filings by Lead Plaintiff

- For 2019 core federal filings, individuals were appointed lead plaintiff more often than institutional investors, a pattern that has persisted since 2013. (page 18)

Appointment of Plaintiff Lead Counsel

- The growth in core federal filings over the last seven years has coincided with the activity of three plaintiff law firms that have increasingly been involved in securities class actions. (page 39)

New Developments

- There has been an increased number of core filings involving companies in and related to the cannabis industry. (page 41)
- The forum selection case, *Sciabacucchi v. Salzberg*, is currently before the Delaware Supreme Court. (page 41)

Featured: Annual Rank of Filing Intensity

Filing activity in federal and state courts accelerated in 2019. Each of the last three years—2017 through 2019—has been more active than any previous year. More core filings in federal and state courts occurred in 2019 than in any other year. Unlike in earlier years with heightened levels of filings (e.g., at the time of the dot-com bust or the financial crisis), the current peaks have occurred despite a lack of financial market turbulence.

Core federal filings against S&P 500 companies occurred with slightly lower frequency than in 2018, but remained elevated compared with historical measures. Given the number of filings and the frequency of filings involving larger companies, historically large amounts of market capitalization losses (as measured by DDL and MDL) are being litigated.

Figure 2: Annual Rank of Measurements of Federal and State Filing Intensity

	2017	2018	2019
Number of Total Filings	3rd	2nd	1st
Core Filings	8th	3rd	1st
M&A Filings	1st	2nd	3rd
Size of Core Filings			
Disclosure Dollar Loss	10th	1st	2nd
Maximum Dollar Loss	12th	3rd	4th
Percentage of U.S. Exchange-Listed Companies Sued			
Total Filings	3rd	2nd	1st
Core Filings	3rd	2nd	1st
Percentage of S&P 500 Companies Subject to Core Federal Filings	8th	2nd	4th

Note: Rankings cover 1997 through 2019 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. Core filings are those excluding M&A claims. State 1933 Act filings filed exclusively 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.

Featured: State Court 1933 Act Filings

Securities class action filings with 1933 Act claims increased in state courts in 2019 after the 2018 U.S. Supreme Court decision in *Cyan Inc. v. Beaver County Employees Retirement Fund*. This is one of the more meaningful trends in securities litigation in the last few years. In 2019, filings in state courts with 1933 Act claims exceeded those in federal courts.

- From 2010 through 2019, plaintiffs filed at least 159 1933 Act cases in state courts (state 1933 Act filings). (page 19)
- The number of state 1933 Act filings in 2019 increased by 40 percent from 2018, while the total MDL of state 1933 Act filings rose by 78 percent. (pages 19–20)
- About 45 percent of all state 1933 Act filings in 2019 had a parallel action in federal court. (page 25)
- While state 1933 Act filings exclusively filed in state courts decreased in California from 2018 to 2019, filings in both New York and other states rose substantially.

In 2019, New York state courts became the preferred state venue for plaintiffs bringing 1933 Act claims.

Figure 3: State Court 1933 Act Class Action Filings Summary
(Dollars in Billions)

	Average 2010–2018	2018	2019
State Court 1933 Act Class Action Filings			
Filings in State Courts Only	5	16	27
California	4	8	5
New York	1	5	13
All Other States	1	3	9
Parallel Filings in State and Federal Courts	7	16	22
Total	12	32	49
Maximum Dollar Loss of State Court 1933 Act Filings			
MDL of Filings in State Courts Only	$7.6	$4.3	$18.7
California	$7.2	$2.8	$0.8
New York	$0.2	$1.5	$12.9
All Other States	$0.2	$0.0	$5.0
MDL of Filings in State and Federal Courts	$7.7	$19.4	$25.7
Total MDL	$15.2	$23.7	$44.4

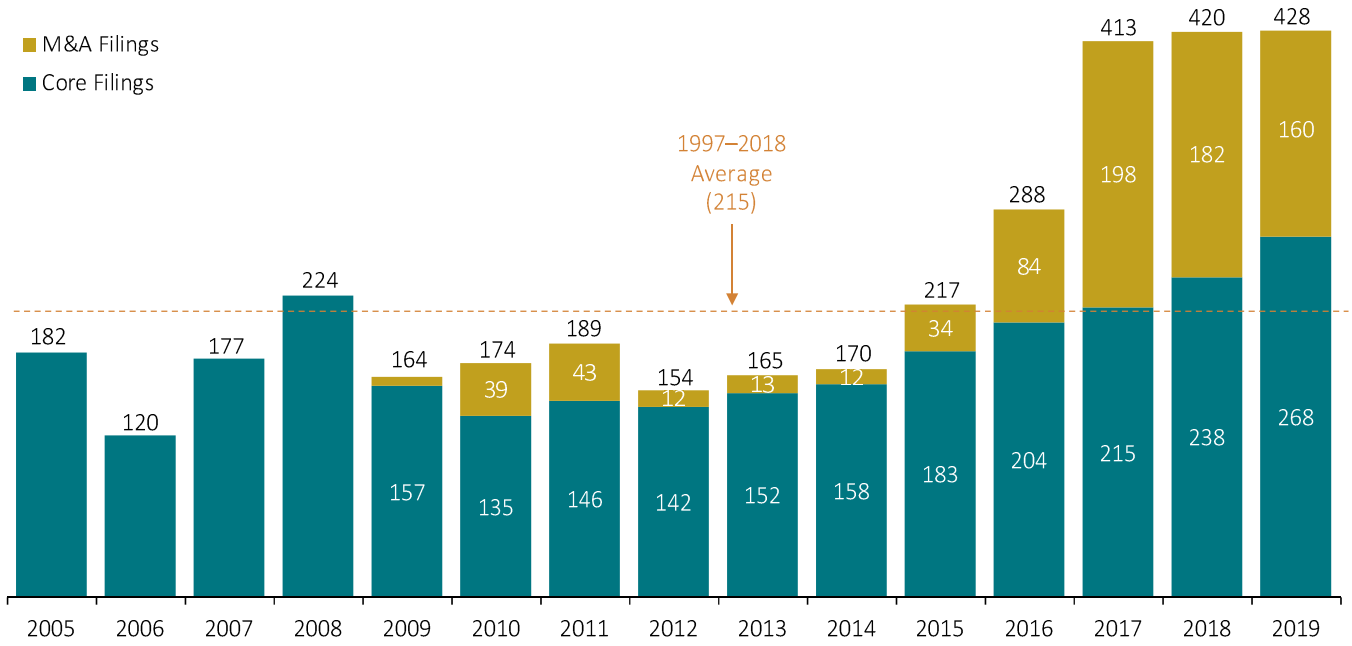
Note:
1. Filings in state courts may have parallel cases filed in federal courts. When parallel cases are filed in different years, the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings.
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.

Number of Federal and State Filings

- Plaintiffs filed 428 new securities class actions across federal and state courts, the highest number on record and nearly double the 1997–2018 average.
- The 160 M&A filings in 2019 were the third-largest number since 2009 (when this report began separately identifying these filings).
- Core filings—those excluding M&A filings—were the highest on record, topping even 2008 when filings surged due to the volatility in U.S. and global financial markets. See Appendix 1 for litigation totals from 1997 to 2019.
- The growth in core federal filings over the last seven years has coincided with the activity of three plaintiff law firms that have increasingly been involved in securities class actions. See additional discussion at page 39.
- There were just three initial coin offering (ICO)/cryptocurrency-related filings in 2019. Emerging as a new trend were filings against issuers involved in the cannabis industry—13 such federal filings occurred in 2019, up from six in 2018.

The number of class action filings across federal and state venues was the highest on record as overall filing activity remained significantly above pre-2016 levels.

Figure 4: Class Action Filings Index® (CAF Index®) Annual Number of Class Action Filings 2005–2019

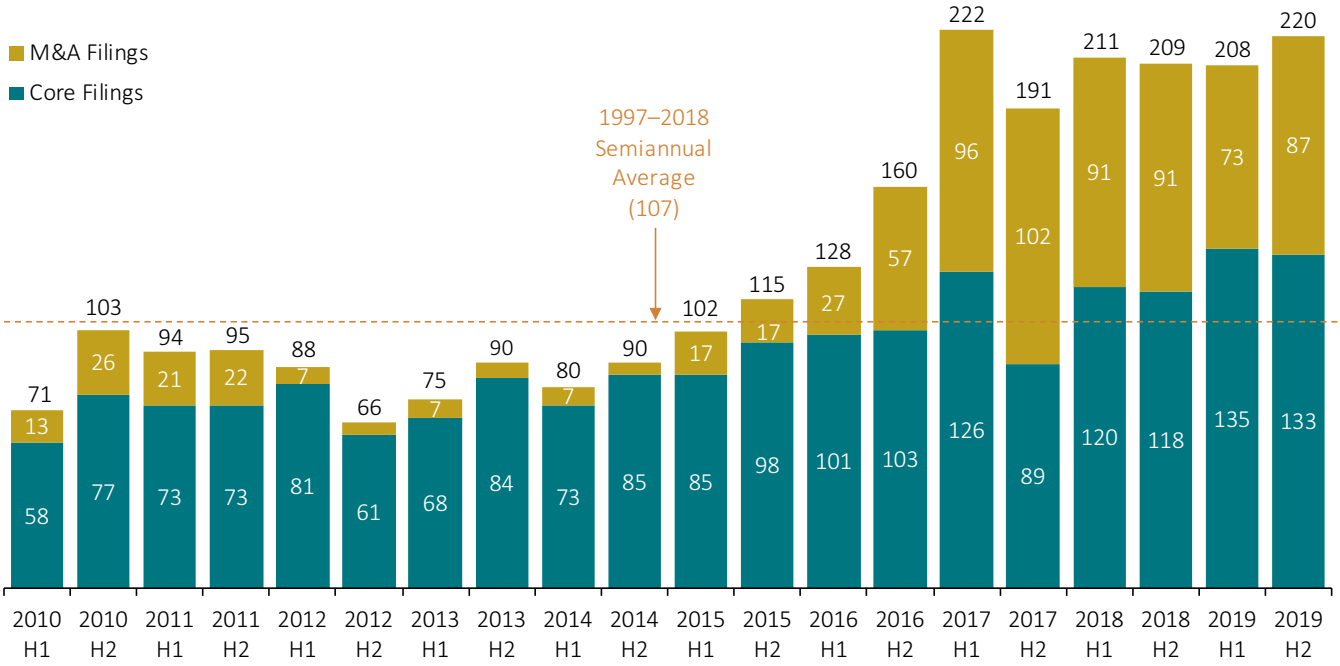


Note: This figure begins including state 1933 Act filings in the annual counts in 2010. Parallel class actions are only reflected as a single filing.

- The pace of core filings was essentially unchanged in the second half of 2019, while the pace of M&A filings was higher in the second half of the year.

Filing activity increased by 6 percent in the second half of 2019.

Figure 5: Class Action Filings Index® (CAF Index®) Semiannual Number of Class Action Filings
2010–2019



Note: This figure begins including state 1933 Act filings in the semiannual counts in 2010. Parallel class actions are only reflected as a single filing.

Market Capitalization Losses for Federal and State Filings

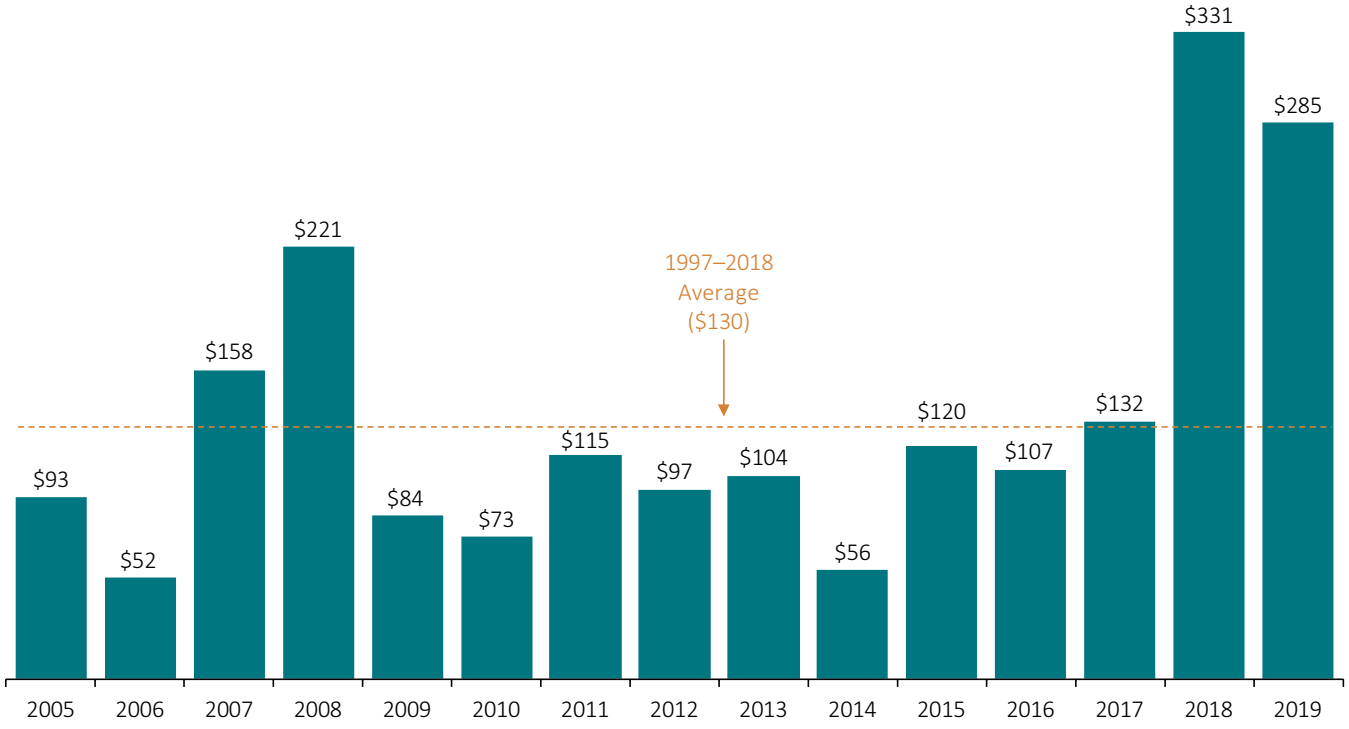
Disclosure Dollar Loss Index® (DDL Index®)

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 remained significantly elevated in 2019 despite a sizable decline from last year's record.

- The DDL Index fell to $285 billion in 2019, down 14 percent from 2018, but remained more than double the 1997–2018 average.
- Median DDL per filing in 2019 was the second-highest on record, trailing only 2018. See Appendix 1 for DDL totals, averages, and medians from 1997 to 2019.

Figure 6: Disclosure Dollar Loss Index® (DDL Index®)
2005–2019
(Dollars in Billions)

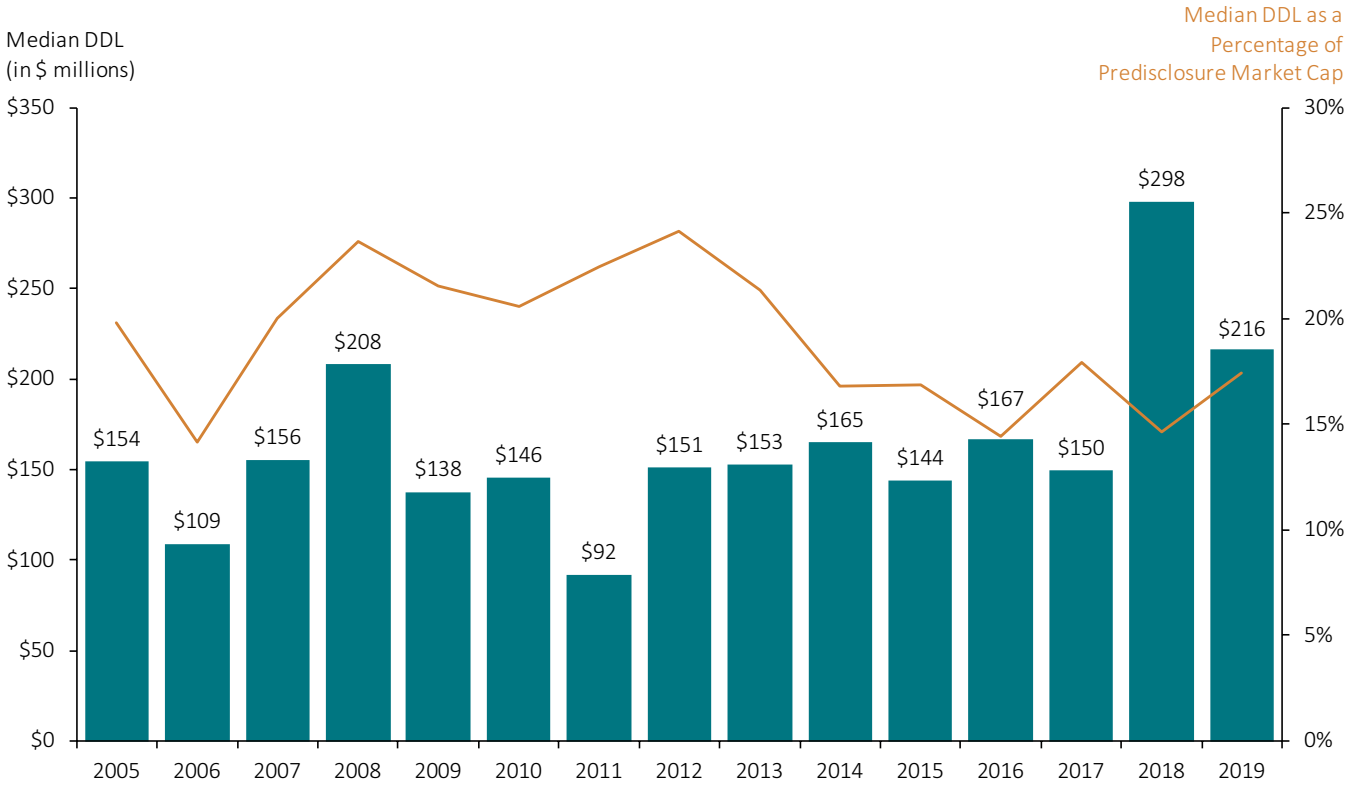


Note: This figure begins including DDL associated with state 1933 Act filings in 2010. DDL associated with parallel class actions are only counted once.

- The typical (i.e., median) percentage stock price drop at the end of the class period has generally oscillated between 14 percent and 18 percent since 2014, and in 2019 reached its second-highest level in the past six years.
- The median DDL decreased 28 percent from 2018 levels, although it was still 58 percent above the 1997–2018 average.

Median DDL fell noticeably from 2018 levels while the median value of DDL as a percentage of predisclosure market capitalization rebounded to 2017 levels.

Figure 7: Median Disclosure Dollar Loss
2005–2019



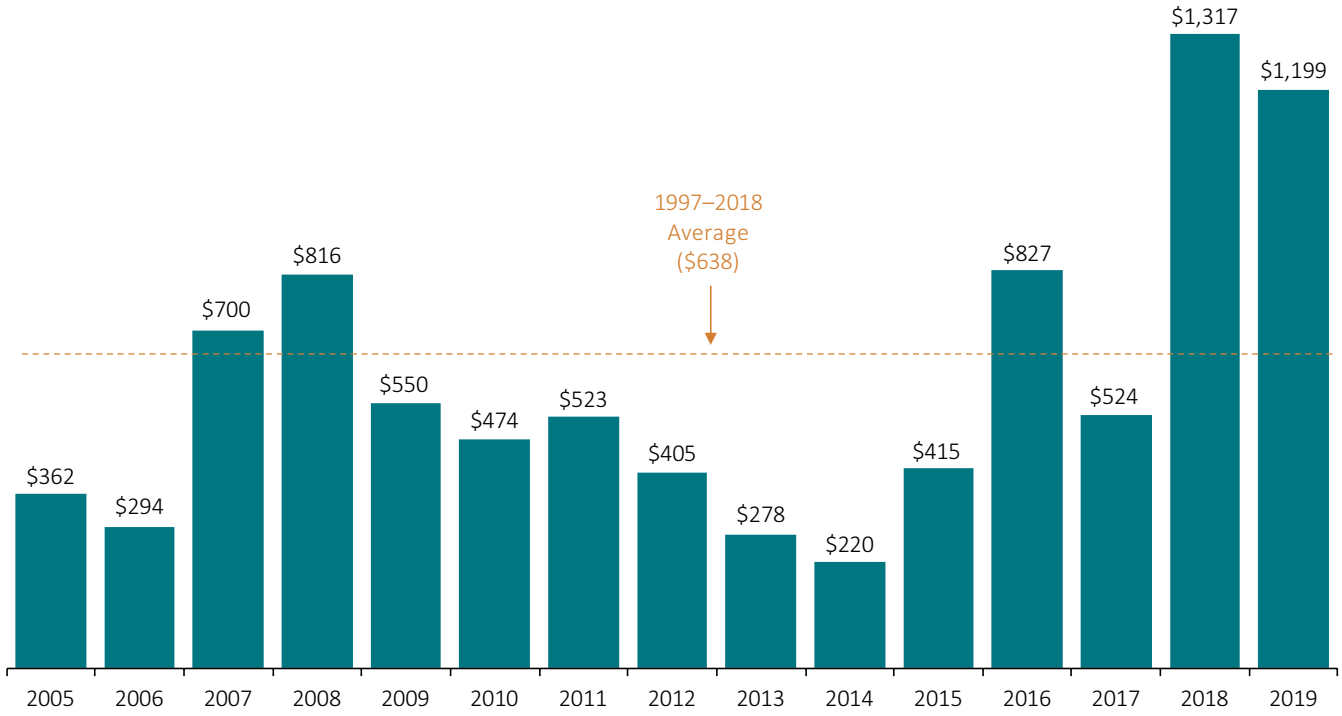
Maximum Dollar Loss Index® (MDL Index®)

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 $1.2 trillion in 2019, the fourth-largest year on record. Relative to 2018, the MDL Index declined by 9 percent. See Appendix 1 for MDL totals, averages, and medians from 1997 to 2019.
- For the second consecutive year, there were at least 20 mega MDL filings, compared to 14 in 2017. Mega MDL filings primarily involved pharmaceutical, technology, and communications companies.

The MDL Index eclipsed $1 trillion for a second consecutive year.

Figure 8: Maximum Dollar Loss Index® (MDL Index®)
2005–2019
(Dollars in Billions)



Note: This figure begins including MDL associated with state 1933 Act filings in 2010. MDL associated with parallel class actions are only counted once.

Classification of Federal Complaints

- Section 11 claims increased in federal courts even as filing activity continued to increase in state courts. See page 22.
- Section 12(2) claims decreased from 10 percent of core federal filings in 2018 to 7 percent in 2019.
- For the third consecutive year, around one-fourth of core federal filings included allegations related to accounting violations.
- Allegations of announced internal control weaknesses increased from 7 percent of core federal filings to 10 percent.

Section 11 claims were asserted in 16 percent of core federal filings in 2019, up from 10 percent in 2018.

- Underwriters were named as defendants in 11 percent of core federal filings, up from 8 percent in 2018. This increase is consistent with the higher numbers of Section 11 core federal filings.

Figure 9: Allegations Box Score—Core Federal Filings

	Percentage of Filings[1]				
	2015	2016	2017	2018	2019
Allegations in Core Federal Filings[2]					
Rule 10b-5 Claims	92%	94%	93%	86%	87%
Section 11 Claims	16%	12%	12%	10%	16%
Section 12(2) Claims	9%	6%	4%	10%	7%
Misrepresentations in Financial Documents	99%	99%	100%	95%	98%
False Forward-Looking Statements	53%	45%	46%	48%	47%
Trading by Company Insiders	16%	10%	3%	5%	5%
Accounting Violations[3]	38%	30%	22%	23%	23%
Announced Restatement[4]	12%	10%	6%	5%	8%
Internal Control Weaknesses[5]	26%	21%	14%	18%	18%
Announced Internal Control Weaknesses[6]	11%	7%	7%	7%	10%
Underwriter Defendant	12%	7%	8%	8%	11%
Auditor Defendant[7]	1%	2%	0%	0%	0%

Note:

1. The percentages do not add to 100 percent 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 accounting GAAP violations; however, the allegations, if true, would represent accounting GAAP violations.
4. FIC includes allegations of GAAP 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 and 2019 there was one filing with allegations against an auditor defendant.

U.S. Exchange-Listed Companies

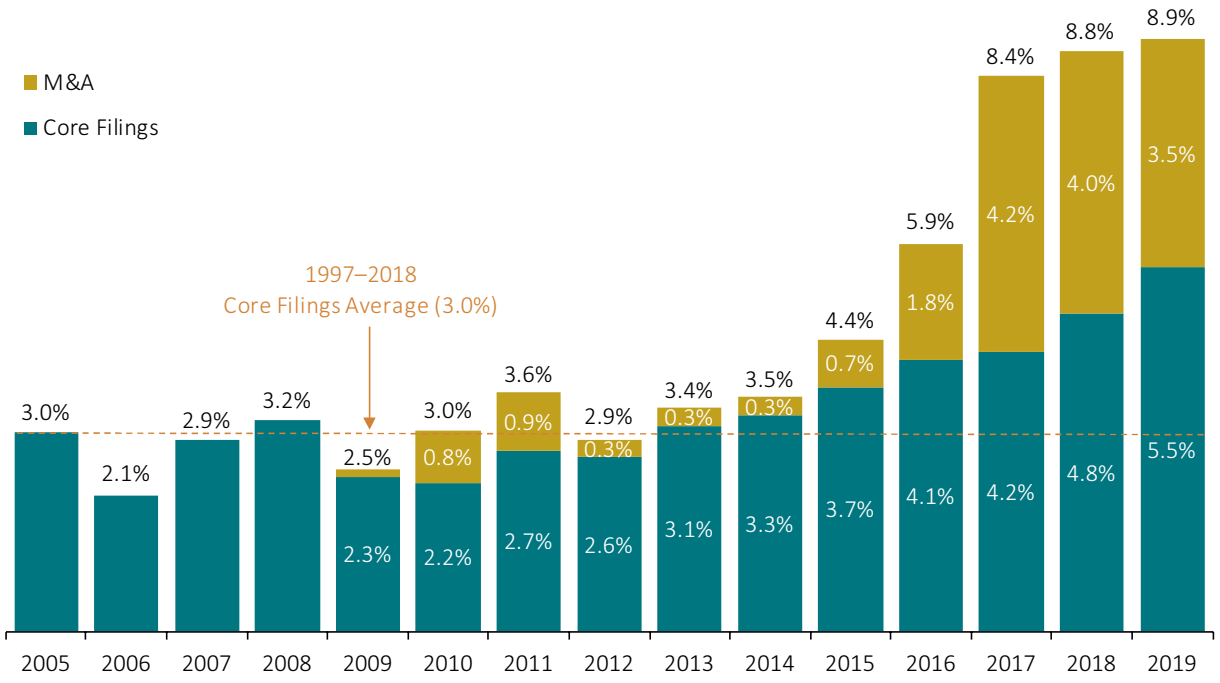
The percentages below are calculated as the unique number of companies listed on the NYSE or Nasdaq subject to federal or state securities fraud class actions in a given year divided by the unique number of companies listed on the NYSE or Nasdaq.

- The likelihood that U.S. exchange-listed companies were subject to core filings increased for a seventh consecutive year, from 2.6 percent in 2012 to 5.5 percent in 2019.
- Approximately one in 18 companies listed on U.S. exchanges was the subject of a core filing in 2019. See Appendix 1 for litigation likelihood from 1997 to 2019.

The likelihood of core filings targeting U.S. exchange-listed companies surpassed the previous record set in 2018, while M&A filings dropped to the lowest level since 2016.

- M&A filings decreased in 2019 to 3.5 percent, down from 4.0 percent in 2018.

Figure 10: Percentage of U.S. Exchange-Listed Companies Subject to Federal or State Filings
2005–2019



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of Firms	5,593	5,525	5,467	5,339	5,042	4,764	4,660	4,529	4,411	4,416	4,578	4,593	4,411	4,406	4,318
Percent Change	(0.9%)	(1.2%)	(1.0%)	(2.3%)	(5.6%)	(5.5%)	(2.2%)	(2.8%)	(2.6%)	0.1%	3.7%	0.3%	(4.0%)	(0.1%)	(2.0%)

Source: Securities Class Action Clearinghouse; Center for Research in Security Prices (CRSP)

Note:

1. 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.
2. 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 American Depository Receipts (ADRs) and listed on the NYSE or Nasdaq.
3. Percentages may not sum due to rounding.
4. This figure begins including issuers facing suits in state 1933 Act filings in 2010.

Heat Maps: S&P 500 Securities Litigation™ for Federal Filings

The Heat Maps illustrate 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 the companies in the S&P 500 at the beginning of 2019, approximately one in 14 companies (7.2 percent) was a defendant in a core federal filing during the year. See Appendix 2A for percentage of companies by sector from 2001 to 2019.

The likelihood of an S&P 500 company being sued declined after a decade high in 2018.

- The rate of core federal filings against Energy/Materials firms doubled from 2018 to 2019.
- The Consumer Staples, Industrials, Communication Services/Information Tech, and Utilities sectors continued to see higher likelihoods of core federal filings than prior to 2016, while rates in other sectors have plateaued or decreased.
- The percentage of companies in the Financials/Real Estate sector subject to core federal filings (2 percent) was 25 percent of the 2001–2018 average.

Figure 11: Heat Maps of S&P 500 Securities Litigation™ Percentage of Companies Subject to Core Federal Filings

	Average 2001–2018	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Consumer Discretionary	5.3%	5.1%	3.8%	4.9%	8.4%	1.2%	0.0%	3.6%	8.5%	10.0%	3.1%
Consumer Staples	3.4%	0.0%	2.4%	2.4%	0.0%	0.0%	5.0%	2.6%	2.7%	11.8%	12.1%
Energy/Materials	1.5%	4.3%	0.0%	2.7%	0.0%	1.3%	0.0%	4.5%	3.3%	1.8%	3.7%
Financials/Real Estate	8.0%	10.3%	1.2%	3.7%	0.0%	1.2%	1.2%	6.9%	3.3%	7.0%	2.0%
Health Care	8.8%	13.5%	2.0%	1.9%	5.7%	0.0%	1.9%	17.9%	8.3%	16.1%	12.9%
Industrials	3.8%	0.0%	1.7%	1.6%	0.0%	4.7%	0.0%	6.1%	8.7%	8.8%	10.1%
Communication Services / Information Tech	6.3%	2.4%	7.1%	3.8%	9.1%	0.0%	4.2%	6.8%	8.5%	12.7%	10.0%
Utilities	5.3%	0.0%	2.9%	0.0%	0.0%	0.0%	3.4%	3.4%	7.1%	7.1%	6.9%
All S&P 500 Companies	5.5%	4.8%	2.8%	3.0%	3.4%	1.2%	1.6%	6.6%	6.4%	9.4%	7.2%

Legend	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.

- The percentage of total market capitalization of S&P 500 companies subject to core federal filings fell from 14.9 percent in 2018 to 10.0 percent in 2019. See Appendix 2B for market capitalization percentage by sector from 2001 to 2019.
- While the percentage of companies in the Energy/Materials sector subject to core federal filings more than doubled relative to 2018, the percentage of this sector's market capitalization subject to core federal filings fell 18 percent year-over-year.
- All sectors other than the Industrials and Utilities sectors saw a decrease in the percentage of market capitalization subject to core federal filings compared to 2018.

In six of the eight sectors, the percentage of market capitalization subject to core federal filings fell from the previous year.

Figure 12: Heat Maps of S&P 500 Securities Litigation™ Percentage of Market Capitalization Subject to Core Federal Filings

	Average 2001–2018	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Consumer Discretionary	5.2%	4.9%	4.6%	1.6%	4.4%	2.5%	0.0%	2.8%	8.2%	4.7%	0.5%
Consumer Staples	4.1%	0.0%	0.8%	14.0%	0.0%	0.0%	1.9%	1.0%	6.7%	15.2%	9.1%
Energy/Materials	2.9%	5.2%	0.0%	0.9%	0.0%	0.2%	0.0%	19.8%	2.3%	1.4%	1.2%
Financials/Real Estate	15.2%	31.1%	6.9%	11.0%	0.0%	0.3%	3.0%	11.9%	1.5%	12.5%	2.2%
Health Care	12.9%	32.7%	0.7%	0.8%	4.4%	0.0%	3.1%	13.2%	2.7%	26.3%	6.6%
Industrials	8.4%	0.0%	2.1%	1.2%	0.0%	1.7%	0.0%	8.7%	22.3%	19.4%	21.6%
Communication Services / Information Tech	9.5%	5.9%	13.4%	2.2%	16.6%	0.0%	7.0%	12.3%	4.4%	19.4%	18.0%
Utilities	6.0%	0.0%	0.6%	0.0%	0.0%	0.0%	3.7%	4.4%	9.6%	6.5%	7.9%
All S&P 500 Companies	8.9%	11.1%	5.0%	4.3%	4.7%	0.6%	2.8%	10.0%	6.1%	14.9%	10.0%

Legend	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 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.

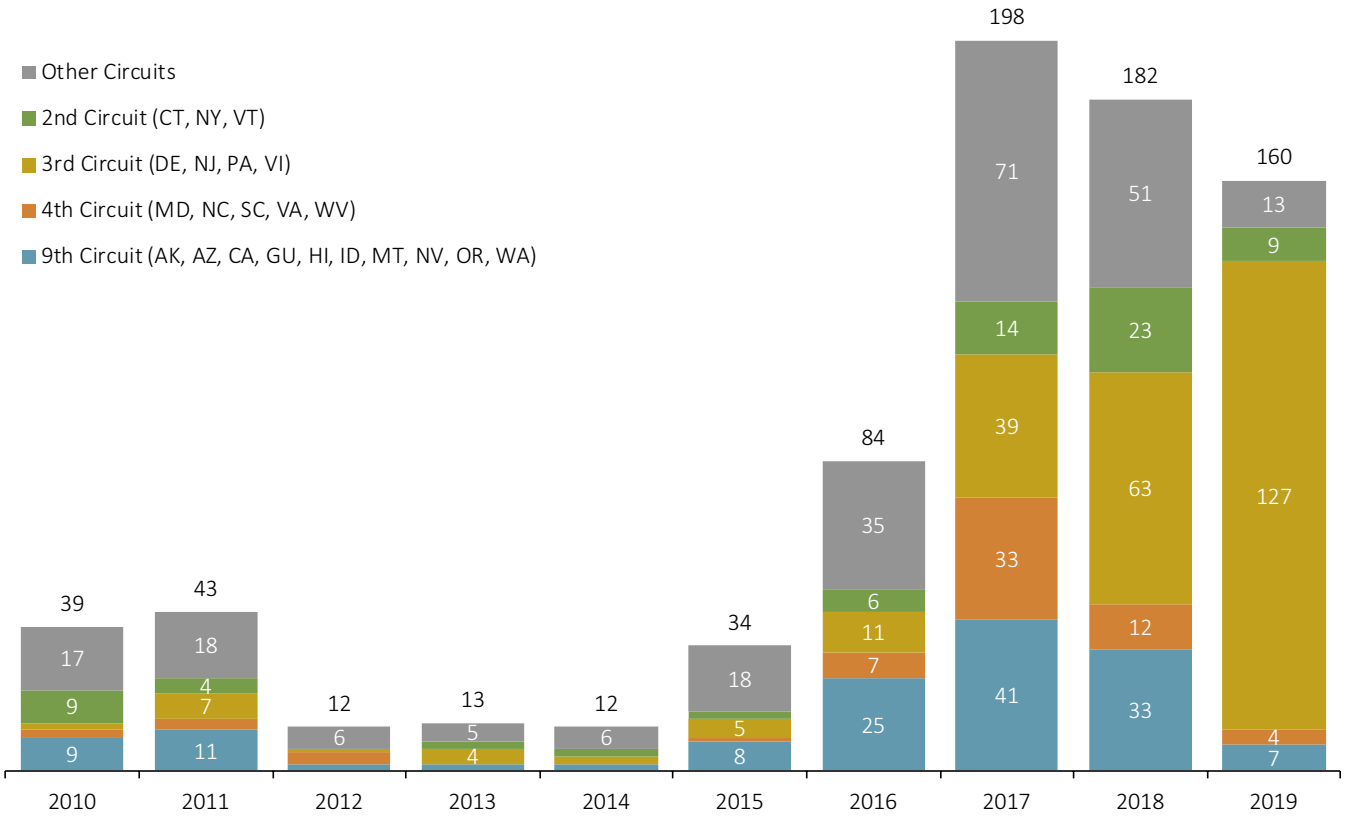
M&A Filings by Federal Circuit

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 merger-objection lawsuits from state to federal courts.

M&A filings were concentrated in the Third Circuit, where filings more than doubled.

- The number of M&A filings in the Third Circuit set a new record for the fourth consecutive year.
- The Third Circuit accounted for almost 80 percent of total M&A filings in 2019; all but one of these filings were brought in Delaware federal courts.
- The Fourth Circuit exhibited a 67 percent decline in M&A filings in 2019 for a two-year decline of 88 percent. M&A filings in the Ninth Circuit also declined nearly 80 percent from 2018 to 2019.

Figure 13: Annual M&A Filings by Federal Circuit
2010–2019



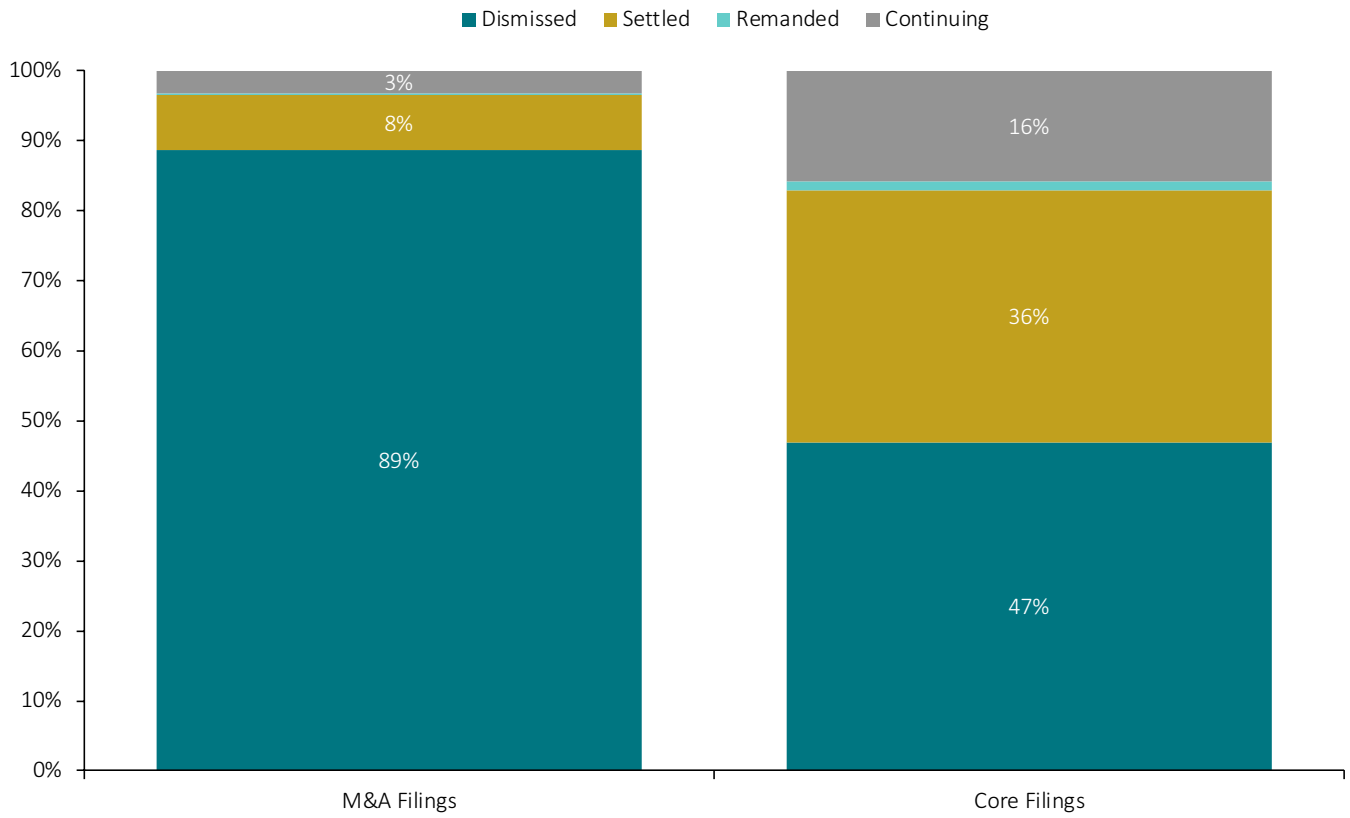
Note:
1. See http://courts.delaware.gov/opinions/download.aspx?ID=235370.
2. The Securities Class Action Clearinghouse began tracking M&A filings as a separate category in 2009.

Status of M&A Filings in Federal Courts

- There were 624 M&A filings between 2009 and 2018, compared to 1,679 core federal filings.
- M&A filings were dismissed at much higher rates and resolved more quickly than core federal filings.
- M&A filings exhibited settlement rates 28 percentage points below 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 14: Status of M&A Filings Compared to Core Federal Filings
2009–2018



Note:
1. The Securities Class Action Clearinghouse began tracking M&A filings as a separate category in 2009.
2. The 2019 filing cohort is excluded since a large percentage of cases are ongoing.

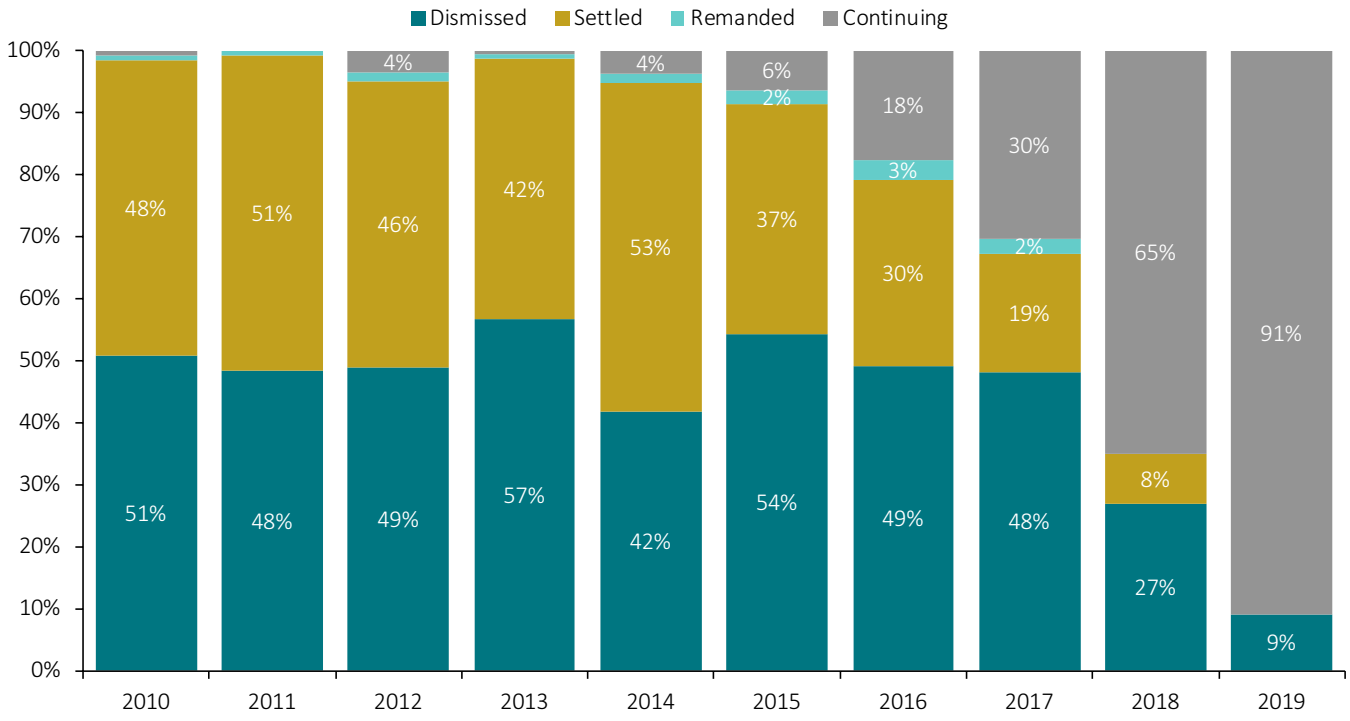
Status of Federal Securities Class Action Filings

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 2017 core federal filings cohort is currently nearly half of all cases, despite the fact that 30 percent of the cases are continuing.

- From 1997 to 2018, 49 percent of core federal filings were settled, 43 percent were dismissed, less than 1 percent were remanded, and 7 percent are continuing. Overall, less than 1 percent of core federal filings have reached a trial verdict.
- Recent annual dismissal rates have been closer to 50 percent. In the last 10 years the cohorts with the most divergent dismissal rates were 2014 (at 42 percent) and 2013 (at 57 percent).
- More recent cohorts have too many ongoing cases to determine their ultimate dismissal rates. However, the 2016 cohort will end up having a dismissal rate of at least 49 percent.

Figure 15: Status of Filings by Year—Core Federal Filings
2010–2019



Note: Percentages may not sum to 100 percent due to rounding.

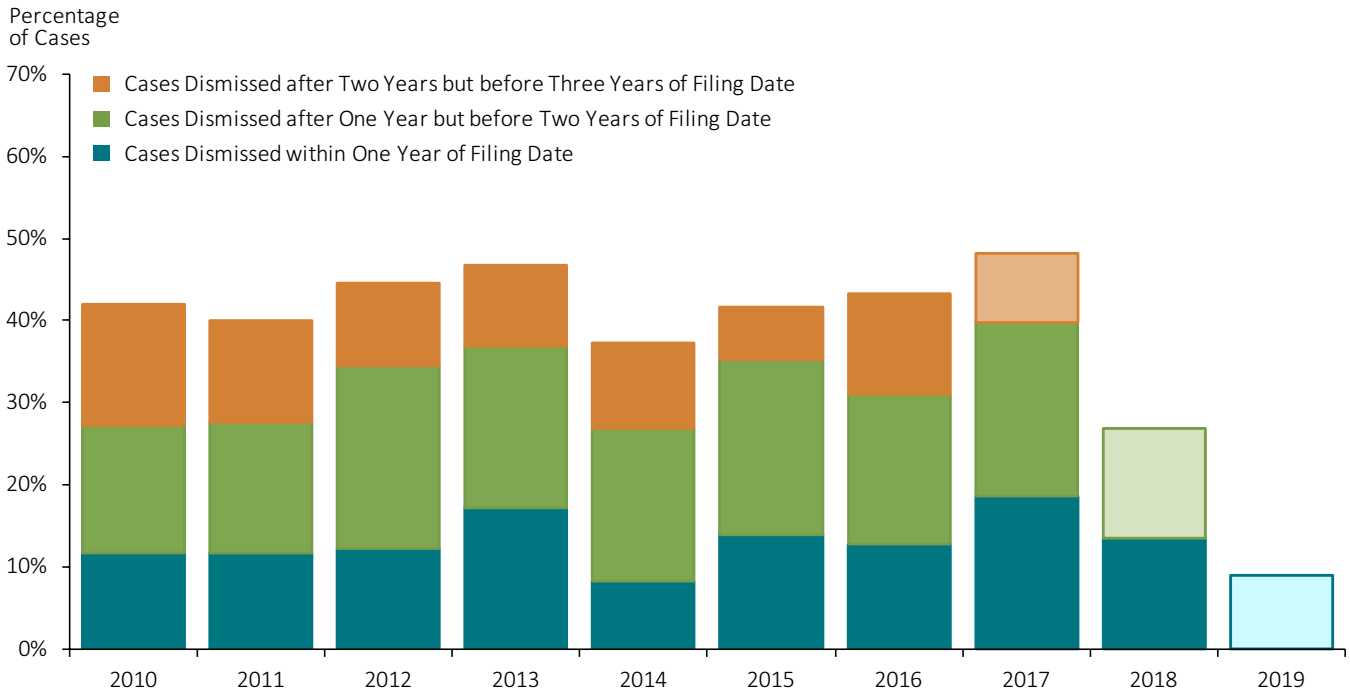
Timing of Dismissals of Federal Filings

Given the length of time that may exist between the filing of a class action and its outcome, it may not be possible to immediately determine whether trends in dismissal rates observed in earlier annual cohort years will persist in later annual cohorts. This analysis looks at dismissal trends within the first several years of the filing of a federal class action to gain insight on recent dismissal rates.

The percentage of core federal cases dismissed within the first three years for the 2017 cohort is the highest on record.

- While the percentage of core federal cases dismissed within three years of filing had generally increased for filing cohorts prior to 2013, it decreased for 2014 cohort filings before increasing again for 2015, 2016, and 2017 cohort filings.
- For 2017 cohort filings, three full years of observational history are not yet complete. Dismissal rates will therefore increase in 2020 as more 2017 core federal filings are resolved. See Appendix 4 for case status by year from 1997 to 2019.
- Early indications of the first-year dismissal rate for the 2019 cohort are inconclusive and do not reveal any obvious trends.

Figure 16: Percentage of Cases Dismissed within Three Years of Filing Date—Core Federal Filings 2010–2019



Note:

1. Percentage of cases in each category is calculated as the number of cases that were dismissed within one, two, or three years of the filing date divided by the total number of cases filed each year.

2. The outlined portions of the stacked bars for years 2017 through 2019 indicate the percentage of cases dismissed through the end of 2019. The outlined portions of these stacked bars therefore present only partial-year observed resolution activity, whereas their counterparts in earlier years show an entire year.

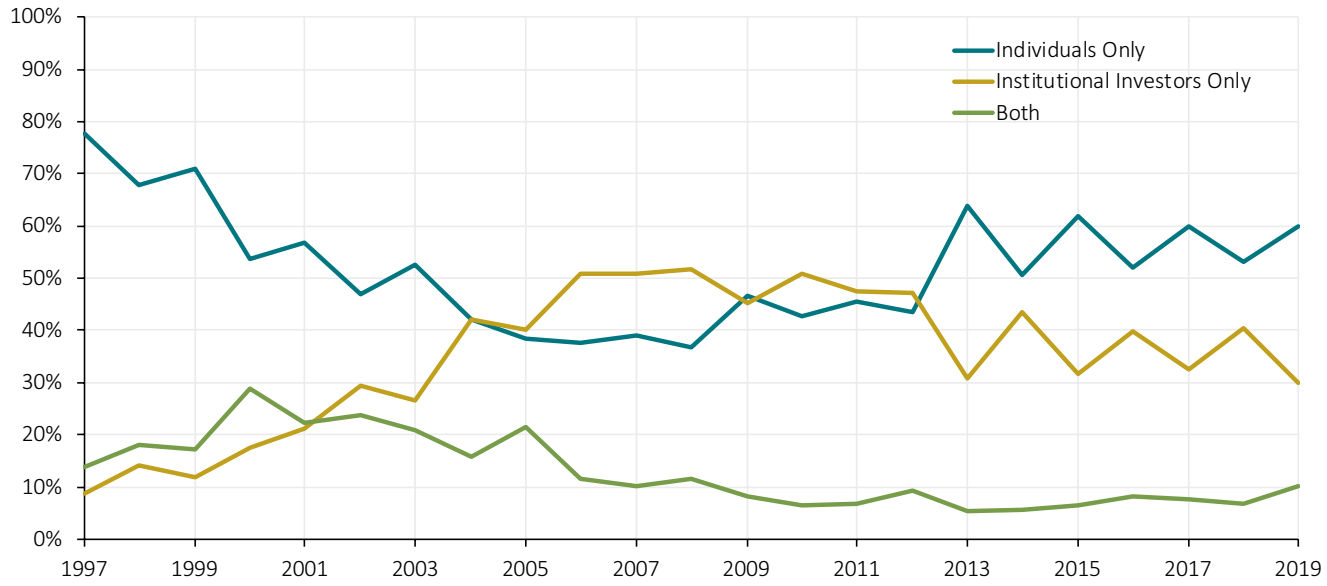
Federal Filings by Lead Plaintiff

This analysis examines how frequently individual or institutional investors were appointed as lead plaintiff in core federal filings.

- From 1997 to 2003, while individuals were appointed as lead plaintiff more often than institutional investors in core federal filings, the difference narrowed.
- From 2004 to 2012, institutional investors were generally as or more likely to be appointed lead plaintiff than were individuals.
- Starting in 2013, individuals were appointed as lead plaintiff more often than institutional investors. This suggests a shift in litigation strategies by some plaintiff law firms.
- Individuals were exclusively appointed as lead plaintiff in 60 percent of the core federal filings in 2019.

Individuals have been appointed as lead plaintiff more than institutional investors in each of the last seven years.

Figure 17: Percentage of Federal Class Action Filings by Lead Plaintiff—Core Federal Filings 1997–2019



Note:

1. Multiple plaintiffs can be designated as co-leads on a single case. This table separates percentages for which a case had only individuals as the lead/co-leads, institutional investors or investor groups as the lead/co-leads, or both individuals and institutional investors as the co-leads.
2. Cases may not have lead plaintiff data due to dismissal or settlement before a lead plaintiff is appointed or because the cases have not yet reached the stage when a lead plaintiff can be identified.
3. Lead plaintiff data are available for over 93 percent of core federal filings for each year from 1997 to 2018. Lead plaintiff data are available for 64 percent of 2019 core federal filings.

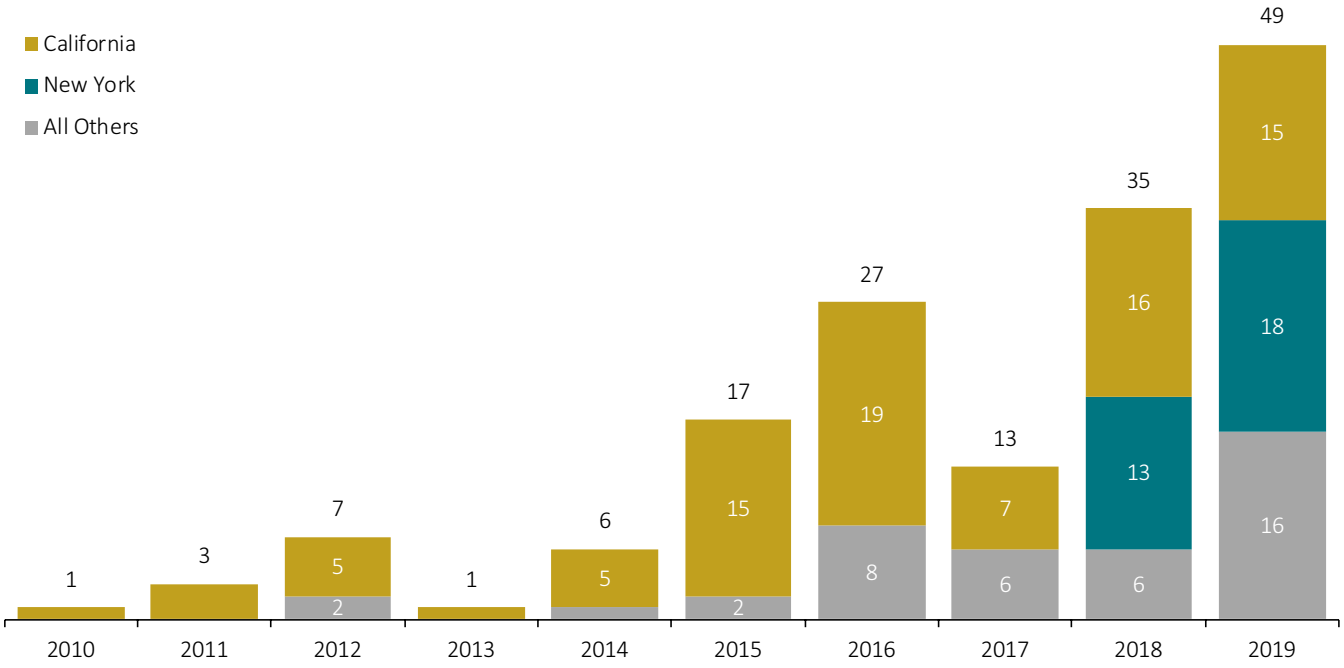
1933 Act Cases Filed in State Courts

The following data include 1933 Act filings in California, New York, and other state courts. The figure below illustrates all the filings currently in the dataset. Filings from prior years are added retrospectively when identified.

- In 2019, 15 class actions alleging violations of the 1933 Act were filed in California state courts, 18 were filed in New York state courts, and 16 were filed in other state courts. These filings may include Section 11, Section 12, and Section 15 claims, but do not include Rule 10b-5 claims.
- Since 2018, 81 percent of California state filings have involved companies headquartered in California and only 16 percent have involved non-U.S. companies. Conversely, in New York only 10 percent involved companies headquartered in New York and 42 percent involved non-U.S. companies.
- In 2019, filings in New York state courts overtook the number of filings in California state courts.
- State filings in states outside of New York and California almost tripled in 2019, from six filings in 2018 to 16 in 2019. These filings were in Florida, Illinois, Massachusetts, Michigan, Nevada, New Jersey, Pennsylvania, Rhode Island, Tennessee, Texas, and Wisconsin.

State 1933 Act filing activity continued to increase, driven largely by filings in state courts outside of New York and California.

Figure 18: State 1933 Act Filings by State
2010–2019



Source: Stanford Law School and Securities Class Action Clearinghouse; Bloomberg Law; Institutional Shareholder Services' Securities Class Action Services (ISS' SCAS)

Note:

1. All others contains filings in Alabama, Arizona, Colorado, Florida, Georgia, Illinois, Iowa, Massachusetts, Michigan, Nevada, New Hampshire, New Jersey, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Washington, West Virginia, and Wisconsin.
2. 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.

1933 Act Cases Filed in State Courts—Size of Filings

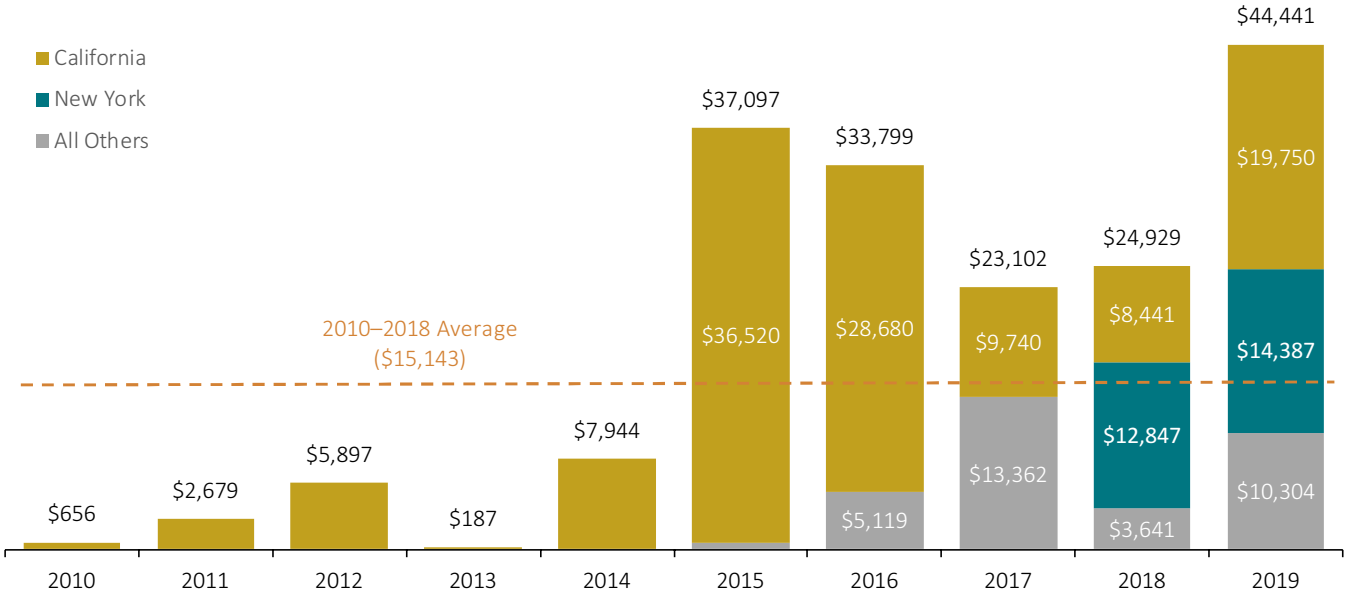
- In 2019, MDL for state 1933 Act filings increased to $44.4 billion, almost three times the 2010–2018 average.

California state 1933 Act filings made up nearly 45 percent of the MDL in 2019.

- Relative to 2018, MDL for all state 1933 Act filings increased by 78 percent compared to a 40 percent increase in the number of filings.
- MDL for California 1933 Act filings accounted for a significant share of MDL at $19.8 billion, or nearly 45 percent. Two companies with MDLs of around $6 billion each largely contributed to this total.

Figure 19: Maximum Dollar Loss (MDL) of State 1933 Act Filings 2010–2019

(Dollars in Millions)



Source: Stanford Law School and Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note: 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. MDL calculations include all shares outstanding and not only shares traceable to offering materials. Therefore, these calculations overstate potential damages. MDL associated with filings related to a spin-off or merger-related issuance are excluded.

New: Dollar Loss on Offered Shares™ in Federal Section 11–Only Filings and 1933 Act Cases Filed in State Courts

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 spin-off) 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 10b 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.

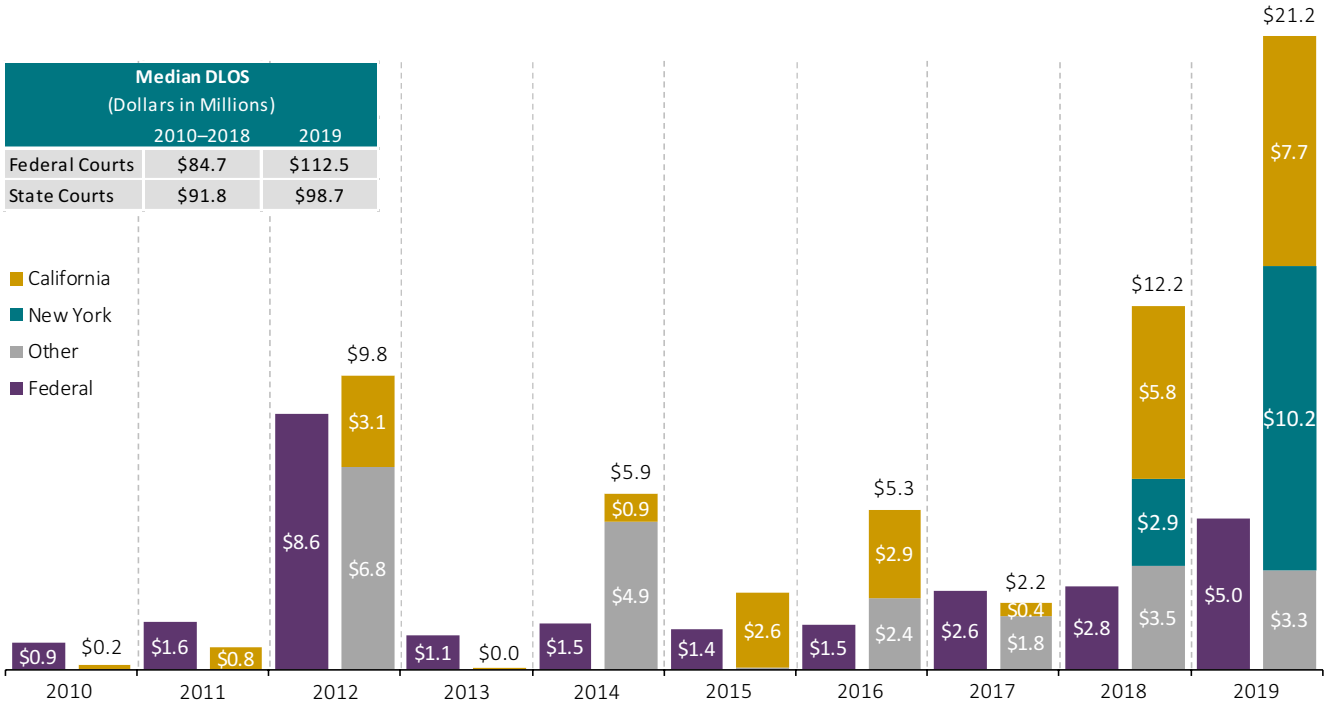
In 2019, the Dollar Loss on Offered Shares across state and federal courts was nearly four times the 2010–2018 average.

- DLOS in state courts has exceeded that in federal courts in five of the last six years.
- In 2019, state 1933 Act filings had the highest DLOS of the decade, regardless of venue.

Figure 20: Dollar Loss on Offered Shares™ for Federal Section 11–Only and State 1933 Act Filings 2010–2019

(Dollars in Billions)

Median DLOS (Dollars in Millions)	2010–2018	2019
Federal Courts	$84.7	$112.5
State Courts	$91.8	$98.7



Source: Stanford Law School and Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS; CRSP; SEC EDGAR

Note: Federal filings included in this analysis must contain a Section 11 claim and may contain a Section 12 claim, but do not contain Section 10b 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.

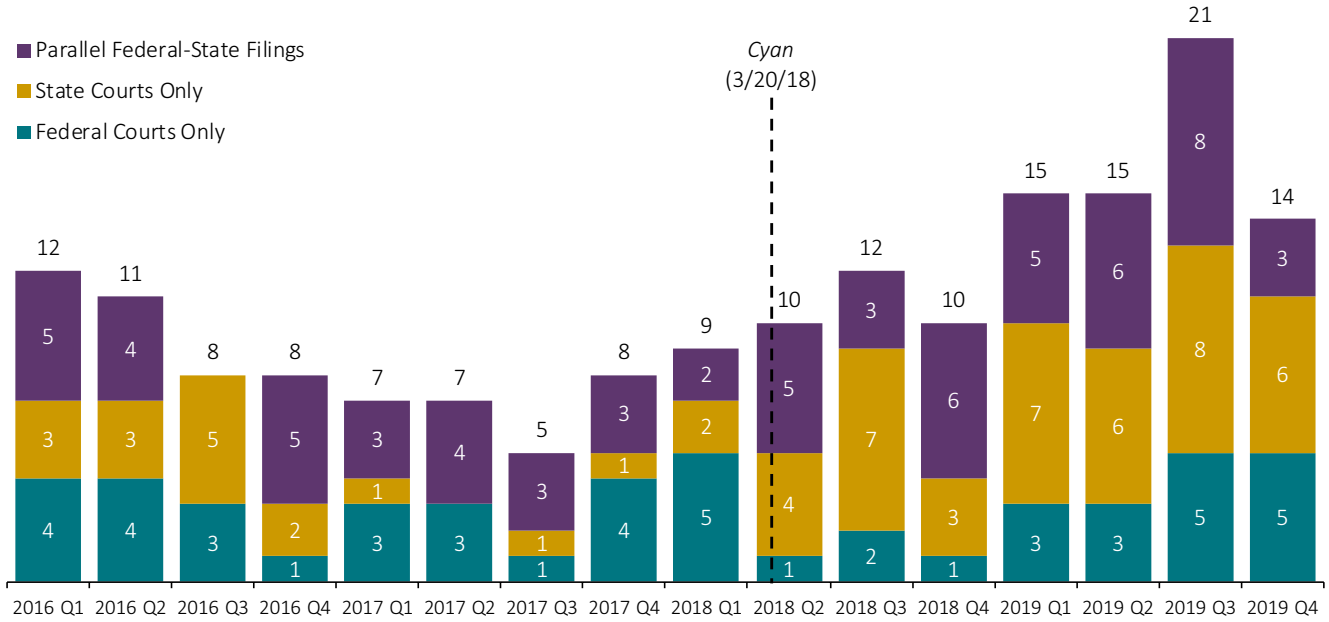
Comparison of Federal Section 11 Filings with State 1933 Act Filings—Pre- and Post-*Cyan*

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.

- In 2019, the combined number of federal Section 11 filings and state 1933 Act filings was 65. This comprised 22 parallel filings, 27 state-only filings, and 16 federal-only filings.
- Overall, the 59 percent increase in these filings from 2018 can be attributed to increases in each category (i.e., parallel, state-only, and federal-only filings).
- The third quarter of 2019 had the largest quarterly number of combined federal Section 11 filings and state 1933 Act filings on record.
- While the increase in the aggregate number of federal Section 11 and state 1933 Act filings follows an increase in the number of IPOs (see p. 27), the change in the composition (federal vs. state) shows the effect of the *Cyan* decision.

State 1933 Act filings have continued to increase since the Cyan *decision, although new filing activity lessened in the fourth quarter relative to the peak in the third quarter of 2019.*

Figure 21: Pre- and Post-*Cyan* Quarterly Federal Section 11 and State 1933 Act Filings 2015–2019



Source: Stanford Law School and Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note:

1. The federal Section 11 filings displayed may include Rule 10b-5 claims, but state 1933 Act filings do not.
2. Section 11 filings in federal courts may include parallel (or related) cases filed in state courts. When these cases are filed in different quarters, the earliest filing is counted. If filings against the same company are brought in different states in addition to a filing brought in federal court, the parallel filing is counted as a unique case and the state-only filing is treated as a unique case. Filings against the same company brought in different states without a parallel filing brought in federal court are counted as unique state filings.
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.

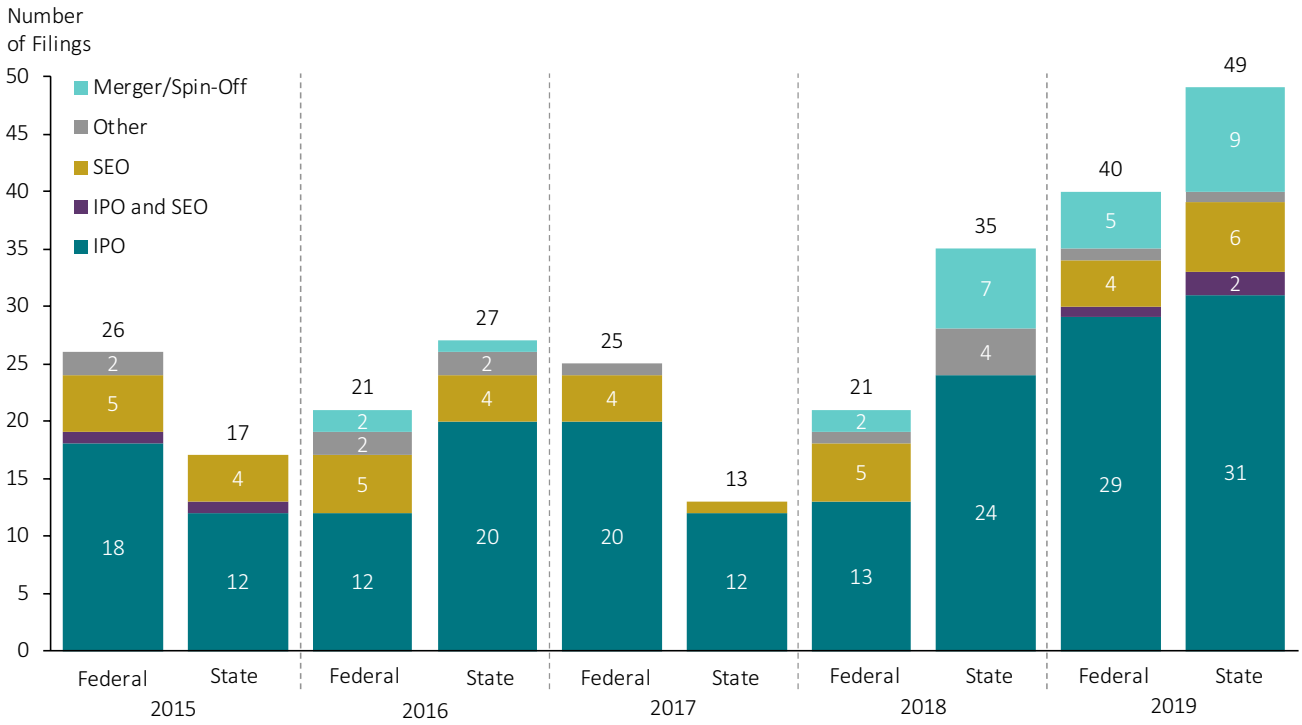
New: Type of Security Issuance Underlying Federal Section 11 and State 1933 Act Filings

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 issuances due to mergers or spin-offs have accounted for more than 15 percent of all federal Section 11 and state 1933 Act filings since 2018.

- Filings related to issuances due to mergers or spin-offs have increased dramatically in the last two years, particularly in state courts. There were 14 such filings in 2019 across the federal and state venues, up from zero in 2017.
- There were three filings related to both an IPO and SEO in 2019—the first such filings since 2015.

Figure 22: Federal Section 11 and State 1933 Act Class Action Filings by Type of Security Issuance
2015–2019



Source: Stanford Law School and Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note:

1. The federal Section 11 data displayed may contain Rule 10b-5 claims, but state 1933 Act filings do not.
2. 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.
3. 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.

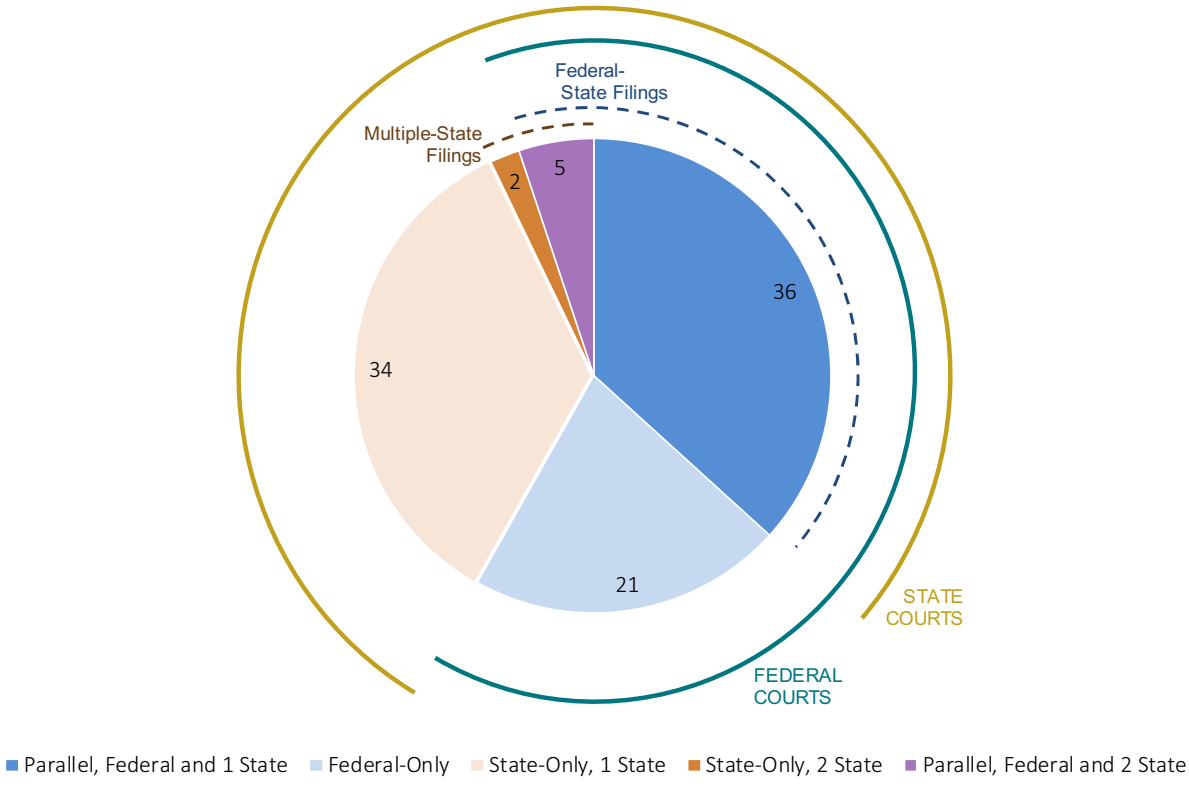
New: 1933 Act Filings by Venue—Post-*Cyan*

Parallel (or related) 1933 Act filings against the same issuer in different venues have increased post-*Cyan*. This figure presents the degree to which post-*Cyan* 1933 Act filings are being litigated in multiple jurisdictions at the same time. These parallel filings may be in federal and state courts (federal-state filings) or in different state courts (multiple-state filings).

Since the Cyan *ruling, 43 parallel class actions have been filed in multiple federal and state jurisdictions.*

- Multiple-state filings have increased post-*Cyan*. Between 2010 and 2018 there were only four companies facing multiple-state filings, whereas post-*Cyan* there have already been seven.
- As an example of post-*Cyan* jurisdictional complexities, in 2019 SmileDirectClub was the subject of securities class action filings in New York federal court, Tennessee federal court, Michigan federal court, Tennessee state court, and Michigan state court.
- Six of the seven companies facing multiple-state filings post-*Cyan* were sued in New York state courts.

Figure 23: Frequency of Federal Section 11 and State 1933 Act Class Action Filings by Venue—Post-*Cyan*



Source: Stanford Law School and Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note:

1. The federal Section 11 data displayed may contain Rule 10b-5 claims, but state 1933 Act filings do not.
2. 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.
3. Filings in state and federal courts may have related cases filed in other state courts or in federal court. In these instances, the later filing date was used in determining if the filing was post-*Cyan*. The U.S. Supreme Court ruled in March 2018 in *Cyan Inc. v. Beaver County Employees Retirement Fund*.

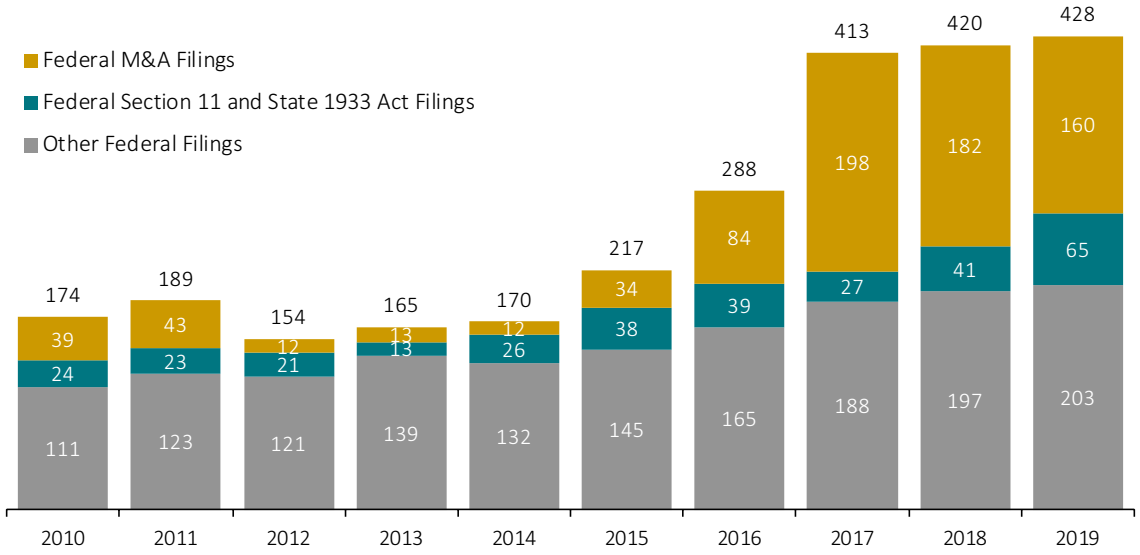
Combined Federal and State Filing Activity—Highlighting Federal Section 11 and State 1933 Act Filings

This analysis highlights federal Section 11 claims, state 1933 Act filings, and the extent to which parallel actions have been filed.

The 65 filings in federal and state courts alleging Section 11 and 1933 Act claims were a nearly 60 percent increase from 2018.

- Of the federal Section 11 and state 1933 Act filings, there were 27 state-only filings in 2019—a 69 percent increase from 2018.
- State-only and parallel filings made up over 75 percent of all federal Section 11 and state 1933 Act filings.
- The 65 filings in 2019 was historically unprecedented. Prior to 2015, there were only a handful of state court filings, and the highest number of federal Section 11 filings previously was 57 in 1998.

Figure 24: Federal Section 11 and State 1933 Act Class Action Filings by Venue
2010–2019



	Federal Section 11 and State 1933 Act Filings									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Federal Courts Only	22	21	13	12	21	21	12	11	9	16
State Courts Only	0	1	3	0	2	11	13	3	16	27
Parallel Filings	2	1	5	1	3	6	14	13	16	22
Total	24	23	21	13	26	38	39	27	41	65

Source: Stanford Law School and Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note:

1. The federal Section 11 data displayed may contain Rule 10b-5 claims, but state 1933 Act filings do not.

2. Section 11 filings in federal courts may include parallel (or related) cases filed in state courts. When these cases are filed in different years, the earliest filing is counted. If filings against the same company are brought in different states in addition to a filing brought in federal court, the parallel filing is counted as a unique case and the state-only filing is treated as a unique case. Filings against the same company brought in different states without a parallel filing brought in federal court are counted as unique state filings.

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.

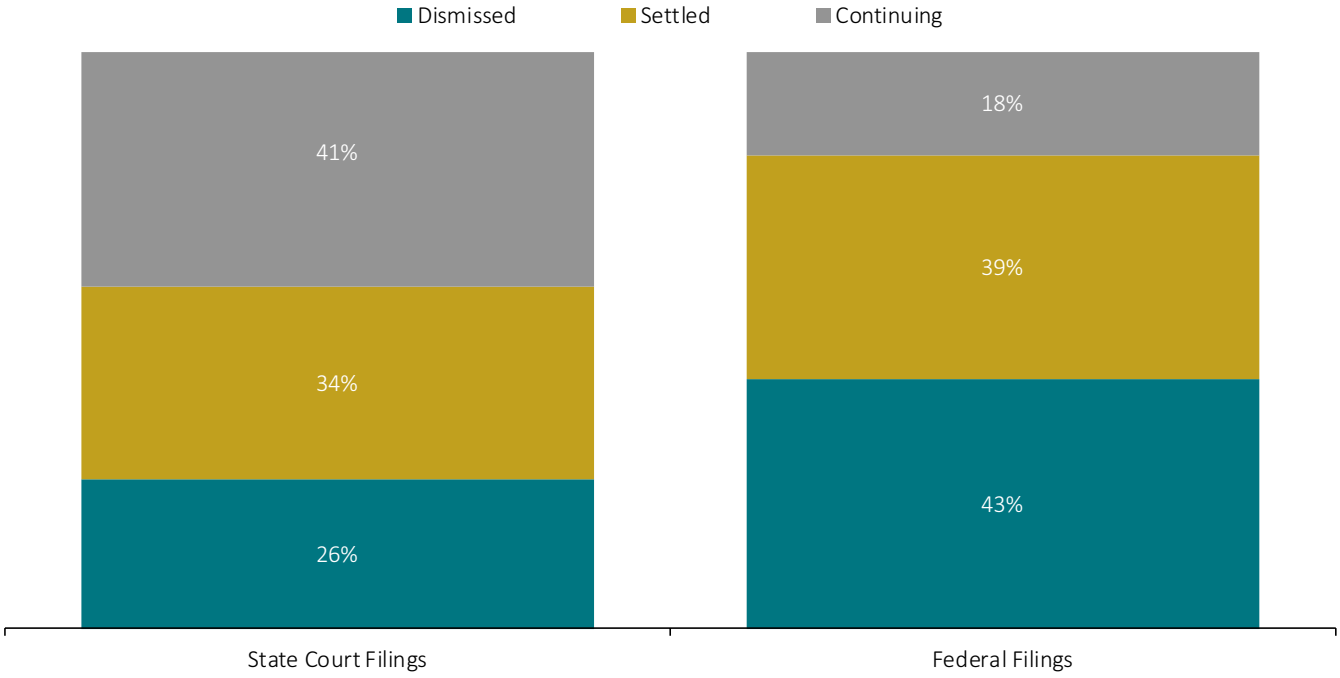
Section 11 Cases Filed in State Courts—Case Status

This figure compares the outcomes of state Section 11 filings to federal filings that assert Section 11 claims but no Rule 10b-5 claims.

A smaller portion of Section 11–only cases in 2010–2018 were dismissed in state courts compared to federal courts.

- A higher percentage of state Section 11 filings are continuing compared to Section 11–only federal filings. See Appendix 5 for a year-by-year overview.
- Only 26 percent of state Section 11 filings were dismissed in 2010–2018 compared to 43 percent of Section 11–only federal filings.

Figure 25: Resolution of State Section 11 Filings Compared with Section 11–Only Federal Filings
2010–2018



Source: Stanford Law School and Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note:

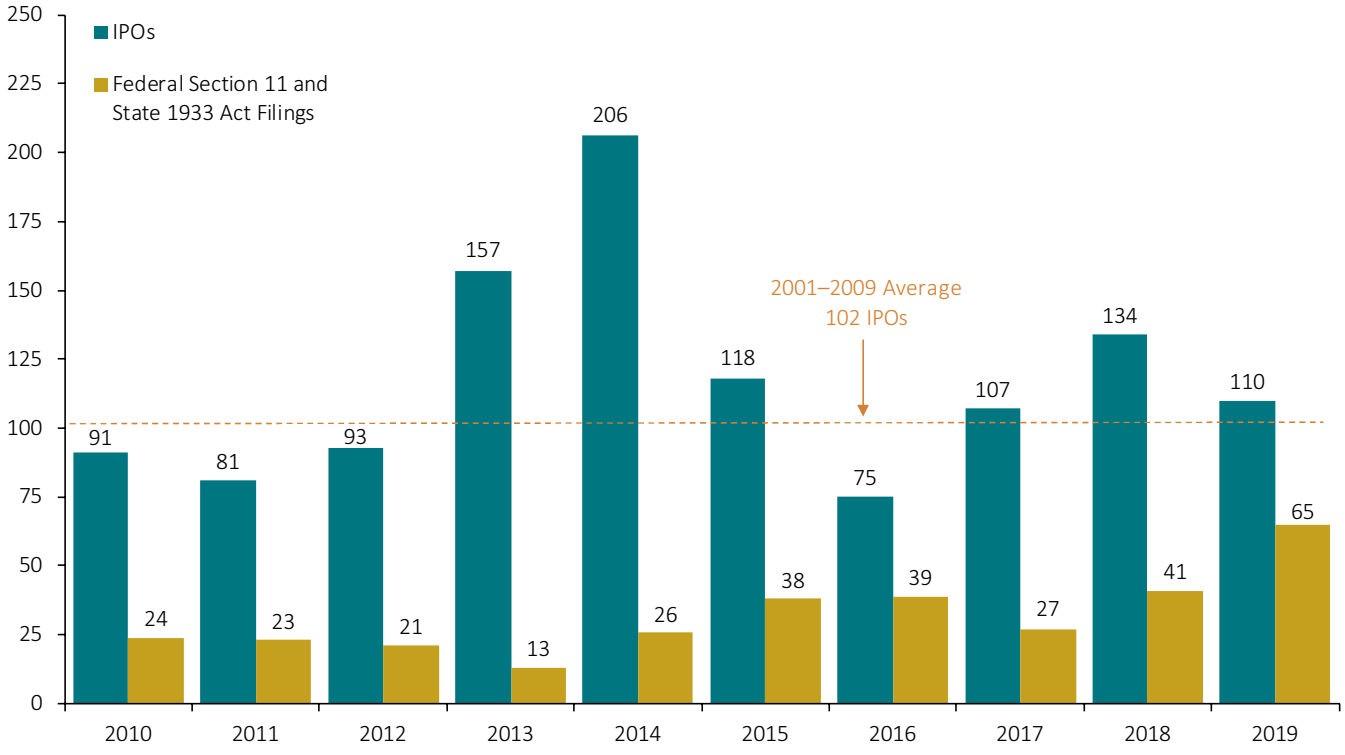
1. The 2019 filing cohort is excluded since a large percentage of cases are ongoing.
2. If a matter is remanded from federal court to a state court, it is recorded in the state court column based on its state court disposition. Alternatively, if a matter is removed from a state court to federal court, it is recorded in the federal court column based on its federal court disposition.
3. Figures may not sum to 100 percent due to rounding.

IPO Activity and Federal Section 11 and State 1933 Act Filings

- IPO activity decreased 18 percent from 2018 to 2019.
- With 110 IPOs, 2019 IPO activity was just above the 2001–2009 average of 102 IPOs per year.
- Heavier IPO activity appears to be correlated with increased levels of federal Section 11 and state 1933 Act filings in the ensuing years. Assuming that remains true, it is likely that Section 11 filing activity will increase in 2020 relative to 2019 due to the deferred effects of increased IPO activity in 2017, 2018, and 2019, as well as plaintiffs' increasing inclination to test state venues to bring 1933 Act filings.

IPO activity fell in 2019 after two consecutive years of growth, while filings with 1933 Act claims continued to rise.

Figure 26: Number of IPOs on Major U.S. Exchanges and Number of Filings of Federal Section 11 and State 1933 Act Claims 2010–2019



Source: Jay R. Ritter, "Initial Public Offerings: Updated Statistics," University of Florida, January 10, 2020

Note:

1. These data exclude the following IPOs: those with an offer price of less than $5, American Depository Receipts (ADRs), unit offers, closed-end funds, real estate investment trusts (REITs), natural resource limited partnerships, small best efforts offers, banks and S&Ls, and stocks not listed in the Center for Research in Security Prices (CRSP) database.

2. The number of federal Section 11 and state 1933 Act cases is displayed. In 2018, the Securities Class Action Clearinghouse began tracking 1933 Act filings in California state courts with Section 11 or Section 12 claims, as well as filings in other state courts with Section 11 claims. The federal Section 11 cases displayed may include Rule 10b-5 claims, but state 1933 Act filings do not.

IPO Litigation Likelihood

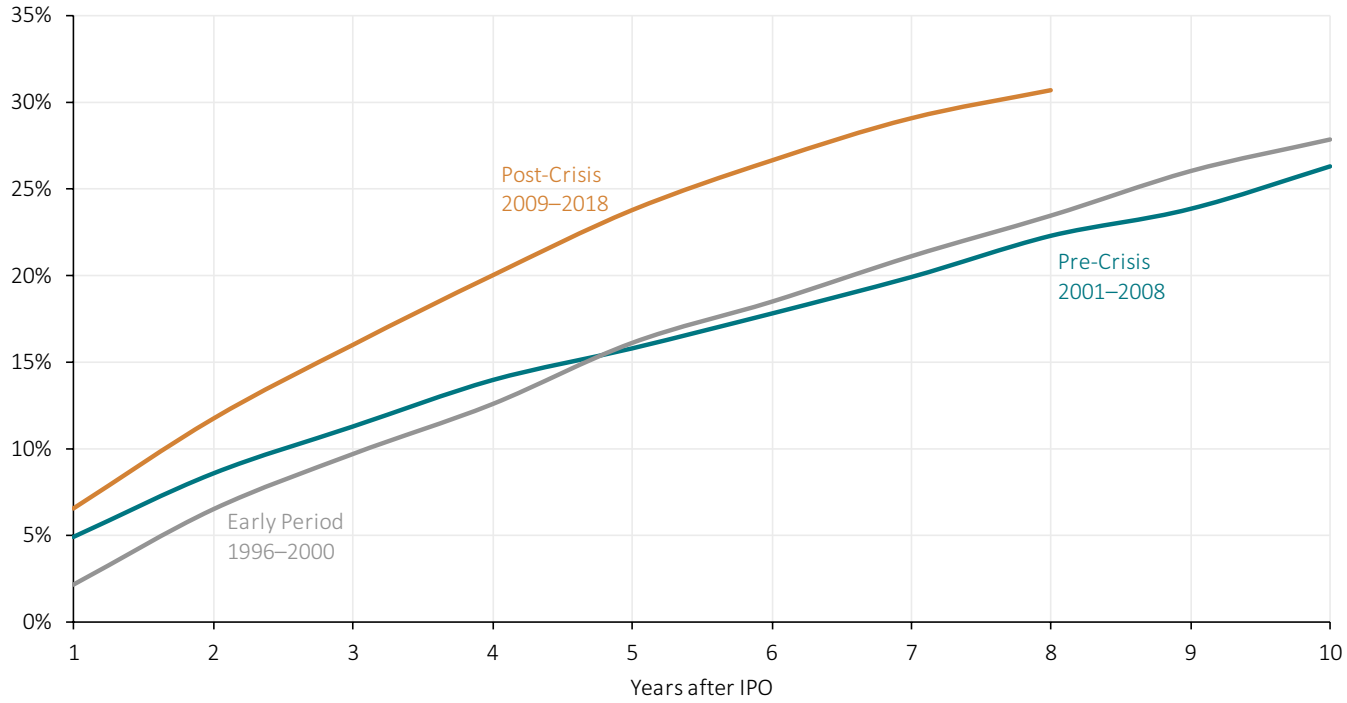
This figure compares the cumulative litigation exposure of IPOs to core federal and state 1933 Act filings since the 2008 credit crisis (post-crisis: 2009–2018) with two other groups of IPOs—core federal filings prior to the credit crisis (pre-crisis: 2001–2008) and prior to the dot-com collapse (early period: 1996–2000). The 1933 Act filings that are exclusively in the 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, 20.0 percent of post-crisis IPOs have been subject to a core filing within four years of the IPO, compared to 14.0 percent for the pre-crisis cohort and 12.6 percent for the early period cohort.

IPOs from 2009 through 2018 have been subject to litigation at a steadily higher rate than earlier cohorts in the years after the IPO.

- For each IPO grouping, the incremental litigation exposure generally decreased with each year further removed from the IPO. See Appendix 6 for incremental exposure litigation values.

Figure 27: Likelihood of Litigation against Recent IPOs—Core Filings
2009–2018 IPOs versus Prior-Period IPOs



Source: Jay R. Ritter, "Founding Dates for Firms Going Public in the U.S. during 1975–2018," University of Florida, March 2019; 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 9–10 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.

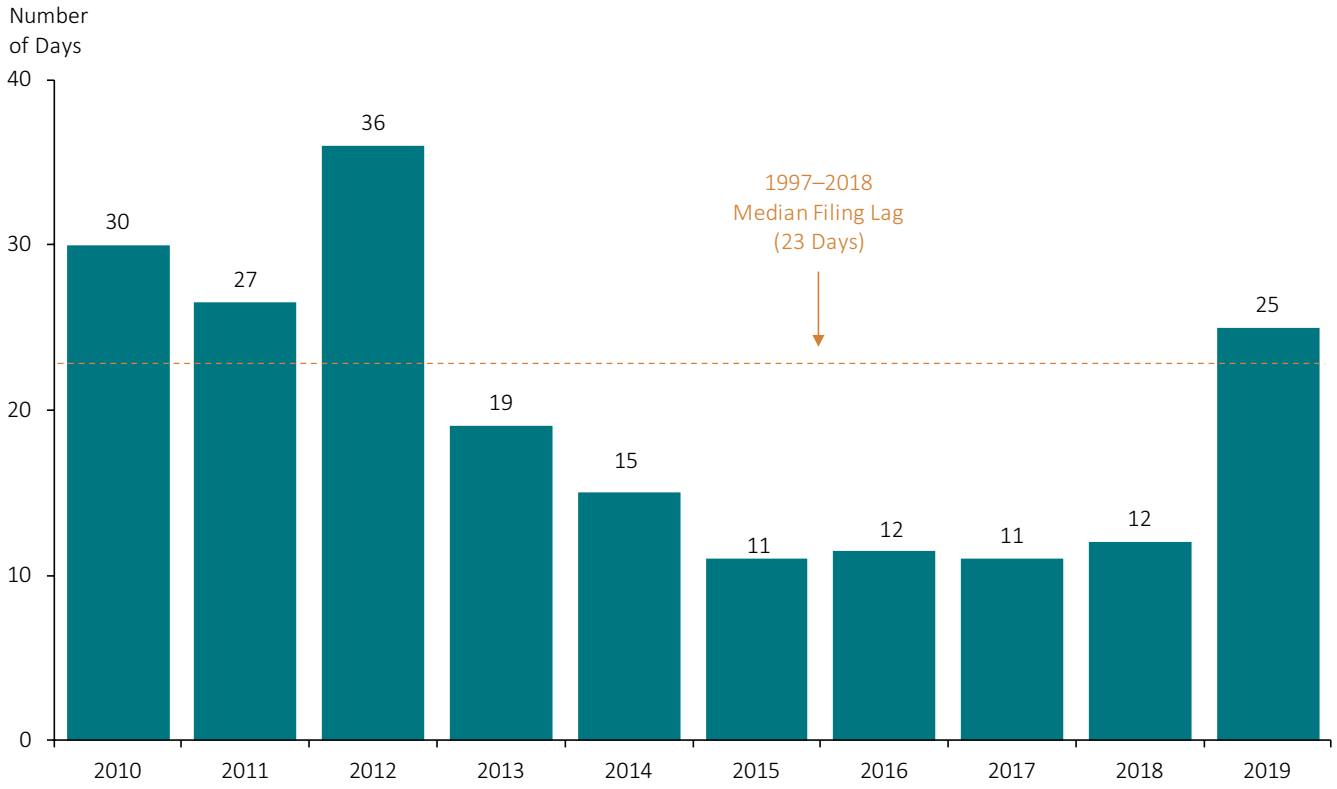
Federal Filing Lag

This analysis reviews 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 2019 jumped to 25 days, which is slightly above the historical median value.
- In the four previous years, the median lag fluctuated between 11 and 12 days.
- Among the three plaintiff law firms discussed on pages 39–40, the median filing lag nearly doubled since 2018, growing from eight days to 15 days. Outside of this plaintiff group, median filing lag increased from 34 days to 72 days.

Filing lag more than doubled from 12 days in 2018 to 25 days in 2019, the highest since 2012.

Figure 28: Annual Median Lag between Class Period End Date and Filing Date—Core Federal Filings 2010–2019



Note: This analysis excludes filings with only Section 11 claims and ICO- or cryptocurrency-related filings because there is often no specified end of the class period.

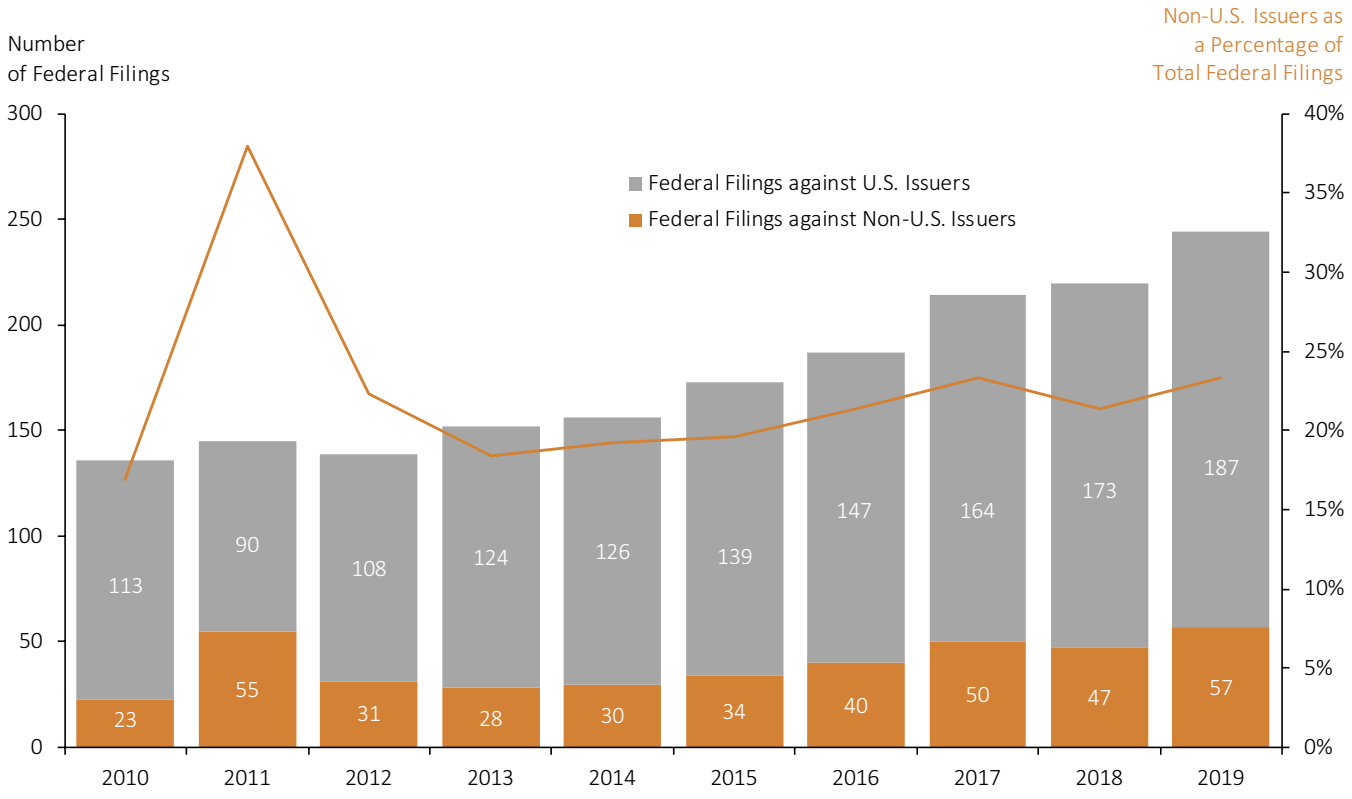
Non-U.S. Federal Filings

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 core federal filings against non-U.S. issuers increased to 57, the highest on record.
- As a percentage of total core federal filings, core federal filings against non-U.S. issuers increased to 23.4 percent, the second highest since 2011 and the third highest overall.

The number of filings against non-U.S. issuers as a percentage of total filings has generally been trending upwards over the last decade.

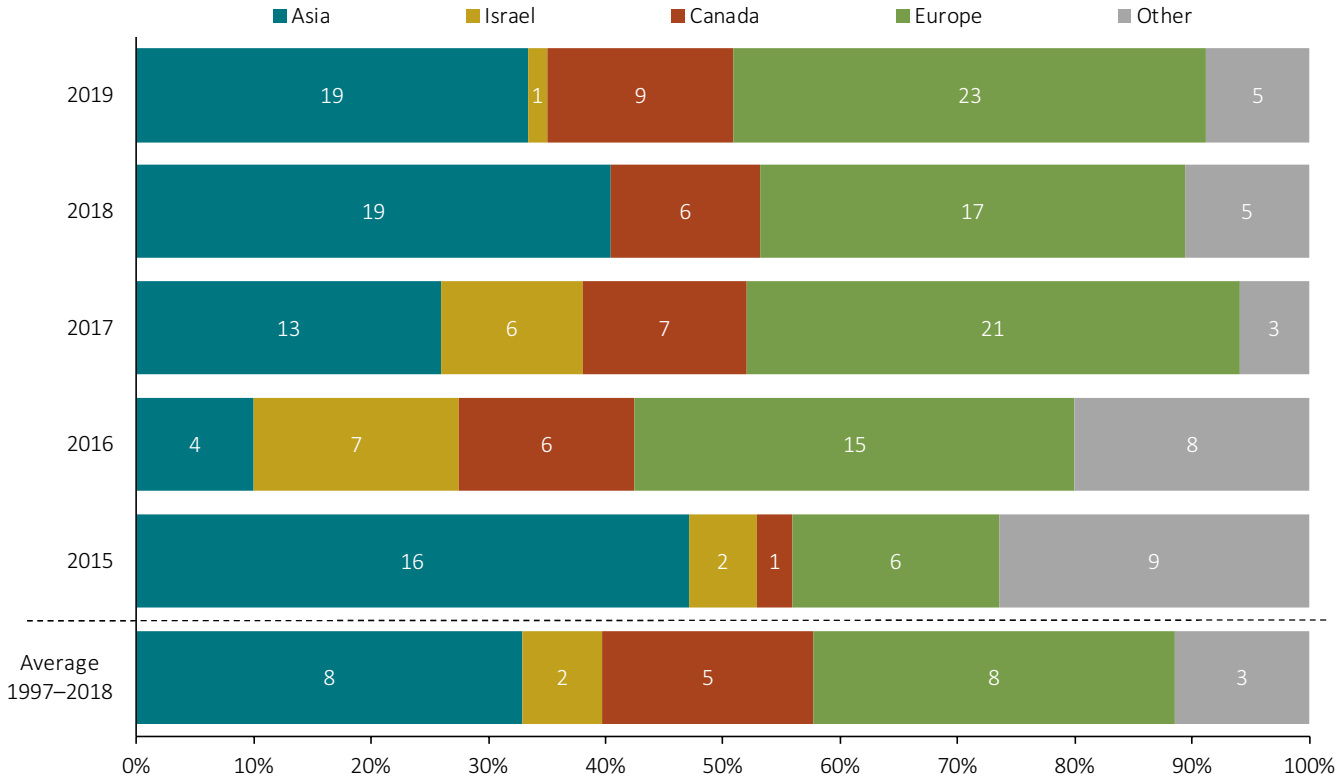
Figure 29: Annual Number of Class Action Filings by Location of Headquarters—Core Federal Filings 2010–2019



- There were nine core federal filings against Canadian firms, the highest since 1998. Of these, six involved cannabis- or CBD-related companies.
- Of the 23 core federal filings against European firms, nine were against firms headquartered in the United Kingdom. No other European country had more than three core federal filings against companies headquartered there.
- Of the 19 core federal filings against Asian firms, 17 involved Chinese firms. The remaining two involved a Taiwanese firm and an Indian firm.
- Of the 17 core federal filings against companies headquartered in China, 10 were against firms in the Communications sector, accounting for roughly 27 percent of core federal filings in that sector. See page 36.

The number of filings against European firms was the highest on record.

Figure 30: Non-U.S. Filings by Location of Headquarters—Core Federal Filings



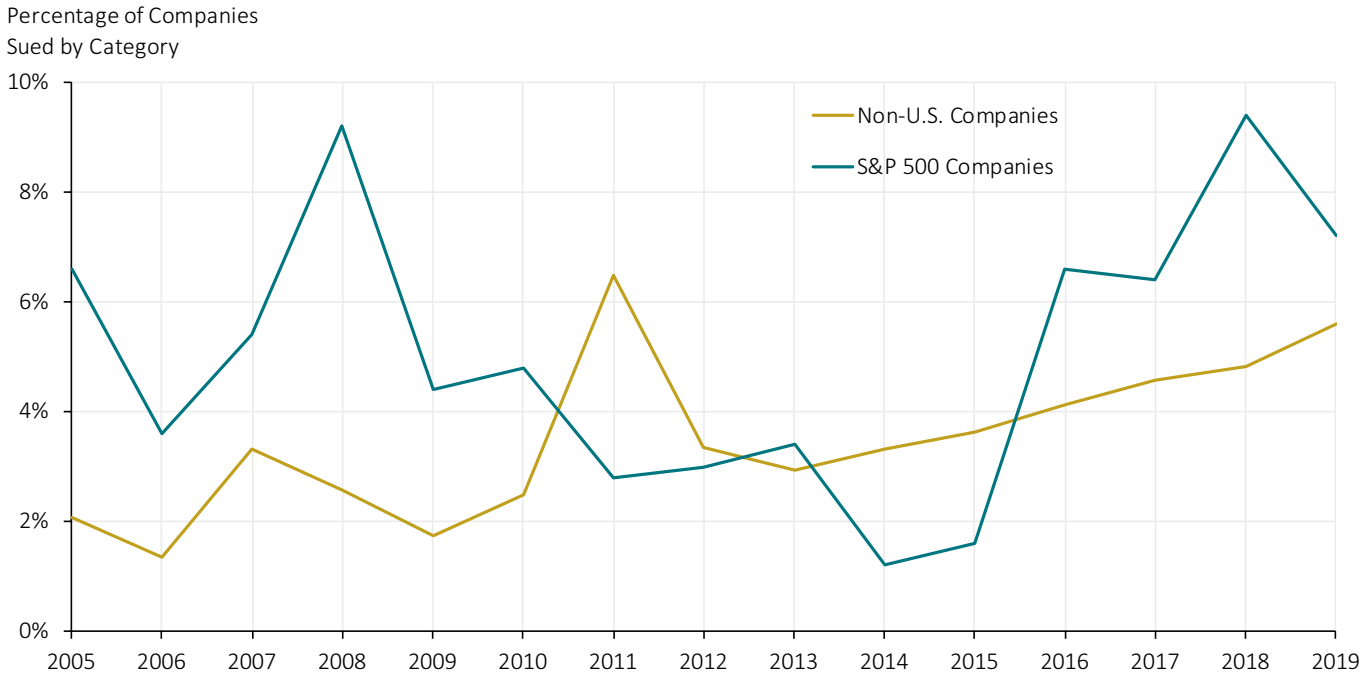
Non-U.S. Company Litigation Likelihood of Federal Filings

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 7.2 percent, reducing the gap between them and non-U.S. companies to 1.6 percentage points.

- For the sixth consecutive year, in 2019 the percentages of non-U.S. companies subject to core federal filings increased. For the past three years, the likelihood of a non-U.S. company being subject to a core federal filing has increased at roughly the same rate as all U.S. exchange-listed companies (see Figure 10).

Figure 31: Percentage of Companies Sued by Listing Category or Domicile—Core Federal Filings 2005–2019



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.

- In 2019, eight mega DDL filings accounted for $147 billion of federal DDL.
- Mega DDL in 2019 accounted for 52 percent of total federal DDL, close to the 1997–2018 average of 54 percent but well below the 2018 figure of 64 percent.
- There were 21 mega MDL filings in 2019 with a total federal MDL of $837 billion, a noticeable decrease from 2018.
- Although the mega MDL and DDL indices decreased both in the number of filings and in the associated dollar amounts, their share of overall federal MDL and DDL remained very close to the respective historical averages.
- Of the 21 mega MDL filings, pharmaceutical, technology, and communications companies were the most common defendants, with five, four, and four filings respectively.

The number of mega DDL and MDL filings decreased significantly.

Figure 32: Mega Filings—Core Federal Filings

(Dollars in Billions)

	Average 1997–2018	2017	2018	2019
Mega Disclosure Dollar Loss (DDL) Filings[1]				
Mega DDL Filings	6	7	17	8
DDL for Mega Core Federal Filings	$70	$47	$212	$147
Percentage of Total Federal DDL	54%	36%	64%	52%
Mega Maximum Dollar Loss (MDL) Filings[2]				
Mega MDL Filings	13	14	27	21
MDL for Mega Core Federal Filings	$445	$253	$963	$837
Percentage of Total Federal MDL	70%	49%	73%	71%

Note:

1. Mega DDL filings have a disclosure dollar loss of at least $5 billion.
2. Mega MDL filings have a maximum dollar loss of at least $10 billion.

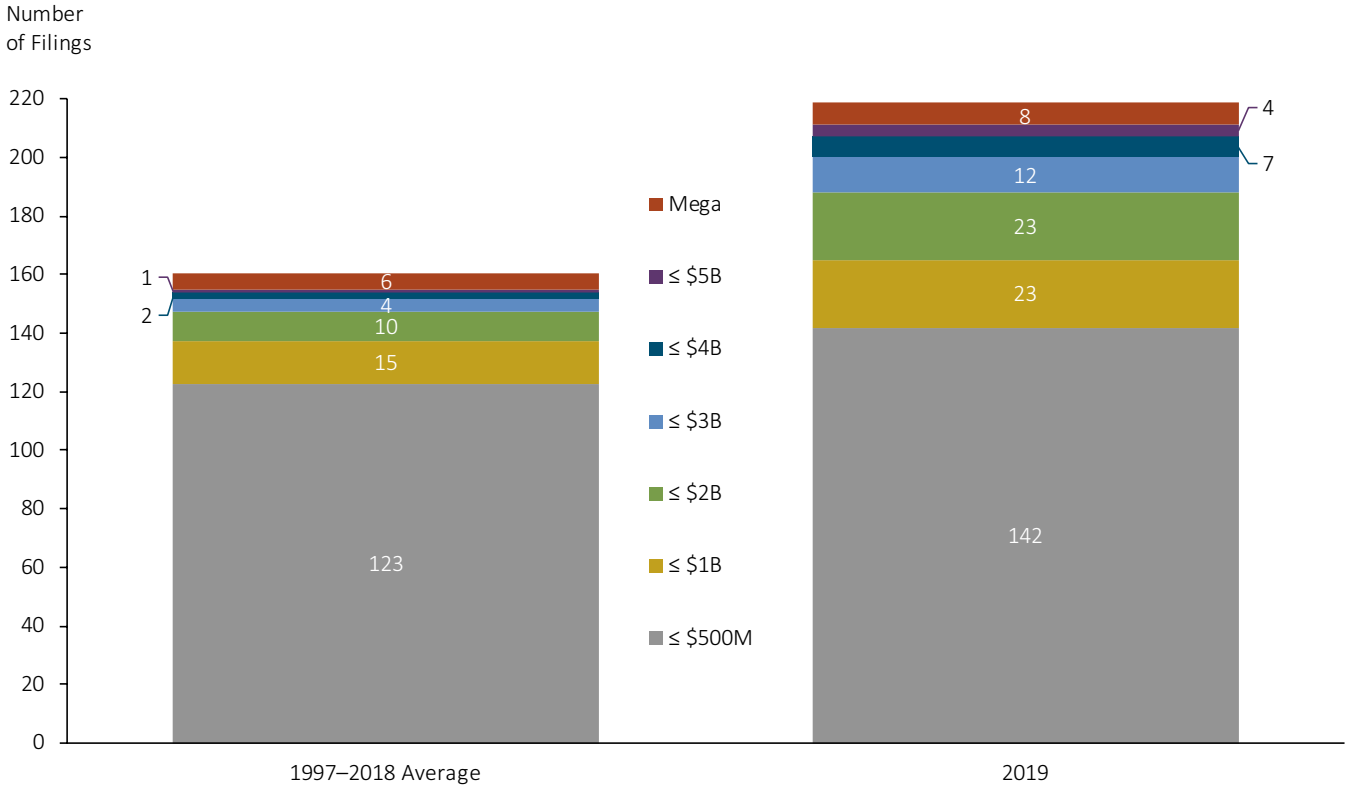
Distribution of DDL Values

The figure below compares the distribution of DDL attributable to filings of a given size in 2019 with the historical distribution of DDL.

- Mega DDL filings accounted for 4 percent of the total number of federal filings with DDL values and 52 percent of federal DDL in 2019.
- The number of small DDL filings (filings with DDL less than or equal to $500 million) in 2019 was 142, considerably more than both the historical average of 123 and the 2018 figure of 112. These filings accounted for 65 percent of federal filings with DDL values in 2019.
- Midsize DDL filings (filings with DDL greater than $500 million but less than or equal to $5 billion) accounted for 32 percent of federal filings with DDL values in 2019, above the 1997–2018 average of 20 percent but below the 2018 figure of 35 percent.

While they were numerically close to historical averages, mega DDL filings were a proportionally smaller percentage of core federal filings.

Figure 33: Distribution of Filings Based on DDL Size—Core Federal Filings



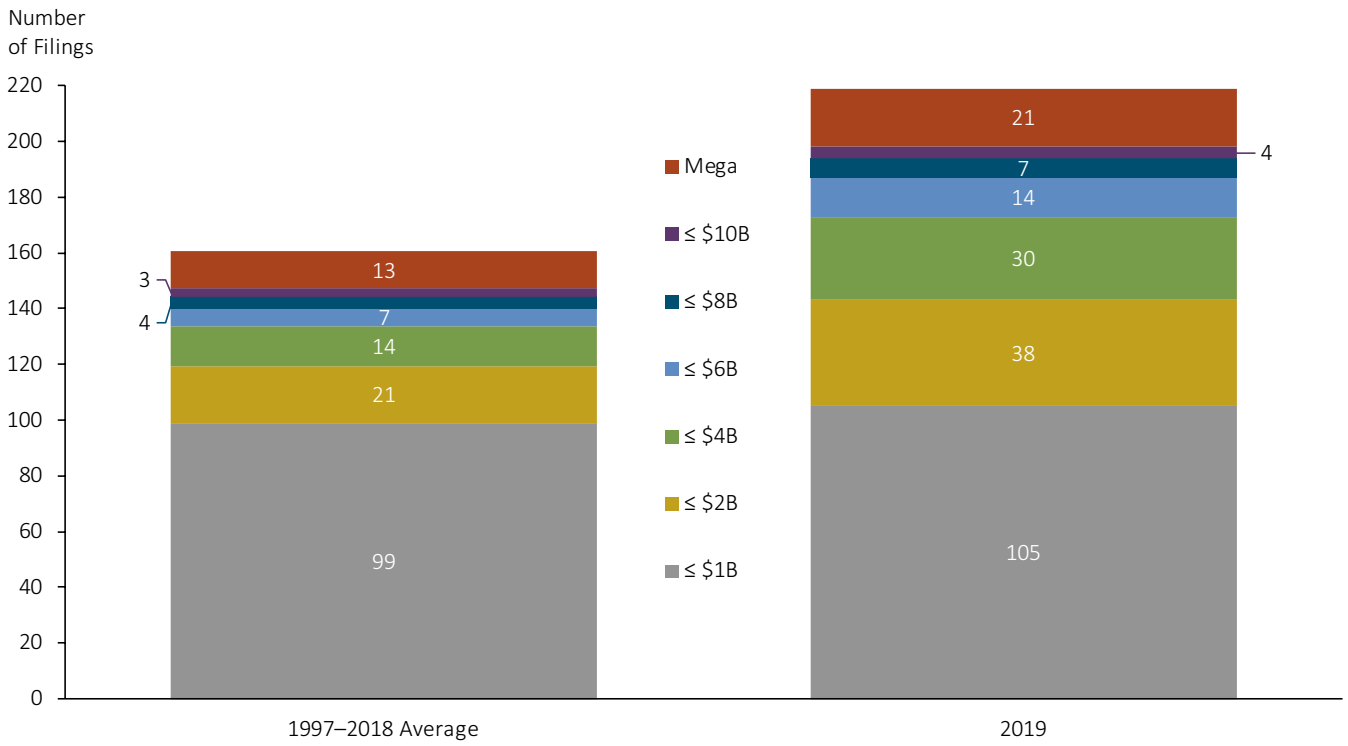
Distribution of MDL Values

The figure below compares the distribution of MDL attributable to filings of a given size in 2019 with the historical distribution of MDL.

- In 2019, mega MDL filings represented 10 percent of the total number of core federal filings with MDL values and 71 percent of total federal MDL.
- The number of mega MDL filings shrank from 27 in 2018 to 21 in 2019, while the number of filings with MDL less than or equal to $1 billion grew from 88 in 2018 to 105 in 2019.
- In 2019, the percentage of federal filings with MDL greater than $1 billion but less than or equal to $6 billion was 37 percent, compared to the 1997–2018 historical average of 26 percent.

Led by 21 mega MDL filings, the proportion of 2019 federal filings with MDL greater than $6 billion exceeded the historical average.

Figure 34: Distribution of Filings Based on MDL Size—Core Federal Filings



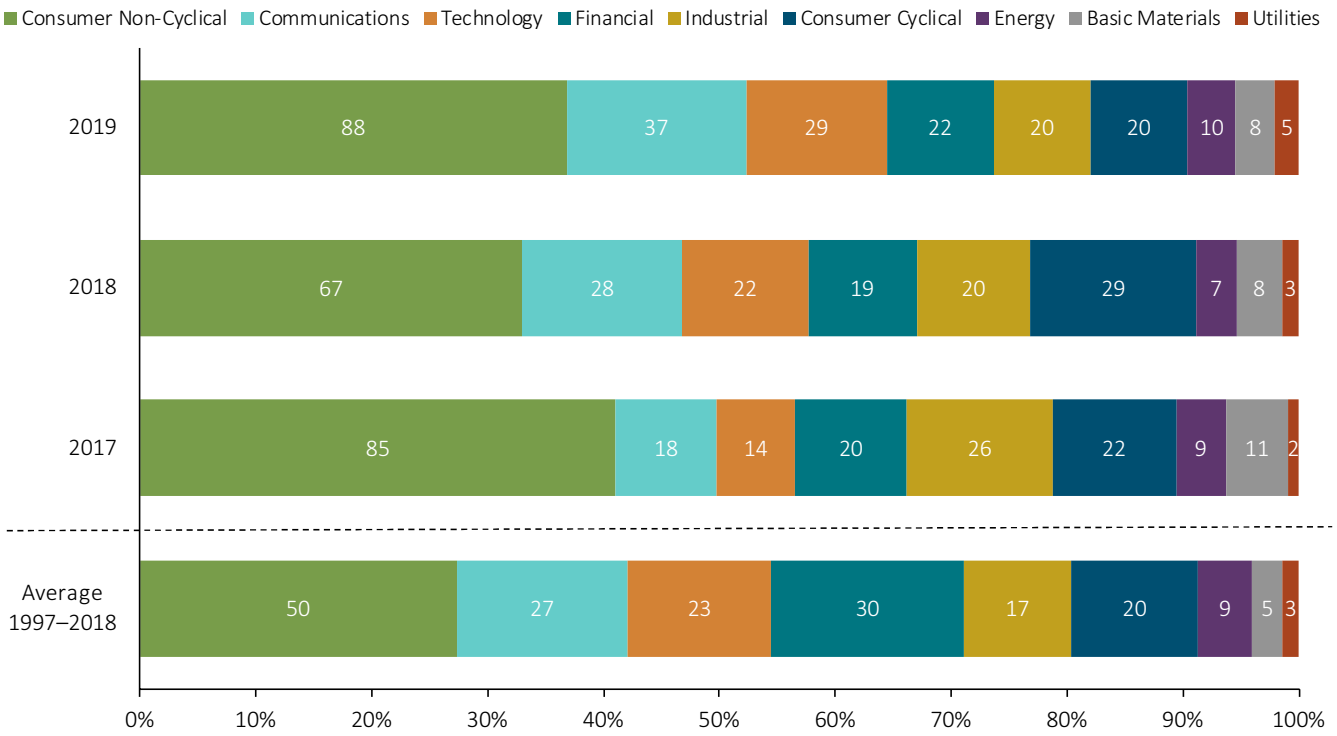
Industry Comparison of Federal Filings

This analysis of core federal filings encompasses both the large capitalization companies of the S&P 500 and smaller companies.

- The Communications sector had the greatest number of core federal filings since 2002 with 37 filings. Despite this increase, the MDL for the Communications sector decreased to $55 billion in 2019, down 16 percent from 2018.
- The number of technology filings has more than doubled since 2017, rising to 29 core federal filings in 2019, with the highest DDL on record.
- Core federal filings in the Financial sector were below the historical average for the ninth straight year.
- MDL and DDL for the Consumer Cyclical sector fell considerably as core federal filings decreased by nearly one-third. See Appendix 7.

Core federal filings against Consumer Non-Cyclical companies, primarily composed of pharmaceutical, healthcare, and biotechnology firms, were at record levels.

Figure 35: Filings by Industry—Core Federal Filings



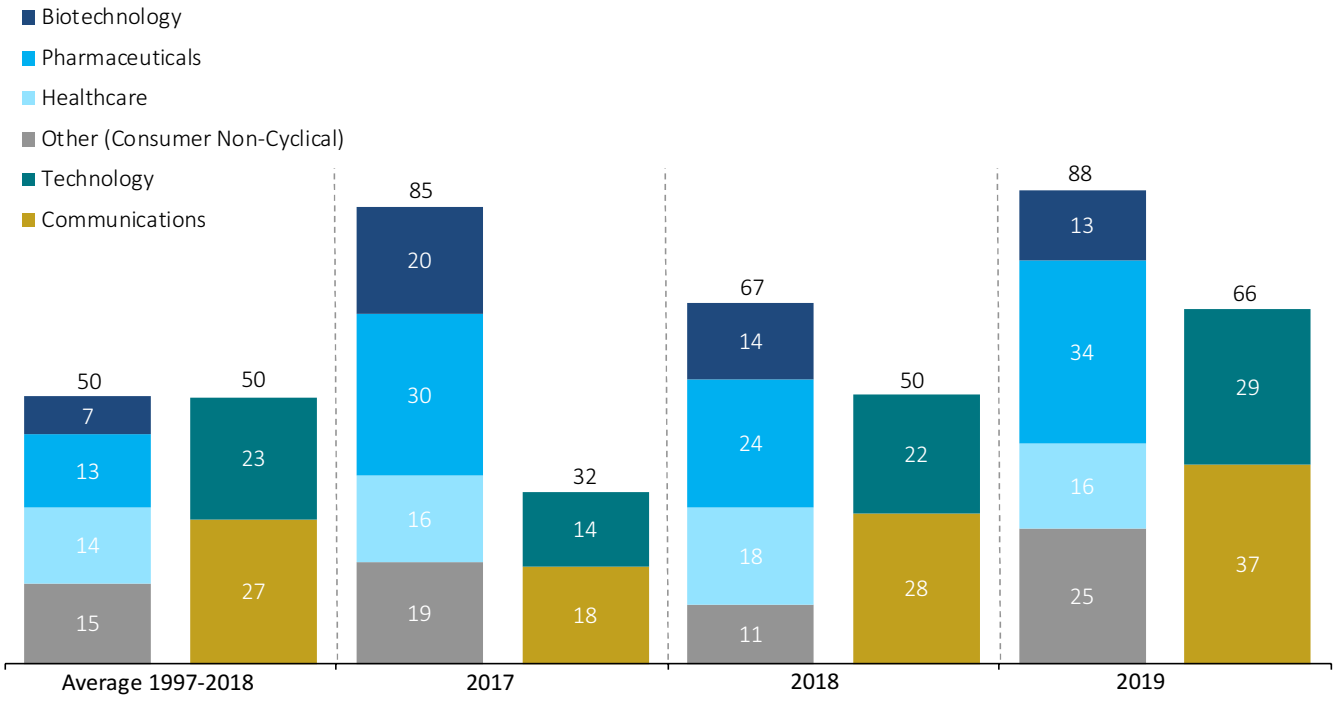
Note:
1. Filings with missing sector information or infrequently used sectors may be excluded.
2. Sectors are based on the Bloomberg Industry Classification System.

Sector Comparison: Consumer Non-Cyclical Versus Technology and Communications

- In line with 2018, Pharmaceuticals filings made up the largest proportion of Consumer Non-Cyclical filings in 2019 with 34 core federal filings. Core federal filings against biotechnology and healthcare companies decreased for the second straight year.
- The increase in other Consumer Non-Cyclical filings was driven by core federal filings against commercial services companies, an increase from six in 2018 to 12 in 2019. Core federal filings against agricultural companies also increased from one in 2018 to four in 2019; all Agricultural filings in the past two years were against tobacco or cannabis companies.

In 2019, core federal filings in the Technology and Communication sectors continued to grow, recording a combined 32 percent increase from 2018 and 106 percent increase from 2017.

Figure 36: Sector Comparison: Consumer Non-Cyclical Versus Technology and Communications—Core Federal Filings



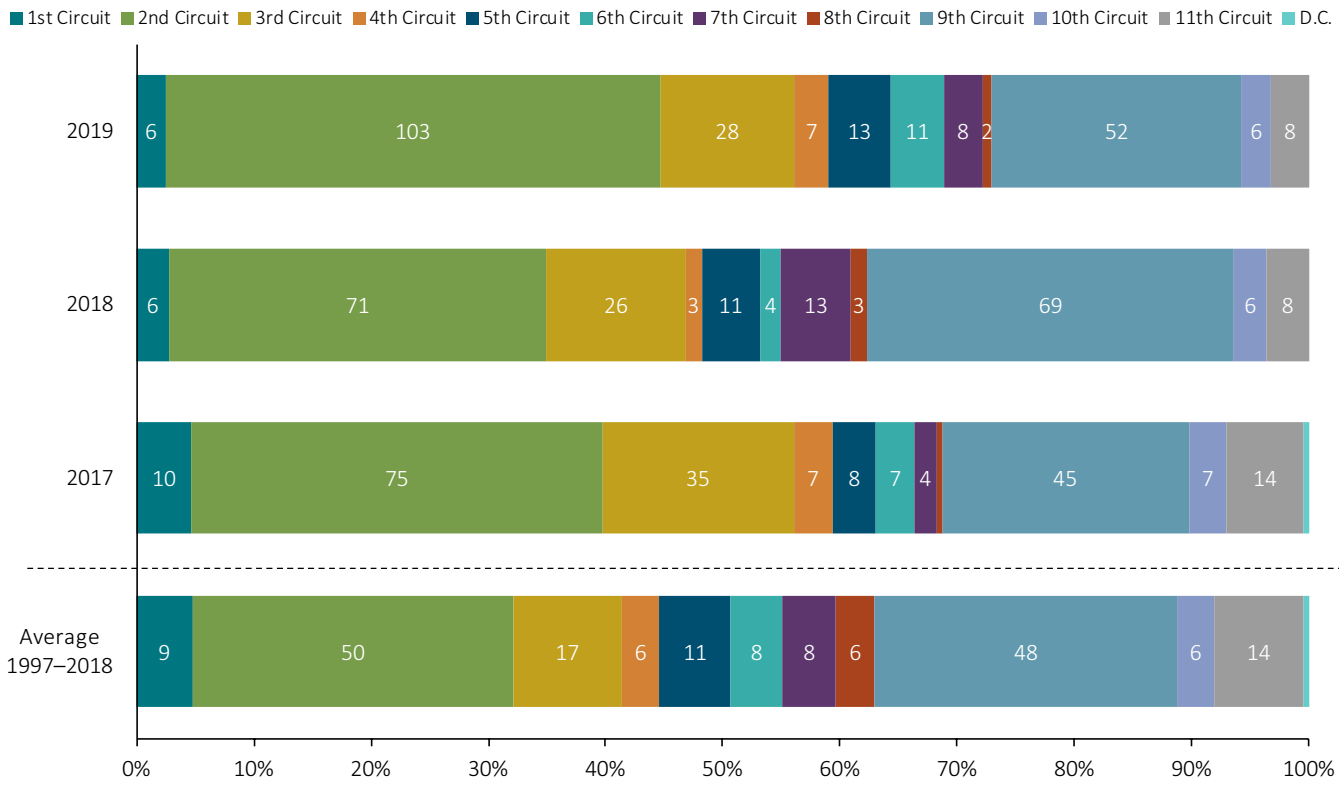
Note:
1. Sectors and subsectors are based on the Bloomberg Industry Classification System.
2. The "Other" category is a grouping primarily encompassing the Agriculture, Beverage, Commercial Services, and Food subsectors.
3. Average figures may not sum due to rounding.

Federal Filings by Circuit

- The Second and Ninth Circuits combined made up 64 percent of all core federal filings in 2019, in line with 2018 (64 percent) and above the 1997–2018 average of 53 percent.
- Core federal filings in the Second Circuit increased by 45 percent to 103 filings, the highest number on record. Core filings in the Ninth Circuit decreased by 25 percent to 52 filings, which is slightly above the 1997–2018 average of 48. The combined number of Second and Ninth Circuit core filings in 2019 (155) increased relative to 2018 (140).
- Core federal filings in the Seventh Circuit decreased by 38 percent to eight filings after the spike in 2018, in line with the 1997–2018 average. Despite this decrease, DDL and MDL in this circuit more than doubled.
- The total MDL for the Ninth Circuit increased from $489 billion in 2018 to $501 billion in 2019, three times the 1997–2018 average. See Appendix 8.

Core federal filings in the Second Circuit were the highest on record.

Figure 37: Filings by Circuit—Core Federal Filings



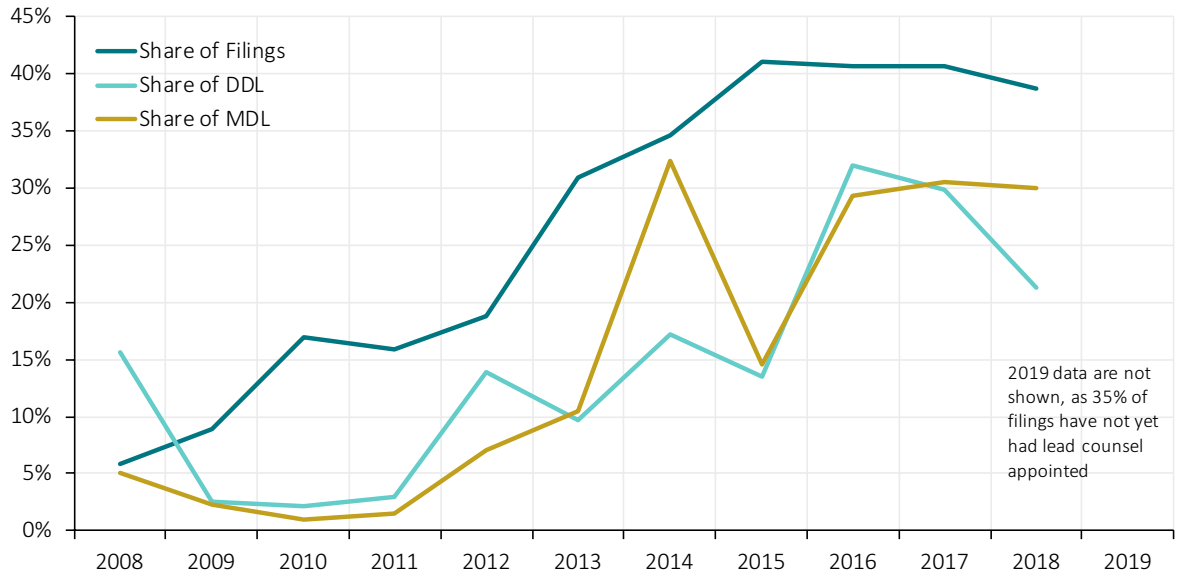
Appointment of Plaintiff Lead Counsel in Federal Filings

This figure focuses on three law firms—The Rosen Law Firm, Pomerantz LLP, and Glancy Prongay & Murray LLP. While these three law firms have been responsible for the majority of first identified complaints in each federal cohort since 2014, their rate of appointment as lead or co-lead counsel has been lower.

- The percentage of cases for which these firms were appointed lead counsel dropped slightly from 2017 to 2018.
- With the exception of 2008, these firms were typically appointed lead counsel for smaller cases (i.e., their share of filings exceeded their share of total MDL and DDL).
- These firms were largely responsible for the declining median filing lag between 2013 and 2018 discussed on page 29 and for the increasing frequency of the appointment of individuals, rather than institutional investors, as lead plaintiff, as discussed on page 18.

From 2015 through 2018, three plaintiff law firms were appointed lead or co-lead plaintiff counsel in approximately 40 percent of core federal filings.

Figure 38: Frequency of Three Law Firms' Appointment as Lead or Co-Lead Plaintiff Counsel—Core Federal Filings 2008–2019



Frequency of These Firms as the Counsel of Record on the First Identified Complaint	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of Core Filings	22	23	26	35	40	66	83	104	122	126	119	151
% of Total Core Filings	10%	15%	19%	24%	29%	43%	53%	60%	65%	59%	54%	62%

Note:

1. This analysis considers law firms that were appointed lead or co-lead counsel by the court. For filings in which the case was resolved prior to the appointment of lead counsel, the counsel listed on the first identified complaint (FIC) are considered the lead counsel.
2. One percent of core federal filings in 2017, 2 percent of core federal filings in 2018, and 35 percent of core federal filings in 2019 have not yet had lead counsel appointed.
3. The counts in the table include circumstances when the FIC includes one or any of these law firms, regardless of whether other plaintiff counsel are also listed on the complaint.

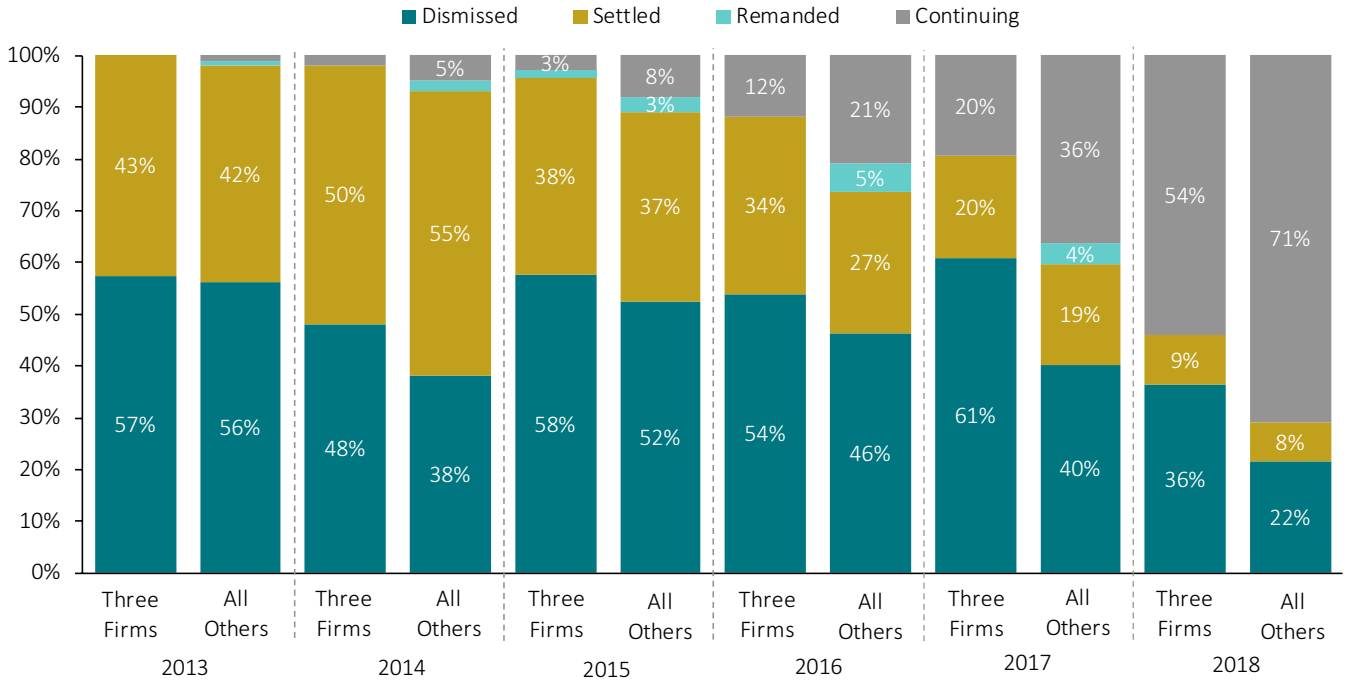
Federal Case Status by Lead Plaintiff Counsel

This figure examines the case outcomes for core federal filings in which The Rosen Law Firm, Pomerantz LLP, and Glancy Prongay & Murray LLP were appointed lead or co-lead counsel. The outcomes for these filings are compared with filings in which other plaintiff law firms are the lead counsel.

Core federal class actions filed in 2016, 2017, and 2018 in which these three plaintiff law firms were appointed lead or co-lead counsel have preliminarily exhibited higher dismissal rates than other plaintiff law firms.

- From 2013 through 2018, these three firms have had 52 percent of their class actions dismissed compared to 42 percent 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.

Figure 39: Case Status by Plaintiff Law Firm Appointed Lead or Co-Lead Counsel—Core Federal Filings 2013–2018



Note:

1. This analysis considers law firms that were appointed lead or co-lead counsel by the court. For filings in which the case was resolved prior to the appointment of lead counsel, the counsel listed on the first identified complaint (FIC) are considered the lead counsel.
2. One percent of core federal filings in 2017 and 2 percent of core federal filings in 2018 have not yet had lead counsel appointed. These filings are not included in this analysis.
3. Percentages may not sum to 100 percent due to rounding.

New Developments

Cannabis-Related Filings

With the legalization of recreational marijuana in Canada in October 2018 and the increasing number of U.S. states permitting medicinal and recreational use, numerous corporations have entered the cannabis industry in recent years. These corporations are involved in the financing, farming, distribution, or sales of cannabis products. Peripheral businesses supporting the industry or developing products derived from cannabis (e.g., specialized drugs from cannabidiol) have grown in concert.

Beginning in the latter part of 2018, companies with connections to the cannabis industry were increasingly the target of federal class action filings. In 2018, six core federal filings involved companies selling cannabis or cannabidiol products. In 2019, 13 companies were sued in federal courts. Three of these companies also faced state 1933 Act claims.

Multiple Canadian cannabis-related companies with securities trading on U.S. exchanges were the subject of class action filings in 2018 and 2019. Nine of these filings involved many of the largest Canadian-licensed cannabis growers.

State Court 1933 Act Claims

Sciabacucchi v. Salzberg is a matter currently before the Delaware Supreme Court. At issue is whether provisions in corporate charters can dictate that class action securities claims under the 1933 Act be adjudicated in federal courts.

In recent years, multiple companies chartered in Delaware have adopted so-called Federal Forum Provisions dictating that 1933 Act claims be adjudicated in federal rather than state courts. In the wake of the March 2018 U.S. Supreme Court ruling in *Cyan* permitting plaintiffs to continue to file 1933 Act claims in state courts, even more companies have adopted Federal Forum Provisions.

In December 2018, the Delaware Chancery Court ruled that the charter provisions were invalid under Delaware law. The decision was appealed by defendants, with briefing before the Delaware Supreme Court in the fall of 2019.

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 filings against non-U.S. issuers (companies headquartered outside the United States) relative to total core 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 federal and state 1933 Act 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 offering until the end of the class period) 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 during or at the end of the class period, 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 (FIC) 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.

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 were 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 that was 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.

Glossary (continued)

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 that have Section 14 claims, but no Rule 10b-5, Section 11, or Section 12(2) claims, and involve merger and acquisition transactions.

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

			Disclosure Dollar Loss			Maximum Dollar Loss			U.S. Exchange-Listed Firms: Core Filings		
Year	Class 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	$107	$557	$167	$827	$4,308	$1,038	4,593	188	4.1%
2017	413	215	$132	$668	$150	$524	$2,660	$666	4,411	186	4.2%
2018	420	238	$331	$1,584	$298	$1,317	$6,299	$1,063	4,406	211	4.8%
2019	428	268	$285	$1,196	$216	$1,199	$5,037	$1,017	4,318	237	5.5%
Average (1997–2018)	215	186	$130	$791	$137	$638	$3,886	$673	5,661	167	3.0%

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, ICO 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.

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	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%	10.7%	3.7%	6.9%	1.2%	0.0%	4.4%
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%	2.9%	2.8%
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%
Average 2001–2018	5.3%	3.4%	1.5%	8.0%	8.8%	3.8%	6.3%	5.3%	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	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%	31.2%	1.7%	23.2%	0.3%	0.0%	7.7%
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%	0.6%	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%
Average 2001–2018	5.2%	4.1%	2.9%	15.2%	12.9%	8.4%	9.5%	6.0%	8.9%

Note: Average figures are calculated as the sum of the market capitalization subject to core filings in a given sector from 2001–2018, divided by the sum of market capitalization in that sector from 2001–2018.

Appendix 3: M&A Federal Filings Overview

		M&A Case Status				Case Status of Core Federal Filings			
Year	M&A Filings	Dismissed	Settled	Remanded	Continuing	Dismissed	Settled	Remanded	Continuing
2009	7	5	2	0	0	82	74	0	1
2010	39	33	6	0	0	69	65	1	1
2011	43	40	3	0	0	70	74	1	0
2012	12	9	3	0	0	68	64	2	5
2013	13	7	6	0	0	86	64	1	1
2014	12	9	3	0	0	65	83	2	6
2015	34	26	7	0	1	94	64	4	11
2016	84	66	13	0	5	92	56	6	33
2017	198	189	4	1	4	103	41	5	65
2018	182	169	2	0	11	59	18	0	143
2019	160	104	0	0	56	22	0	0	222
Average (2009–2018)	62	55	5	0	2	79	60	2	27

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 2019.

Appendix 4: Case Status by Year—Core Federal Filings

	In the First Year				In the Second Year				In the Third Year			
Filing Year	Settled	Dismissed	Other	Total Resolved	Settled	Dismissed	Other	Total Resolved	Settled	Dismissed	Other	Total Resolved within Three Years
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%	13.6%	0.0%	28.8%	17.5%	14.1%	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%	8.3%	1.3%	10.3%	5.1%	18.6%	0.0%	34.0%	9.6%	10.3%	0.0%	53.8%
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%	18.2%	0.5%	37.4%	13.4%	12.3%	1.1%	64.2%
2017	0.0%	18.7%	1.9%	20.6%	4.7%	21.0%	0.5%	46.7%	14.5%	8.4%	0.0%	69.6%
2018	0.5%	13.6%	0.0%	14.1%	7.7%	13.2%	0.0%	35.0%	-	-	-	-
2019	0.0%	9.0%	0.0%	9.0%	-	-	-	-	-	-	-	-

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.

Appendix 5: 1933 Act Filings in State Courts and Federal Section 11–Only Filings Overview

	1933 Act Filings in State Courts			Status of 1933 Act Filings in State Courts			Status of Federal Section 11–Only Filings		
Year	California	New York	Other	Ongoing	Settled	Dismissed	Ongoing	Settled	Dismissed
2010	1	0	0	0	1	0	0	8	9
2011	3	0	0	0	1	2	0	4	5
2012	5	0	2	0	3	3	0	6	3
2013	1	0	0	0	1	0	0	2	5
2014	5	0	1	0	5	1	1	4	5
2015	15	0	2	0	9	5	1	4	6
2016	19	0	8	4	11	10	0	4	2
2017	7	0	6	5	2	5	3	3	5
2018	16	13	6	32	1	0	12	2	1
2019	15	18	16	20	0	1	23	0	2
Average (2010–2018)	8	1	3	5	4	3	2	4	4

Note: If a matter is remanded from federal court to a state court, it is recorded in the state court column based on its state court disposition. Alternatively, if a matter is removed from a state court to federal court, it is recorded in the federal court column based on its federal court disposition.

Appendix 6: Litigation Exposure for IPOs in the Given Periods—Core Filings

	Cumulative Exposure			Incremental Exposure		
Years Since IPO	2009–2018	2001–2008	1996–2000	2009–2018	2001–2008	1996–2000
1	6.6%	5.0%	2.2%	6.6%	5.0%	2.2%
2	11.8%	8.6%	6.5%	5.2%	3.7%	4.3%
3	16.0%	11.3%	9.7%	4.3%	2.7%	3.2%
4	20.0%	14.0%	12.6%	4.0%	2.7%	2.9%
5	23.8%	15.8%	16.1%	3.8%	1.8%	3.5%
6	26.7%	17.9%	18.5%	2.9%	2.0%	2.4%
7	29.1%	20.0%	21.1%	2.4%	2.1%	2.6%
8	30.7%	22.3%	23.5%	1.6%	2.4%	2.3%
9	-	23.9%	26.0%	-	1.6%	2.6%
10	-	26.4%	27.8%	-	2.5%	1.8%

Note:

1. The post-crisis IPO cumulative litigation exposure is not presented for 9–10 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:

$$\left(\text{cumulative litigation exposure in year } t\right) = 1 - \prod_{i=1}^{t}\left(1 - p_i\right), \text{ where:}$$

$$p_i = \frac{\text{number of companies sued in year } i}{\text{number of companies surviving at the end of year } \left(i-1\right)}$$

Appendix 7: Filings by Industry—Core Federal Filings

(Dollars in Billions)

	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
Industry	Average 1997–2018	2017	2018	2019	Average 1997–2018	2017	2018	2019	Average 1997–2018	2017	2018	2019
Financial	30	20	19	22	$19	$14	$25	$10	$111	$48	$138	$41
Consumer Non-Cyclical	50	85	67	88	$39	$42	$104	$70	$150	$165	$435	$336
Industrial	17	26	20	20	$13	$26	$28	$22	$48	$85	$240	$105
Technology	23	14	22	29	$19	$8	$65	$100	$80	$58	$150	$426
Consumer Cyclical	20	22	29	20	$10	$15	$28	$10	$53	$84	$120	$43
Communications	27	18	28	37	$23	$13	$65	$55	$147	$37	$166	$163
Energy	9	9	7	10	$4	$5	$1	$5	$22	$20	$4	$25
Basic Materials	5	11	8	8	$2	$7	$10	$9	$15	$17	$33	$23
Utilities	3	2	3	5	$1	$1	$3	$2	$9	$8	$25	$20
Unknown/ Unclassified	2	7	17	5	$0	$0	$0	$0	$0	$0	$2	$0
Total	184	214	220	244	$130	$131	$330	$283	$635	$521	$1,311	$1,182

Note: Figures may not sum due to rounding.

Appendix 8: Filings by Circuit—Core Federal Filings

	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
Circuit	Average 1997–2018	2017	2018	2019	Average 1997–2018	2017	2018	2019	Average 1997–2018	2017	2018	2019
1st	9	10	6	6	$7	$1	$3	-$1	$21	$6	$18	$30
2nd	50	75	71	103	$42	$46	$88	$82	$229	$161	$494	$360
3rd	17	35	26	28	$18	$27	$44	$20	$67	$106	$190	$110
4th	6	7	3	7	$2	$5	$3	$1	$12	$17	$11	$14
5th	11	8	11	13	$7	$4	$3	$4	$35	$16	$11	$20
6th	8	7	4	11	$7	$4	$6	$8	$27	$36	$19	$24
7th	8	4	13	8	$7	$3	$11	$29	$28	$20	$50	$106
8th	6	1	3	2	$3	$0	$2	$2	$13	$0	$7	$5
9th	48	45	69	52	$29	$31	$162	$133	$167	$114	$489	$501
10th	6	7	6	6	$3	$2	$2	$2	$13	$14	$9	$7
11th	14	14	8	8	$5	$8	$5	$1	$21	$20	$14	$4
D.C.	1	1	0	0	$1	$0	$0	$0	$6	$11	$0	$0
Total	184	214	220	244	$130	$131	$330	$283	$635	$521	$1,311	$1,182

Note: Figures may not sum due to rounding.

Appendix 9: Filings by Exchange Listing—Core Federal Filings

	Average (1997–2018)		2018		2019	
	NYSE/Amex	Nasdaq	NYSE	Nasdaq	NYSE	Nasdaq
Class Action Filings	86	109	157	216	195	187
Core Filings	75	93	87	111	118	111
Disclosure Dollar Loss						
DDL Total ($ Billions)	$88	$41	$168	$152	$118	$164
Average ($ Millions)	$1,290	$453	$1,995	$1,418	$1,076	$1,543
Median ($ Millions)	$274	$106	$611	$285	$340	$150
Maximum Dollar Loss						
MDL Total ($ Billions)	$422	$209	$814	$458	$557	$623
Average ($ Millions)	$6,129	$2,263	$9,688	$4,284	$5,065	$5,874
Median ($ Millions)	$1,351	$471	$2,384	$901	$1,764	$735

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 Stanford Law School Securities Class Action Clearinghouse, in collaboration with Cornerstone Research, has identified 5,590 federal securities class action filings between January 1, 1996, and December 31, 2019 (securities.stanford.edu). The analysis in this report is based on data identified by Stanford as of January 10, 2020.
- The sample used in this report includes federal filings that typically allege violations of the Securities Act of 1933 Section 11, the Securities Exchange Act of 1934 Section 10b, Section 12(a) (registration requirements), or Section 14(a) (proxy solicitation requirements).
- 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 159 state class action filings in state courts from January 1, 2010, to December 31, 2019, have also been identified.

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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Exhibit 7

NERA
ECONOMIC CONSULTING

29 January 2018

25th Anniversary Edition

Recent Trends in Securities Class Action Litigation: 2017 Full-Year Review

Record Pace of Filings Led by a Continued Surge in Merger Objections

Highest Number of Dismissals and Lowest Settlement Values Since the Early 2000s

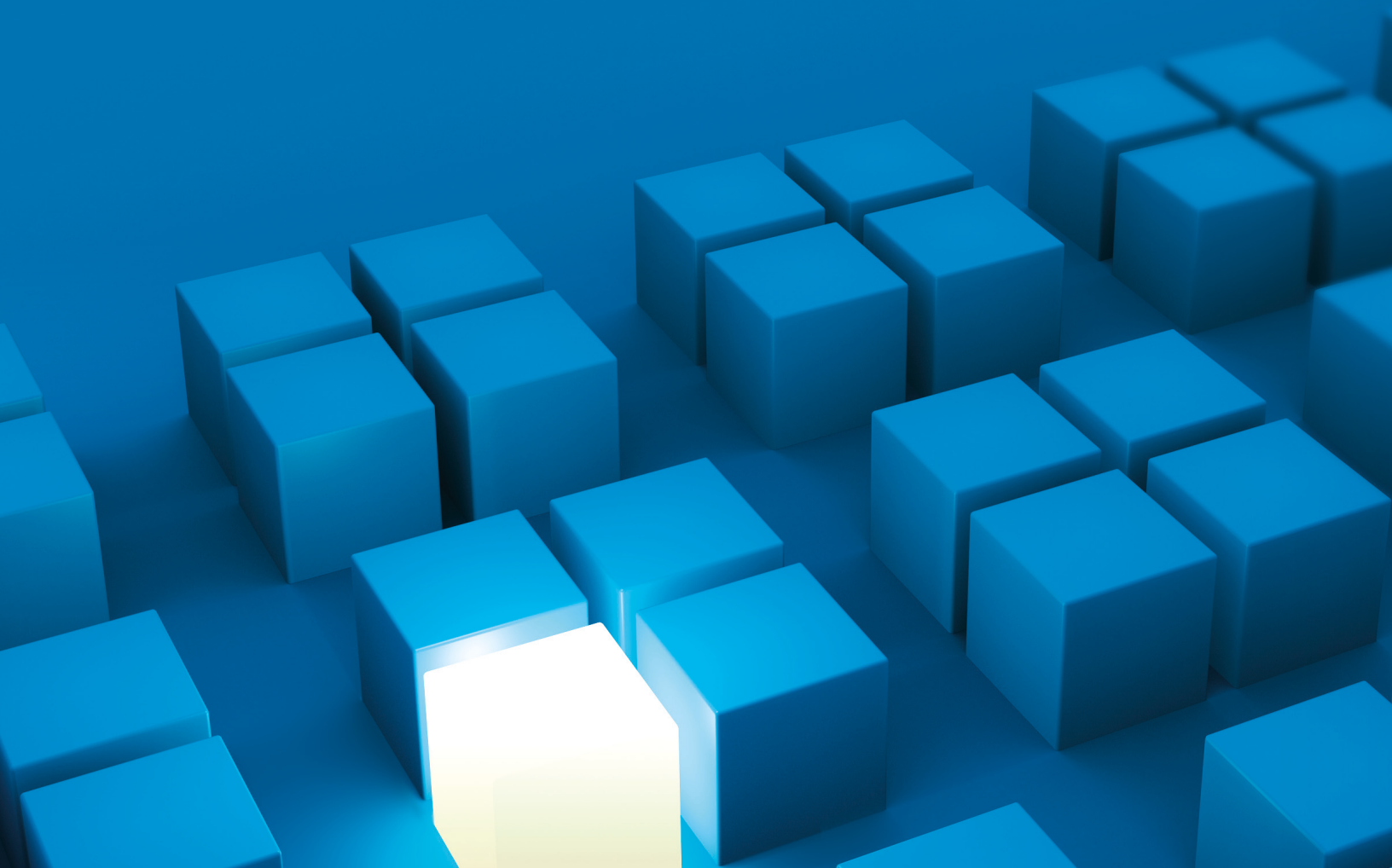
By Stefan Boettrich and Svetlana Starykh

Insight in Economics™

Foreword

I am excited to share our 25th anniversary edition of NERA's *Recent Trends in Securities Class Action Litigation* with you. This marks the 25th year of work by members of NERA's Securities and Finance Practice. In this edition, we document an increase in filings, which we also noted last year, again led by a doubling of merger-objection filings. While this may be the most prominent result, this report contains discussions about other developments in filings, settlements, and case sizes as measured by NERA-defined Investor Losses. Although space limitations prevent us from sharing all of the analyses the authors have undertaken to create this latest edition of our series, we hope you will contact us if you want to learn more, to discuss our data and analyses, or to share your thoughts on securities class actions. On behalf of NERA's Securities and Finance Practice, I thank you for taking the time to review our work and hope that you will find it informative and interesting.

Dr. David Tabak
Managing Director



Recent Trends in Securities Class Action Litigation: 2017 Full-Year Review

Record Pace of Filings Led by a Continued Surge in Merger Objections
Highest Number of Dismissals and Lowest Settlement Values Since the Early 2000s

By Stefan Boettrich and Svetlana Starykh[1]

29 January 2018

Introduction and Summary[2]

In 2017, an explosion in securities class action filings reflected growth not seen in almost two decades, and drove the average filing rate to more than one per day. For a second year in a row, growth was dominated by a record number of federal merger-objection filings, continuing a trend sparked by various state court decisions that restricted "disclosure-only" settlements. In the first quarter, more cases alleging violations of SEC Rule 10b-5 under the Securities and Exchange Act of 1934 were filed than in any quarter since the aftermath of the dotcom boom. Over the entire year, filings alleging violations of Rule 10b-5, or Section 11 or Section 12 of the Securities Act of 1933, grew for a record fifth straight year.

The total size of filed securities cases, as measured by NERA-defined Investor Losses, was $334 billion and well above average for a second year, mostly due to numerous large cases alleging various regulatory violations. Allegations related to regulatory violations and misleading performance projections by management seem to be slowly supplanting claims related to accounting issues and missed earnings guidance.

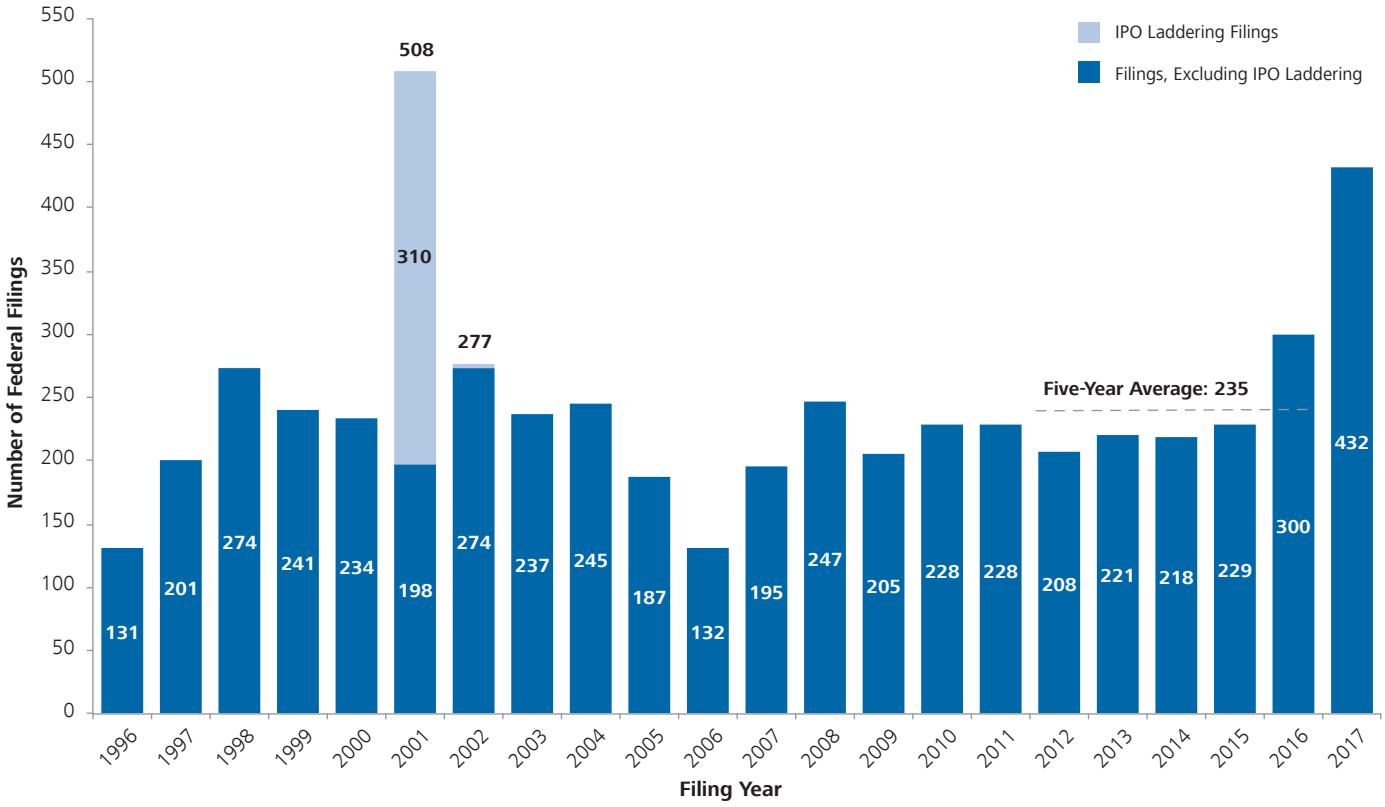
A record rate of case resolution was motivated by a more than 40% spike in dismissals and a 30% increase in settlements. Despite this, the value of settlements plunged to lows not seen since the early 2000s, stemming from a dearth of large or even moderate settlements. Due to an unprecedented rate of voluntary dismissals, nearly 16% of cases filed in 2017 alleging violations of Rule 10b-5, Section 11, or Section 12 were resolved by the end of the year.

Trends in Filings

Number of Cases Filed

There were 432 federal securities class actions filed in 2017, the third straight year of growth (see Figure 1). For the second year in a row, the filing rate was the highest seen since passage of the Private Securities Litigation Reform Act (PSLRA), with the exception of 2001 when an unusually high number of IPO laddering cases were filed. The number of filings was 44% higher in 2017 than 2016, marking the fastest rate of growth since 2007. The number of filings grew 89% over the past two years, a rate not seen since 1998. The level of 2017 filings was also well above the post-PSLRA average of approximately 244 cases per year, and 84% higher than the five-year average rate, continuing a departure from the generally stable filing rate since the aftermath of the 2008 financial crisis.

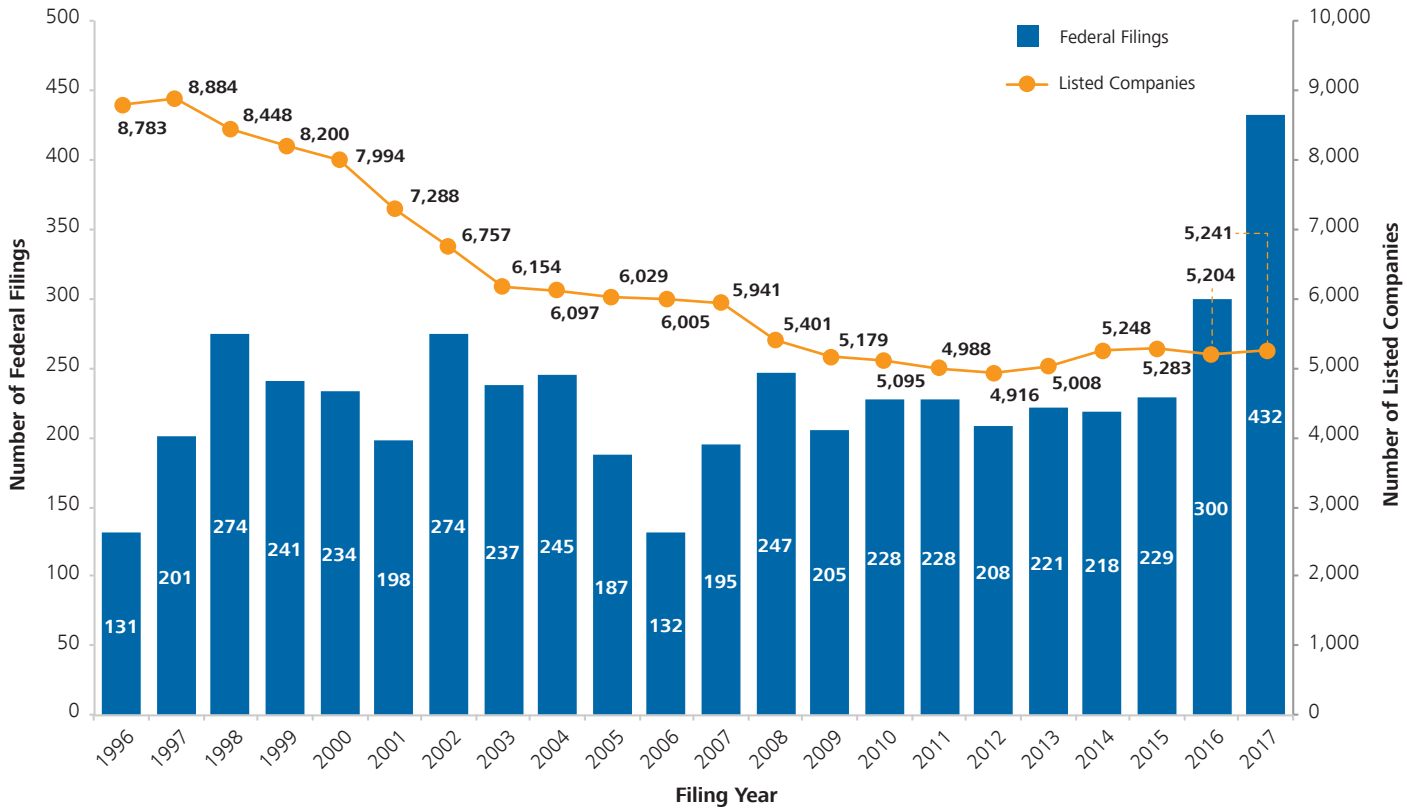
Figure 1. **Federal Securities Class Action Filings**
January 1996–December 2017



As of November 2017, there were 5,241 companies listed on the major US securities exchanges, including the NYSE and Nasdaq (see Figure 2). The 432 federal securities class action suits filed in 2017 involved approximately 8.2% of publicly traded companies, nearly double the rate of 2014, when fewer than 4.2% of companies were subject to a securities class action.

Contrasting with the uptick in listed firm counts over the past five years, the longer-term trend is toward fewer publicly listed companies. Since passage of the PSLRA in 1995, the number of publicly listed companies in the United States has steadily declined by about 3,500, or by more than 40%. Recent research attributed this decline to fewer new listings and an increase in delistings, mostly through mergers and acquisitions.[3]

Figure 2. **Federal Filings and Number of Companies Listed on US Exchanges**
January 1996–December 2017



Note: Listed companies include those listed on the NYSE and Nasdaq. Listings data from 2016 and 2017 were obtained from World Federation of Exchanges (WFE). The 2017 listings data is as of November 2017. Data for prior years was obtained from Meridian Securities Markets and WFE.

Despite the drop in the number of listed companies, the average number of securities class action filings over the preceding five years, of about 235 per year, is still higher than the average filing rate of about 216 over the first five years after the PSLRA went into effect. The long-term trend toward fewer listed companies, coupled with an increased rate of class actions, implies that the average probability of a listed firm being subject to such litigation has increased from 3.2% for the 2000–2002 period to 8.2% in 2017.

Over the past two years, the higher average risk of federal securities class action litigation has been driven by dramatic growth in merger-objection cases, which were previously filed much more often in various state courts, but are now less so, given recent rulings discouraging filings in those jurisdictions. Hence the increase in the average firm's litigation risk might be lower than is indicated above, especially given that the risk of merger-objection litigation is limited to those planning or engaged in M&A activity. The average probability of a firm being targeted by what is often regarded as a "standard" securities class action—one that alleges violations of Rule 10b-5, Section 11, and/or Section 12—was only 4.1% in 2017; higher than the average probability of 3.0% between 2000 and 2002.

Filings by Type

In 2017, each of the major filing types currently tracked in NERA's securities class action database experienced growth (see Figure 3). The continued near-record overall growth rate was driven by a more than doubling of merger-objection filings for the second consecutive year. Federal merger-objection filings typically allege a violation of Section 14(a), 14(d), and/or 14(e) of the Securities and Exchange Act of 1934, and/or a breach of fiduciary duty by managers of the firm being acquired. Filings of standard securities cases were up by 11% over 2016, the fifth consecutive year of steady growth and the longest expansion on record.

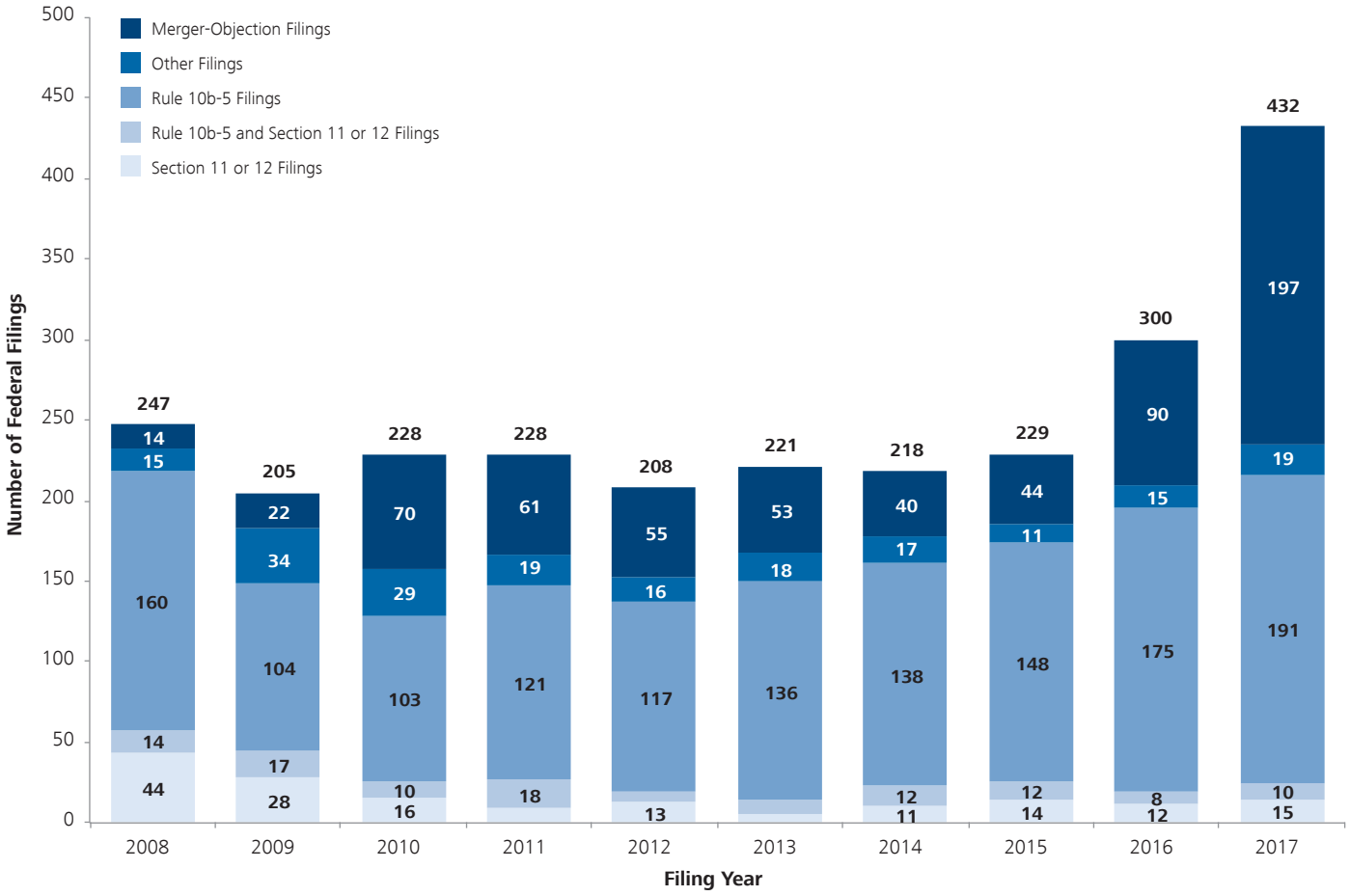
While standard filings still predominate in federal dockets, the 197 merger-objection cases constituted about 46% of all filings and were almost at parity with the 216 standard filings. The continued growth in merger objections likely stemmed from the filing of federal merger-objection suits that would have been filed in other jurisdictions but for various state-level decisions limiting "disclosure-only" settlements, with the most prominent of these being the 22 January 2016 *Trulia* decision in the Delaware Court of Chancery.[4]

Although aggregate merger-objection filings (including those at the state level) may correspond with the rate of merger and acquisitions, such deal activity does not appear to have historically been the primary driver of federal merger-objection filings over multiple years. The number of federal merger-objection filings generally fell between 2010 and 2015, despite increased M&A activity. The higher filing counts in 2016 and 2017 likely stemmed from trends in the choice of jurisdiction rather than trends in deal volume.[5]

On a quarterly basis, the filing of 90 standard cases in the first quarter of 2017 was two-thirds higher than in the fourth quarter of 2016 and the highest quarterly rate since 2001. Cases filed during the first quarter resembled filings over the remainder of the year. Coupled with slower filing rates in each of the latter three quarters, this may portend a slowdown in standard filings in early 2018.

Besides filings of standard cases and merger-objection cases, a variety of other filings rounded out 2017. Several filings alleged breaches of fiduciary duty (including cases regarding the safety of alternative investments and shareholder class rights), but we also saw filings related to alleged fraud in the sale of privately held securities in Uber, Inc.

Figure 3. **Federal Filings by Type**
January 2008–December 2017



Merger-Objection Filings

In 2017, federal merger-objection filings more than doubled for the second consecutive year (see Figure 4). While not matching the dramatic growth in filings in 2010, which did coincide with a doubling in M&A activity, the persistent increase in filings over the past two years overlapped with only marginal growth in M&A deal activity: a slowdown in 2016 was followed by a recovery in 2017.[6] Rather, the jurisdiction where cases were brought and the attributes of target firms imply that this trend, in part, reflects forum selection by plaintiffs.

Historically, state courts, rather than federal courts, have served as the primary forum for merger-objection cases.[7] Between 2010 and 2015, the slowdown in federal merger-objection filings largely mirrored the slowdown in multi-jurisdiction litigation, such as merger objections filed in multiple state courts. This trend, according to researchers, may be due to the increased use and effectiveness of forum selection corporate bylaws that limit the ability of plaintiffs to file claims outside of stipulated jurisdictions.[8]

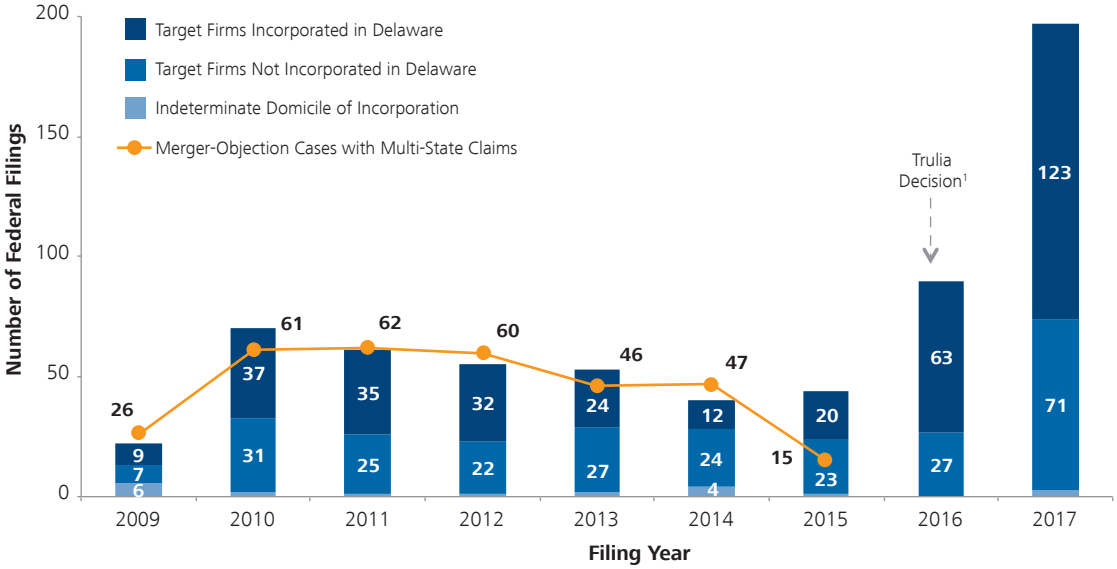
The increased adoption of forum selection bylaws coincided with various state court decisions in 2015 and 2016, particularly those against "disclosure-only" settlements, including the *Trulia* decision handed down by the Delaware Court of Chancery on 22 January 2016.[9] Prior to the *Trulia* decision, the Delaware Court of Chancery attracted about half of eligible merger-objection cases.

Research suggested that the *Trulia* decision would drive merger objections to alternative jurisdictions, such as federal courts.[10] This prediction has largely been borne out thus far. In 2016, more than 90% of the growth in federal merger-objection cases was associated with firms incorporated in Delaware. In 2017, firms incorporated in Delaware accounted for more than half of the annual growth in filings. The 2017 increase in federal filings targeting firms incorporated in Delaware was concentrated in the Third Circuit (of which Delaware is part), where 28% of merger objections were filed, and the Ninth Circuit, where 22% of such cases were filed.

Whether the movement of merger-objection suits out of Delaware persists will likely depend on the extent to which other jurisdictions adopt the Delaware Court of Chancery's lead on disclosure-only settlement disapproval, as well as on the rate of corporate adoption of forum selection bylaws.[11] In the latter part of 2016, the Seventh Circuit ruled against a disclosure-only settlement in *In re: Walgreen Co. Stockholder Litigation*.[12] Unsurprisingly, the proportion of merger objections filed in the Seventh Circuit fell by more than 60% in 2017 versus 2016. In 2017, merger-objection cases filed in the Seventh Circuit were dismissed at nearly double the rate of other circuits.

In 2017, 71 federal merger-objection filings targeted firms not incorporated in Delaware, up from 27 in 2016. A quarter of the growth involved firms incorporated in Maryland and Minnesota, cases that made up nearly half of all merger objections targeting non-Delaware firms filed in the Fourth and Eighth Circuits. After Delaware, firms incorporated in Maryland were most frequently targeted in federal merger objections in both 2016 and 2017. This followed a 2013 decision in Maryland State Circuit Court rejecting a request for attorneys' fees in a disclosure-only settlement.[13]

Figure 4. **Federal Merger-Objection Filings and Merger-Objection Cases with Multi-State Claims**
January 2009–December 2017



Notes: Counts of merger-objection cases with multi-state claims based on data obtained from Matthew Cain and Steven Solomon, "Takeover Litigation in 2015," Berkeley Center for Law, Business and the Economy, 14 January 2016. Data on multi-state claims unavailable for 2016 or 2017. State of incorporation obtained from the Securities and Exchange Commission.

[1] *In re Trulia, Inc. Stockholder Litigation*, C.A. No. 10020-CB (Del. Ch. Jan. 22, 2016).

Filings Targeting Foreign Companies

Foreign companies continued to be disproportionately targeted in "standard" securities class actions in 2017.[14] Despite making up a relatively stable share of listings, foreign companies' share of filings increased for a fourth consecutive year and such filings made up more than a quarter of all standard filings (see Figure 5).

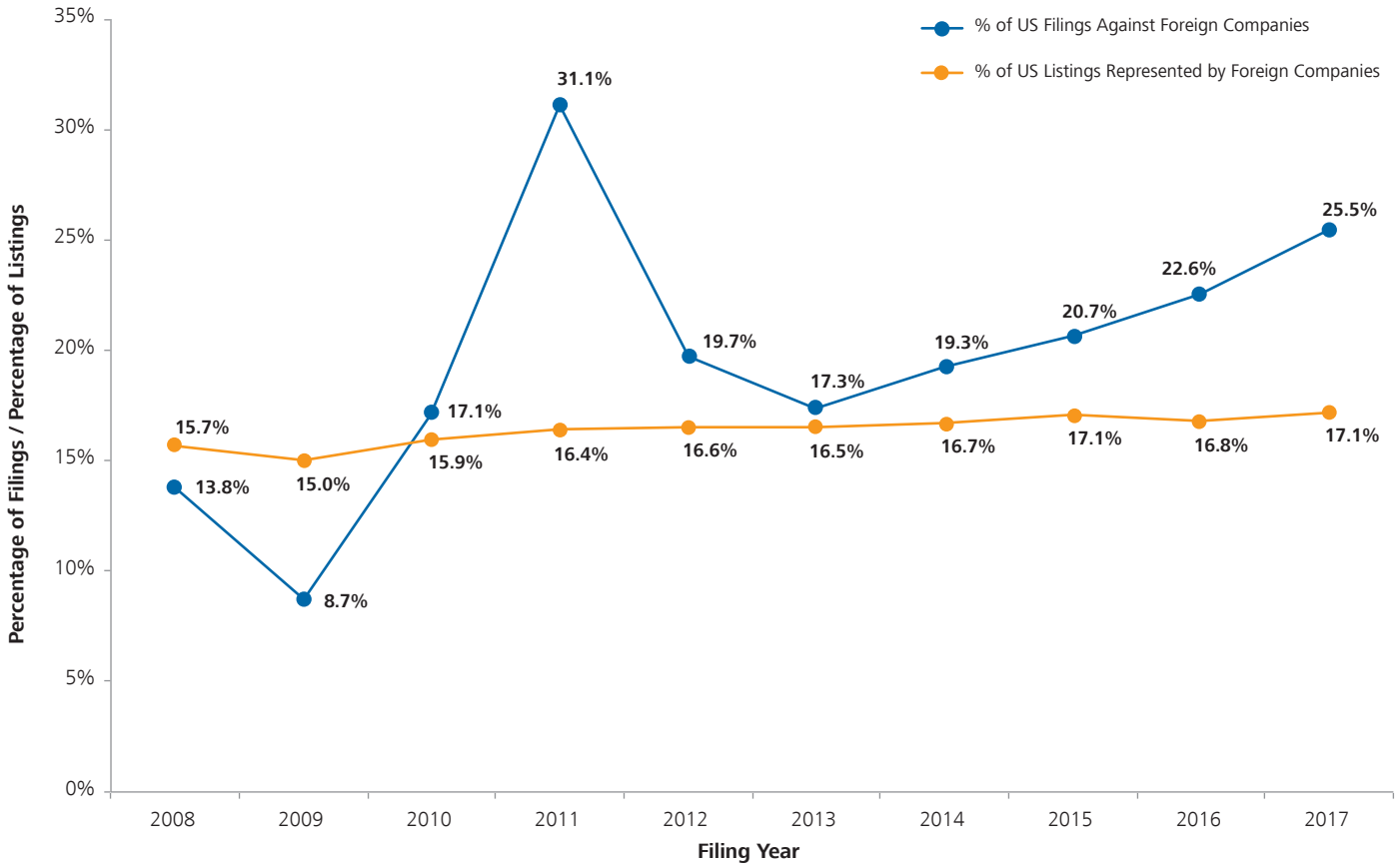
In 2017, there were 55 standard filings against foreign companies, a 25% increase over 2016 and more than a 50% increase over 2015. Recent growth in filings has been driven by alleged regulatory violations. The number of such cases increased by more than 80% in 2017, which followed more than a 50% increase in 2016. In 2017, more than a third of filings against foreign companies alleged regulatory violations.

Filings against foreign companies spanned several economic sectors, with more than 20% targeting firms in the Health Technology and Services Sector (down from more than 25% in 2016). Half of filings against companies in this sector alleged regulatory violations. Over the last five years, the percentage of filings against foreign companies in the Electronic Technology and Technology Services Sector has persistently fallen, from more than 30% of all filings in 2013 to about 8% in 2017.

In 2011, a record 31% of filings targeted foreign companies, mostly due to a surge in litigation against Chinese companies, which was mainly related to a proliferation in so-called *reverse mergers* years earlier. A reverse merger is one whereby a company orchestrates a merger with a publicly traded company listed in the US, thereby enabling access to US capital markets without going through the process of obtaining a new listing.

Merger-objection claims infrequently target foreign companies.[15] In 2017, there were four merger-objection claims against foreign companies (up from two in 2016). These represent 2% of all merger objections, and about 7% of all filings against foreign companies.

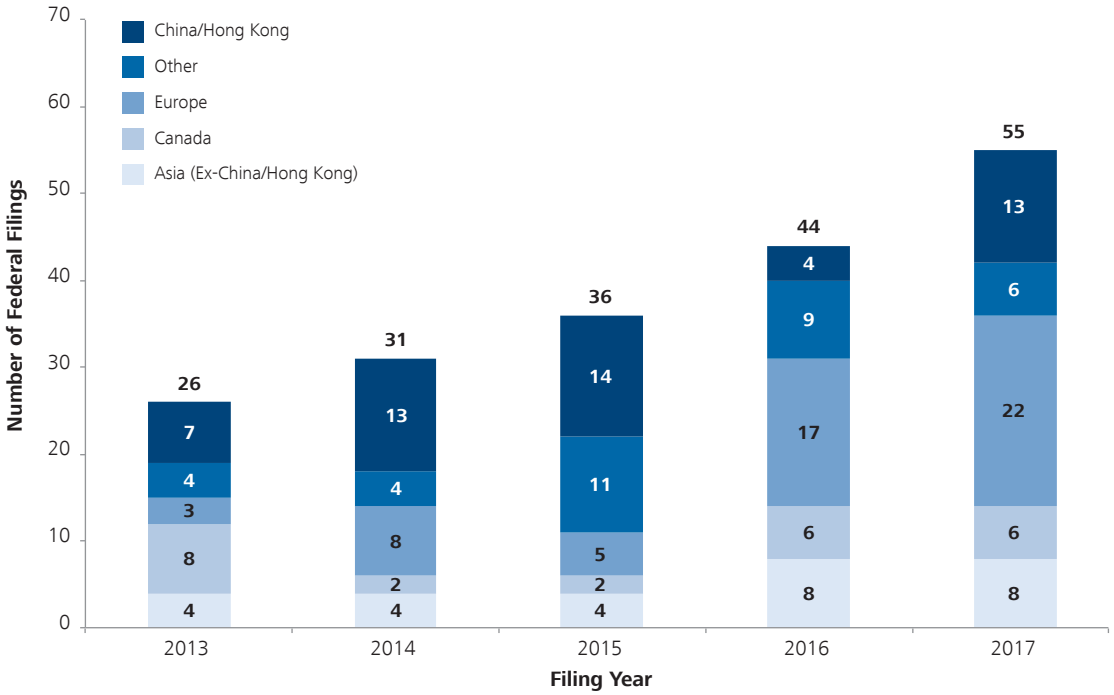
Figure 5. **Foreign Companies: Share of Filings and Share of Companies Listed on US Exchanges**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, or Section 12
January 2008–December 2017



Note: Foreign company status based on country of principal executive offices.

Geographically, growth in standard filings against foreign companies in 2017 was driven by claims against European and Chinese firms (see Figure 6). The number of filings against European firms grew for the second consecutive year, while claims against Chinese firms were resurgent. Over the past five years, filings targeting European firms have overtaken those against Chinese firms. This may be due to a recent tendency for Chinese companies to delist from US exchanges and relist their shares in Chinese markets, which historically have had higher relative valuations.[16] In addition to reducing the overall count of listed Chinese companies in the United States, such a relisting mechanism is more likely to be taken advantage of by firms with relatively weak accounting or disclosure practices.

Figure 6. **Filings Against Foreign Companies**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, or Section 12 by Region
January 2013–December 2017



Note: Foreign company status based on country of principal executive offices.

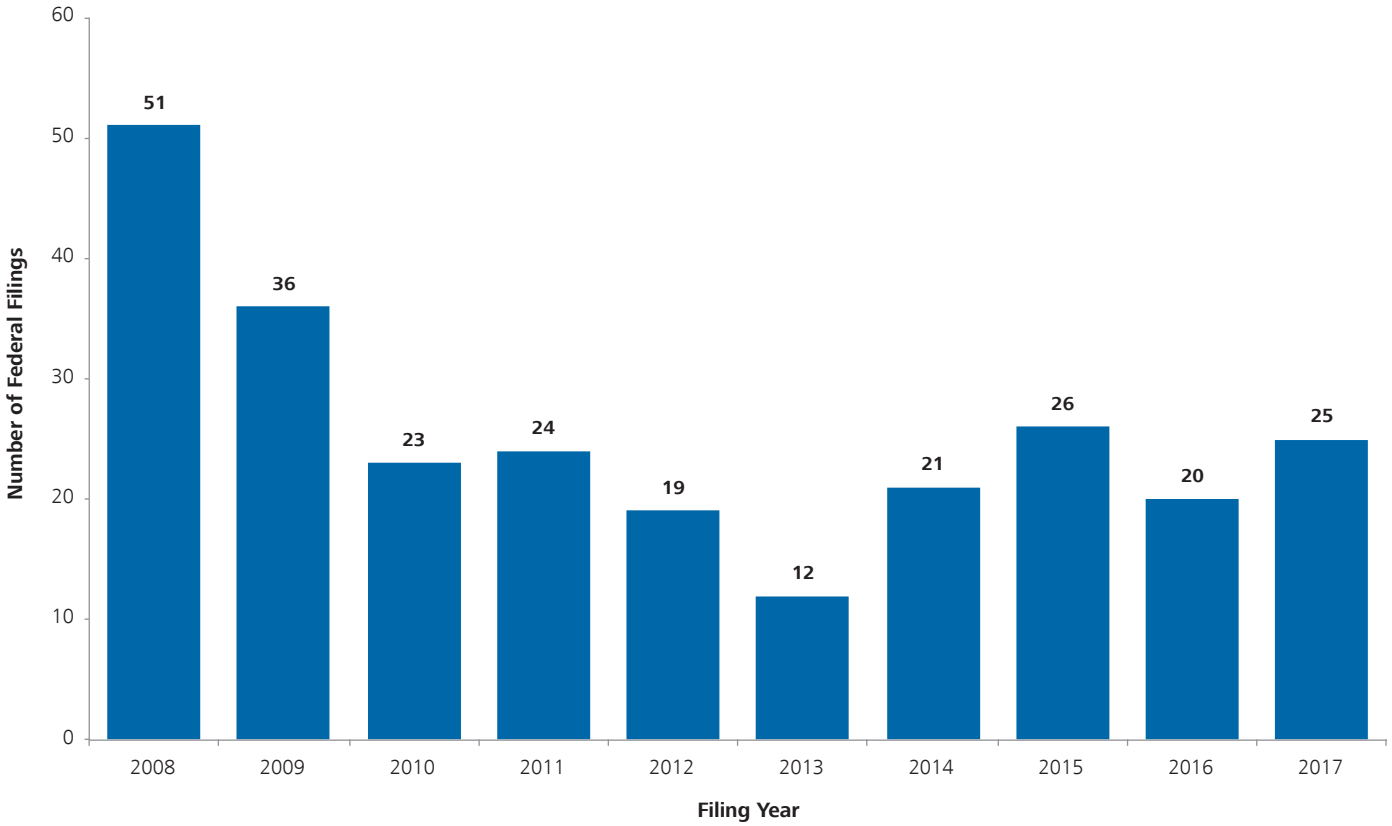
Section 11 Filings

There were 25 federal filings alleging violations of Section 11 in 2017 (see Figure 7). This is approximately the average rate since 2014, a year described by the *Financial Times* as a "bumper IPO year" that precipitated an uptick in Section 11 filings.[17] IPO activity has since declined, falling by more than 40% between 2014 and 2017.[18]

In 2017, Section 11 filings, which spanned multiple economic sectors, were concentrated in the Second and Third Circuits. Filings in the Ninth Circuit were proportionally underrepresented in 2017, accounting for about 60% of the average proportion since 2008.

While potentially just an anomaly, the slowdown in Section 11 litigation in the Ninth Circuit may stem from plaintiffs' filing Section 11 claims in California state courts, perceived as being relatively plaintiff-friendly, in lieu of federal courts.[19] Two factors may reverse this trend in coming years. First, several firms have recently required that Section 11 claims be filed in federal courts.[20] Second, on 27 June 2017, the US Supreme Court granted certiorari in *Cyan, Inc. v. Beaver County Employees Retirement Fund*, to decide whether state courts have jurisdiction over class actions with claims under the Securities Act of 1933, including Section 11 claims.[21]

Figure 7. **Federal Section 11 Filings**
January 2008–December 2017



Aggregate NERA-Defined Investor Losses

In addition to the number of cases filed, we also consider the total potential size of these cases using a metric we label "NERA-defined Investor Losses."

NERA's Investor Losses variable is a proxy for the aggregate amount that investors lost from buying the defendant's stock, rather than investing in the broader market during the alleged class period. Note that the Investor Losses variable is not a measure of damages because any stock that underperforms the S&P 500 would have Investor Losses over the period of underperformance; rather, it is a rough proxy for the relative size of investors' potential claims. Historically, Investor Losses have been a powerful predictor of settlement size. Investor Losses can explain more than half of the variance in the settlement values in our database.

We do not compute NERA-defined Investor Losses for all cases included in this publication. For instance, class actions in which only bonds and not common stock are alleged to have been damaged are not included. The largest excluded groups are IPO laddering cases and merger-objection cases.

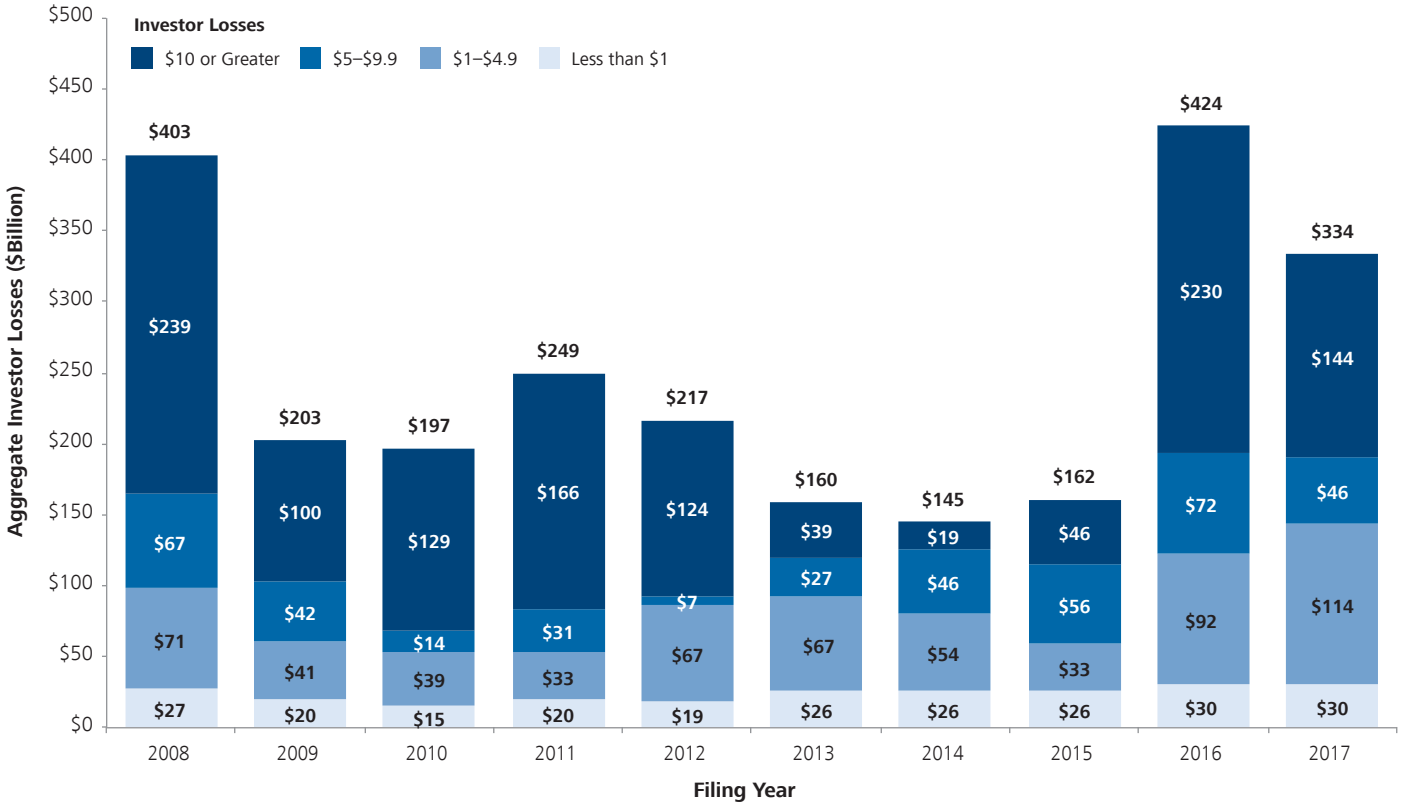
In 2017, aggregate NERA-defined Investor Losses (a measure of case size) was $334 billion; 50% more than the five-year average of $222 billion (see Figure 8). The increase in total case size since 2015 was due to a tripling of filings with Investor Losses between $1 billion and $5 billion, and a jump in filings with very large Investor Losses (over $10 billion).

Although down from the 2016 record, 2017 marked the second year in a row since 2008 in which NERA-defined Investor Losses exceeded $300 billion. Like in 2016, the high level of Investor Losses in 2017 stemmed from the number and size of filings claiming regulatory violations (i.e., those alleging a failure to disclose a regulatory issue), which totaled $163 billion. Five of the eight cases in the largest strata of Investor Losses alleged regulatory violations.

A considerable share of NERA-defined Investor Losses in 2016 were tied to two major industrial antitrust investigations. The fact that these were one-off events suggested that aggregate case size would fall back considerably in 2017.[22] Although total Investor Losses did decline in 2017, the metric was still more than double that of 2015 due to more filings (especially of cases with $1 to $5 billion in Investor Losses), and, in particular, more regulatory filings. This indicates that filings alleging regulatory violations, which tend to have higher Investor Losses, are becoming more broadly based and potentially a stronger driver of Investor Losses going forward. Details of filings alleging regulatory violations are discussed in the *Allegations* section below.

Excluding regulatory claims, aggregate NERA-defined Investor Losses were $171 million, down from $262 million in 2016. Notable cases with very large Investor Losses that did not allege regulatory violations included a data breach case against Yahoo! Inc. and a case against Facebook, Inc. related to disclosure of customer video screening times.

Figure 8. **Aggregate NERA-Defined Investor Losses ($Billion)**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, or Section 12
January 2008–December 2017



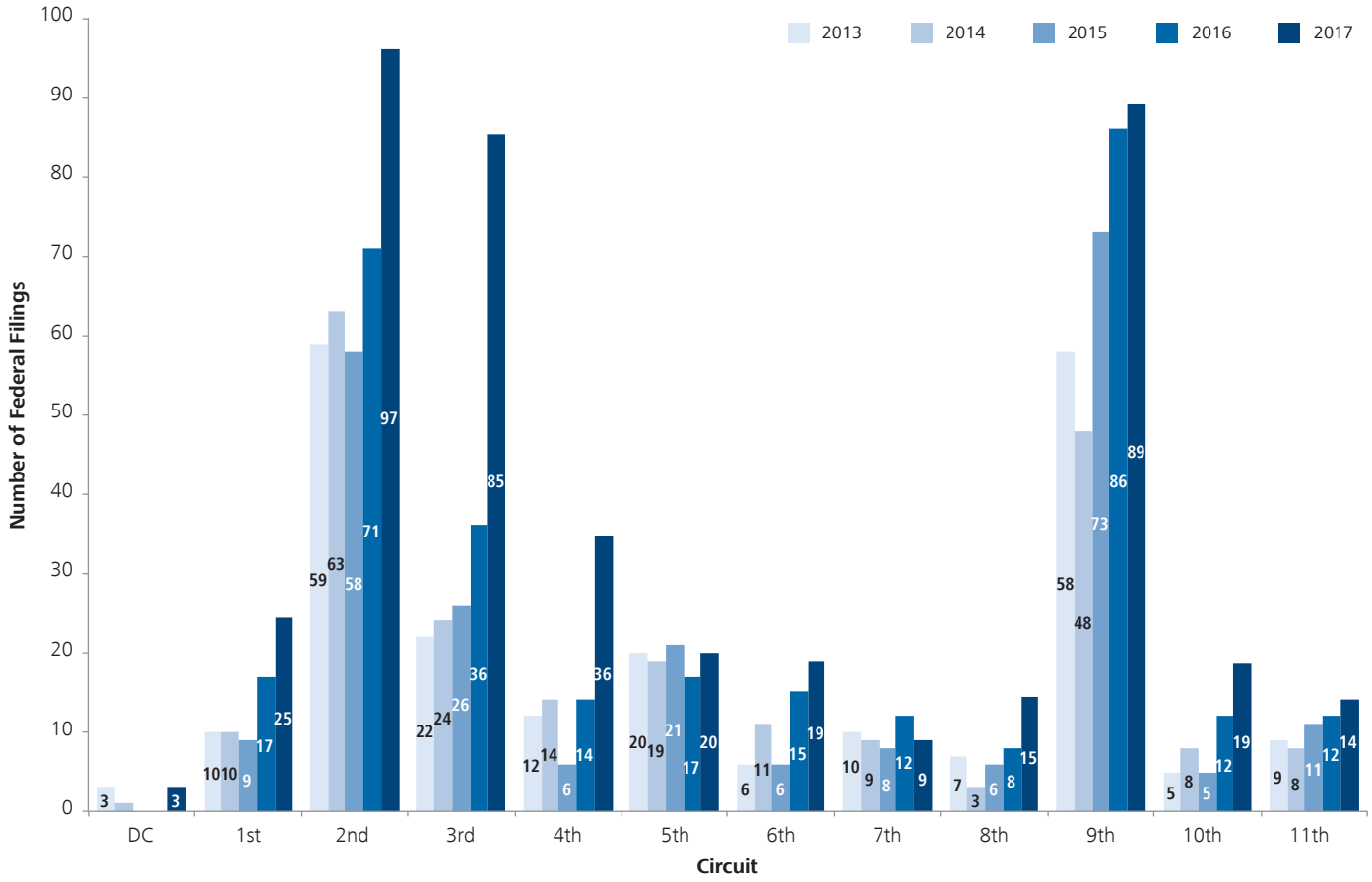
Filings by Circuit

In 2017, filings increased in every federal circuit except the Seventh Circuit, primarily due to the jump in federal merger-objection cases (see Figure 9). Although the Second and Ninth Circuits continued to have the most filings, rapid growth in merger objections accounted for the vast majority of filings in the First, Third, and Fourth Circuits, with filings more than doubling in the Third and Fourth Circuits.

Excluding merger objections, filings in the Second Circuit grew by a third to 84, contrasting with the Ninth Circuit, in which non-merger-objection filings fell by 12% to 51. As in the past, non-merger-objection filings in the Ninth Circuit were dominated by claims against firms in the Electronic Technology and Technology Services Sector. There was also a 60% jump in non-merger-objection cases in the Third Circuit. As in the past, the Third Circuit was subject to a disproportionate number of claims in the Health Technology and Services Sector (despite a general slowdown in such filings). This was mostly driven by the fact that the Third Circuit has a higher proportion of firms in the Pharmaceutical Preparations industry (SIC code 2834), an industry that dominates filings in Health Technology and Services Sector.[23]

The number of merger-objection filings quadrupled in the Third Circuit, which includes Delaware. However, acceleration in the number of such filings was greatest in the Eighth Circuit, where the sharpest increase was seen among firms incorporated in Minnesota. The Seventh Circuit is the only circuit where merger-objection filings fell, which follows its 2016 ruling against disclosure-only settlements.[24] Despite remarkable growth in merger objections in certain circuits, it may be too early to identify the circuits that would be most likely to accommodate such filings. Rather, growth in merger-objection filings at the circuit level is likely more reflective of opposition to such filings at the circuit level.

Figure 9. **Federal Filings by Circuit and Year**
January 2013–December 2017



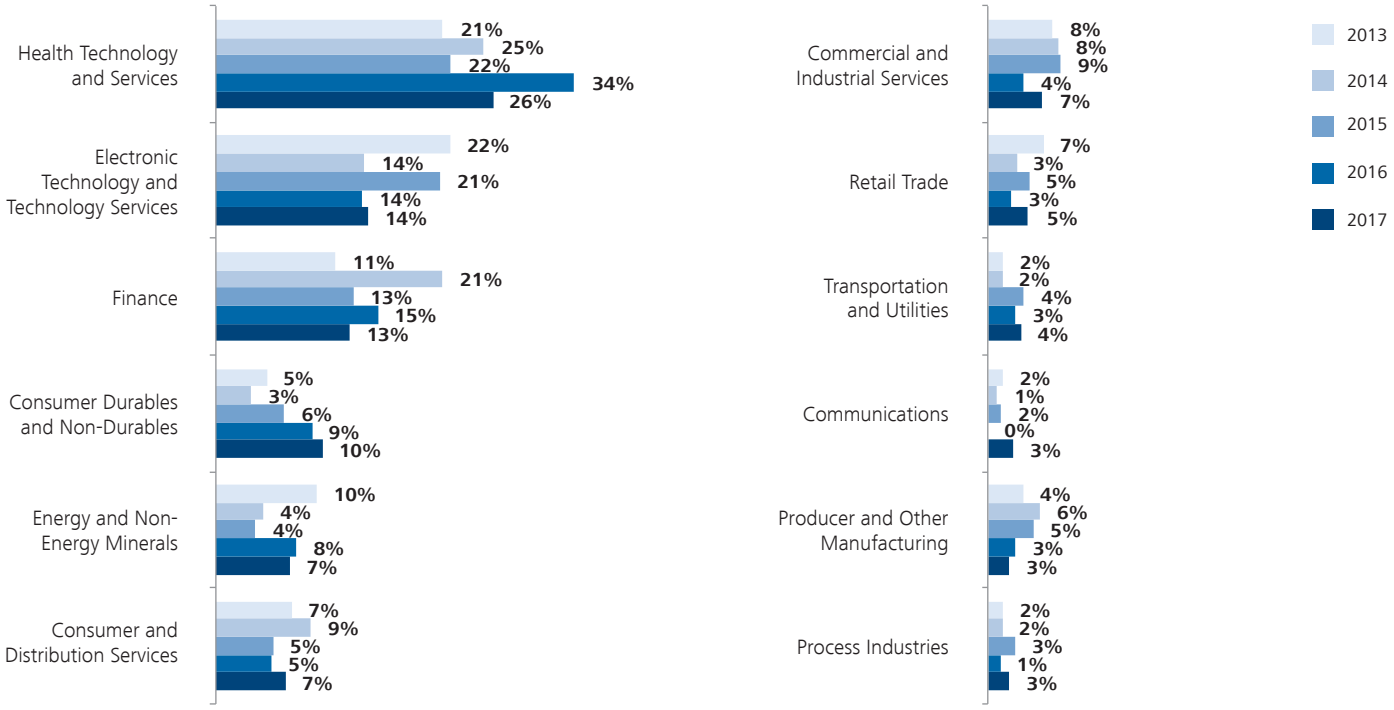
Filings by Sector

In 2017, filing counts were highest in the three historically dominant sectors, which include firms involved in health care, technology, and financial services (see Figure 10). However, the share of filings in these sectors fell from 63% in 2016 to 53% in 2017.

Claims against firms in the Health Technology and Services Sector were again dominated by filings against firms in the Pharmaceutical Preparations industry (SIC code 2834), which constituted about 63% of filings in the sector. A rise in the number of filings against firms in the Commercial and Industrial Services Sector coincided with an increase in filings alleging regulatory violations and misleading future performance, both of which targeted firms in that sector.

Of industries with more than 25 publicly traded companies, the industry with the highest percentage of US companies targeted by litigation was the Motor Vehicles and Equipment industry (SIC 371), where 10% of firms were targeted. Nine percent of firms in the Telephone Communications industry (SIC 481) faced litigation, while more than 8% of firms in the Drugs industry (SIC 283) were targeted. Due to alleged manipulative financing schemes by Kalani Investments Limited affecting multiple Greek shipping companies, filings targeted 8% of firms in the Deep Sea Foreign Transport of Freight industry (SIC 441).

Figure 10. **Percentage of Federal Filings by Sector and Year**
Excluding Merger-Objection Cases
January 2013–December 2017



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

Allegations

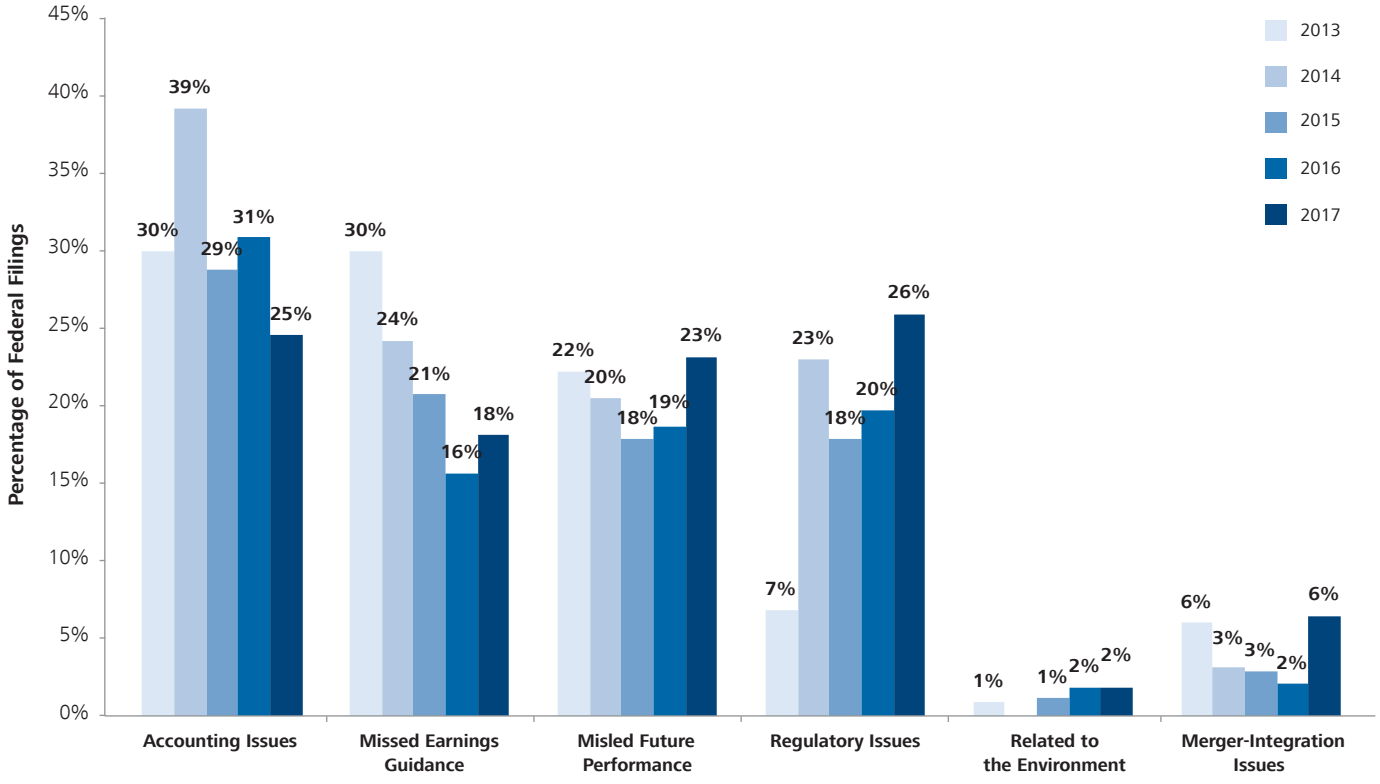
In 2017, the number of cases alleging regulatory violations increased for the second consecutive year (see Figure 11). The filing of 56 regulatory cases was 43% higher than 2016, and accounted for about 26% of standard filings in 2017. Such cases accounted for a total of $163.2 billion in NERA-defined Investor Losses, or nearly half of the 2017 total, compared with $161.7 billion in Investor Losses in 2016, or about 38% of the 2016 total.

In 2017, we witnessed the filing of large cases alleging regulatory violations that spanned multiple industries. In 2016, two widespread investigations into two industries accounted for nearly 80% of NERA-defined Investor Losses tied to regulatory violations (about $127 billion).[25] However, in 2017, not only did cases alleging regulatory violations account for more Investor Losses, but those Investor Losses were distributed across more cases and industries. Median NERA-defined Investor Losses for regulatory cases were also higher, increasing from $250 million over the 2014-2015 period to $1.05 billion over the 2016-2017 period. The largest regulatory cases involved several industries and included allegations related to safety recalls, emissions defeat devices, customer account creation, and antitrust violations.

The number of filings alleging misleading future performance rose for the second consecutive year. Such allegations are more frequent in the Health Technology and Services Sector, and particularly in the Pharmaceutical Preparations industry (SIC code 2834), which sees many cases related to drug development.

Most complaints include a wide variety of allegations, not all of which are depicted here. Due to multiple types of allegations in complaints, the same case may be included in multiple categories.

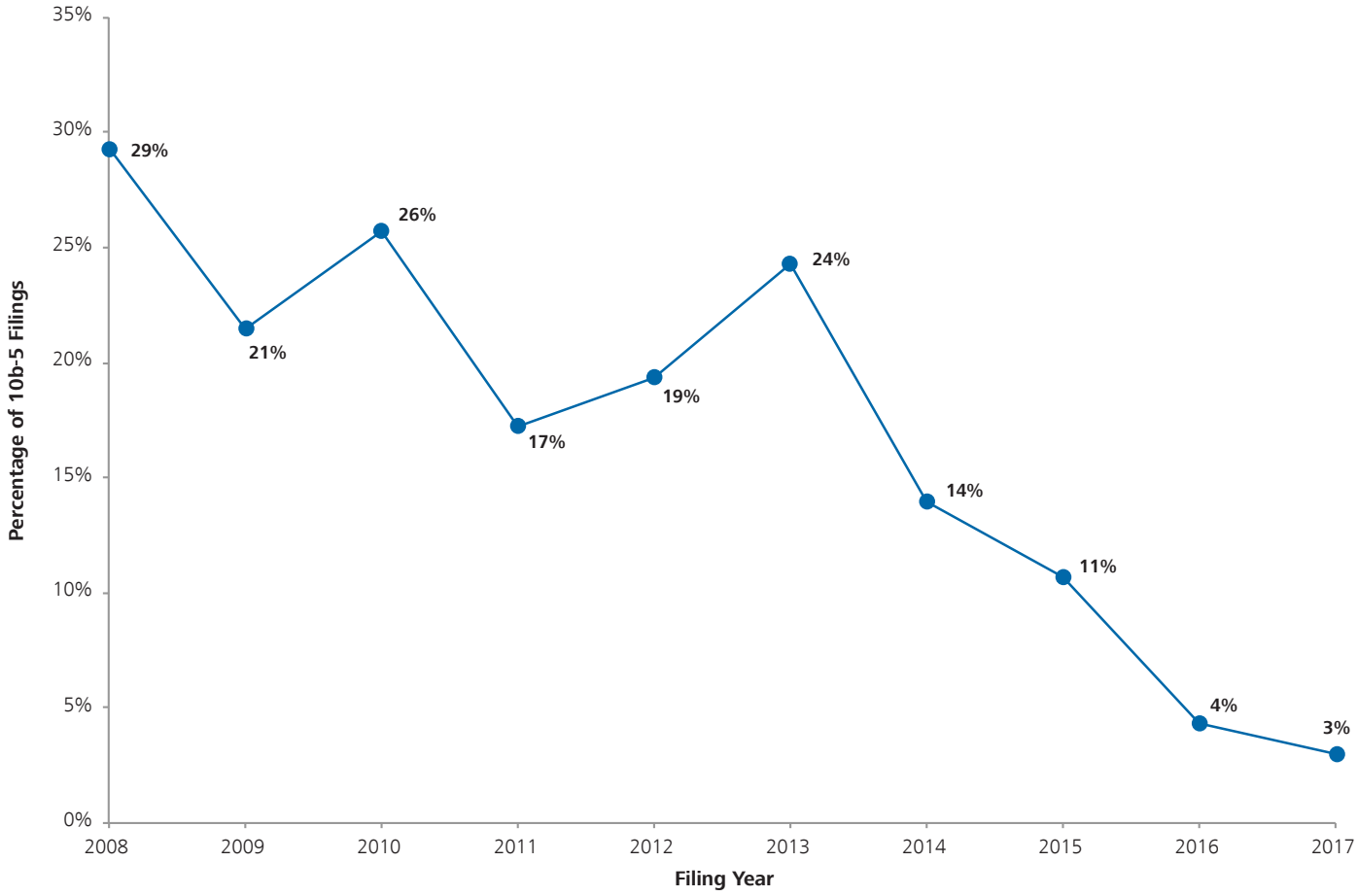
Figure 11. **Types of Misrepresentations Alleged**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, or Section 12
January 2013–December 2017



Alleged Insider Sales

The percentage of Rule 10b-5 class actions that alleged insider sales continued to decrease in 2017, dropping to 3% and marking a fourth consecutive record low (see Figure 12). Cases alleging insider sales were more common in the aftermath of the financial crisis, when a quarter of filings included insider trading claims. In 2005, half of Rule 10b-5 class actions filed included such claims.

Figure 12. **Percentage of Rule 10b-5 Filings Alleging Insider Sales by Filing Year**
January 2008–December 2017



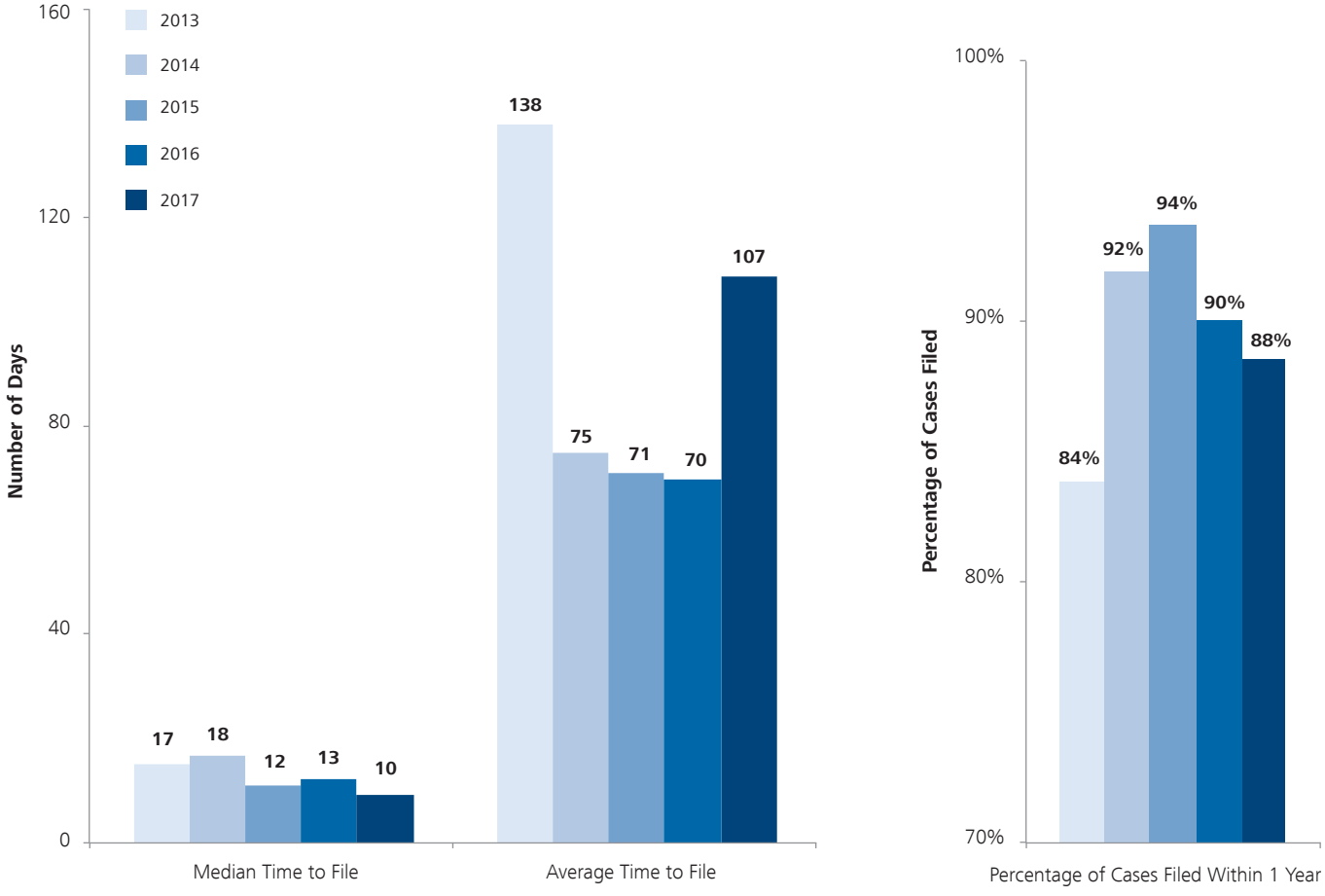
Time to File

The term "time to file" denotes the time that has elapsed between the end of the alleged class period and the filing date of the first complaint. Figure 13 illustrates how the median time and average time to file (in days) have changed over the past five years.

The median time to file fell to a record low of 10 days in 2017, indicating that it took 10 days or less to file a complaint in 50% of cases. This shows a lower frequency of cases with long periods of time between when an alleged fraud was revealed and the filing of a related claim. While the median time to file continued to drop, the average time was affected by 10 cases with very long filing delays. One case against Rio Tinto, regarding the valuation of mining assets in Mozambique, took more than 4.5 years to file and boosted the average time to file by nearly 9%.[26]

Despite the small minority of cases with very long times to file, the data generally point toward a lower incidence of cases with long periods between the date of discovery of an alleged fraud and the date when a related claim is filed.

Figure 13. **Time to File Rule 10b-5 Cases from End of Alleged Class Period to File Date**
January 2013–December 2017



Note: Excludes cases where the alleged class period could not be unambiguously determined.

Analysis of Motions

NERA's statistical analysis has found robust relationships between settlement amounts and the stage of the litigation at which settlements occur. We track filings and decisions on three types of motions: motion to dismiss, motion for class certification, and motion for summary judgment. For this analysis, we include securities class actions in which purchasers of common stock are part of the class and in which a violation of Rule 10b-5, Section 11, or Section 12 is alleged.

As shown in the below figures, we record the status of any motion as of the resolution of the case. For example, a motion to dismiss which had been granted but was later denied on appeal is recorded as denied, even if the case settles without the motion being filed again.

Motions for summary judgment were filed by defendants in 7.5%, and by plaintiffs in only 2.2%, of the securities class actions filed and resolved over the 2000–2017 period, among those we tracked.[27]

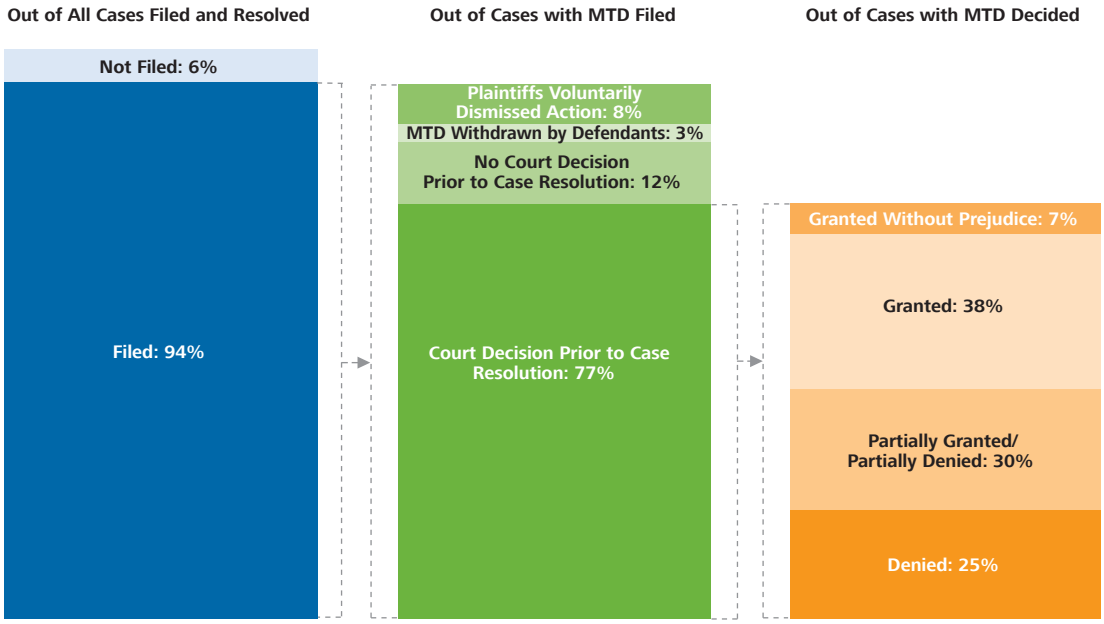
Outcomes of motions to dismiss and motions for class certification are discussed below.

Motion to Dismiss

A motion to dismiss was filed in 94% of the securities class actions tracked. However, the court reached a decision on only 77% of the motions filed. In the remaining 23% of cases in which a motion to dismiss was filed, either the case resolved before a decision was reached, plaintiffs voluntarily dismissed the action, or the motion to dismiss itself was withdrawn by defendants (see Figure 14).

Out of the motions to dismiss for which a court decision was reached, the following three outcomes capture all of the decisions: granted with or without prejudice (45%), granted in part and denied in part (30%), and denied (25%).

Figure 14. **Filing and Resolutions of Motions to Dismiss**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, or Section 12
Excluding IPO Laddering Cases
Cases Filed and Resolved January 2000–December 2017

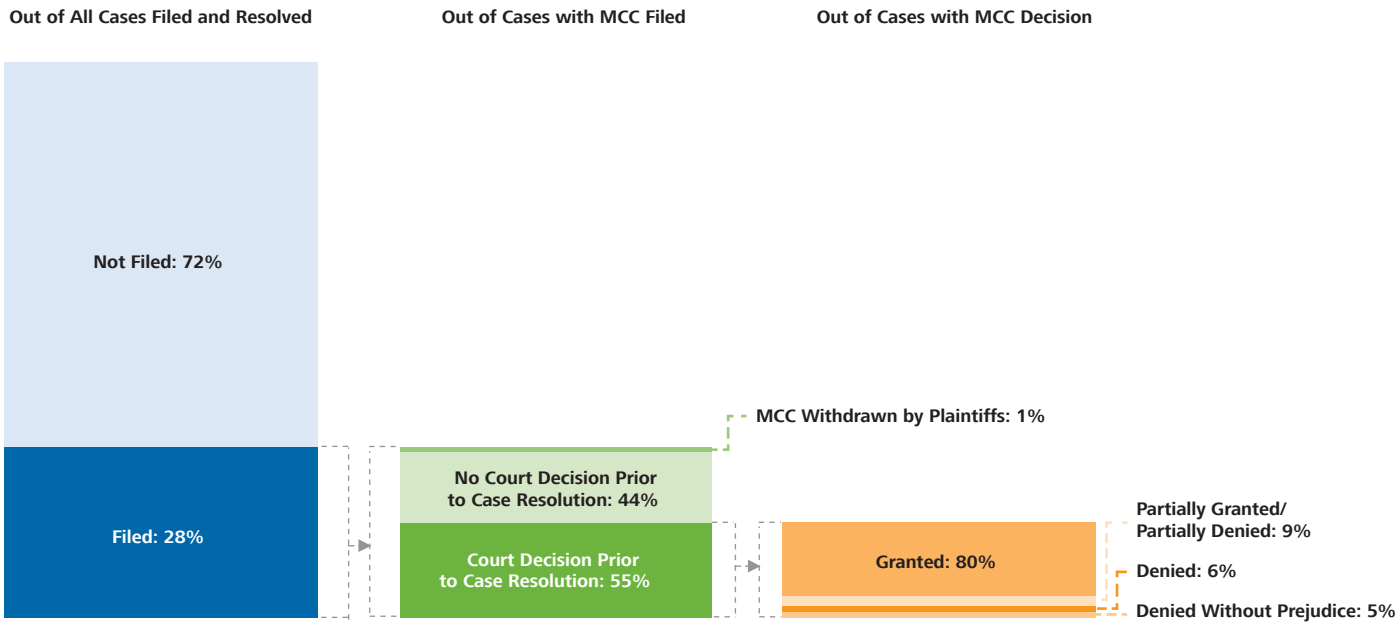


Note: Includes cases in which holders of common stock are part of the class.

Motion for Class Certification

Most cases were settled or dismissed before a motion for class certification was filed: 72% of cases fell into this category. Of the remaining 28%, the court reached a decision in only 55% of the cases in which a motion for class certification was filed. Overall, only 15% of the securities class actions filed (or 55% of the 28%) reached a decision on the motion for class certification (see Figure 15). According to our data, 89% of the motions for class certification that were decided were granted in full or partially.

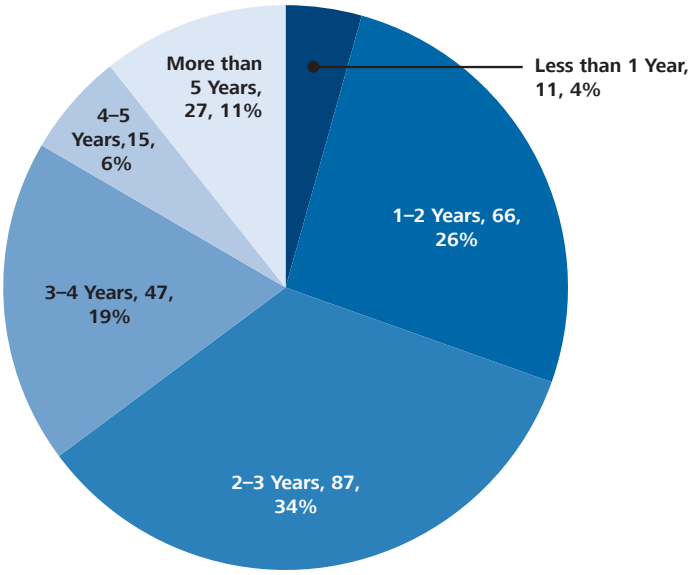
Figure 15. **Filing and Resolutions of Motions for Class Certification**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, or Section 12
Excluding IPO Laddering Cases
Cases Filed and Resolved January 2000–December 2017



Note: Includes cases in which holders of common stock are part of the class.

Approximately 65% of the decisions handed down on motions for class certification were reached within three years from the original filing date of the complaint (see Figure 16). The median time was about 2.5 years.

Figure 16. **Time from First Complaint Filing to Class Certification Decision**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, or Section 12
Excluding IPO Laddering Cases
Cases Filed and Resolved January 2000–December 2017



Note: Includes cases in which holders of common stock are part of the class.

Trends in Case Resolutions

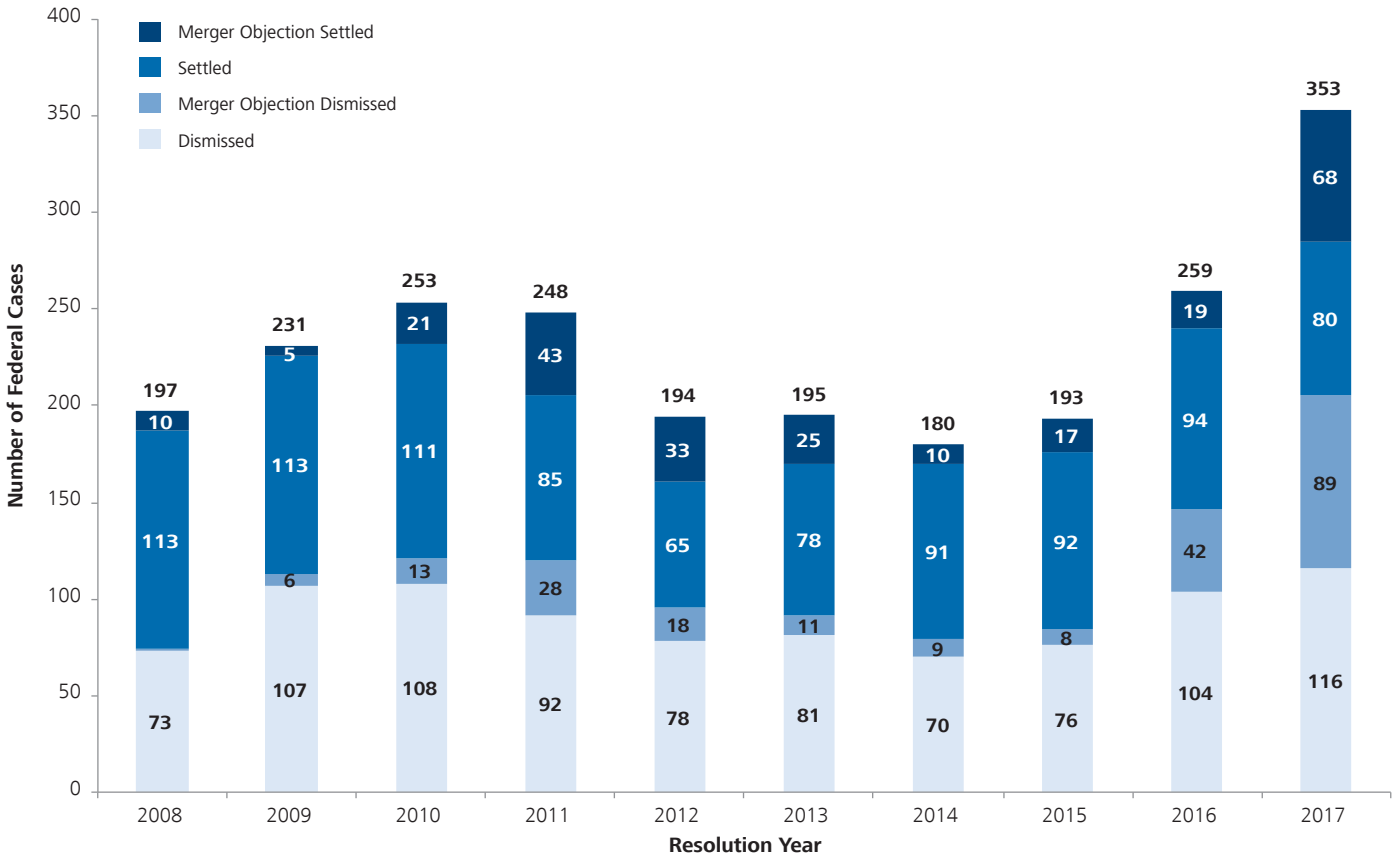
Number of Cases Settled or Dismissed

In 2017, 353 securities class actions were resolved, which is a post-PSLRA record high (see Figure 17). Of those, 148 cases settled, approaching the record 150 in 2007. The number of settlements was up by more than 30% over 2016, when 113 cases settled. A record 205 cases were dismissed in 2017, which marked the second consecutive year (and second year since the PSLRA became law) in which more cases were dismissed than settled. More than 40% of cases dismissed in 2017 were done so within a year of filing, the fastest pace since the passage of the PSLRA.

As with filings of securities class actions, case resolution statistics were affected by the surge in federal merger-objection cases. Merger objections made up 30% of all active cases during 2017, but constituted 43% of dismissals and 46% of settlements.[28] Moreover, of merger-objection cases dismissed in 2017, 89% were done so within one year of filing, compared with 29% for non-merger-objections cases.[29]

Beside merger-objection cases, most securities class actions in NERA's database allege violations of Rule 10b-5, Section 11, and/or Section 12, and are often regarded as "standard" securities class actions.[30] There were 116 dismissals of such cases in 2017, a record high. Contrasting with the record high number of dismissals, only 80 cases settled, near the 2012 record post-PSLRA low. In 2017, settlements of non-merger-objection cases constituted less than 41% of all case resolutions, a post-PSLRA low.

Figure 17. **Number of Resolved Cases: Dismissed or Settled**
January 2008–December 2017



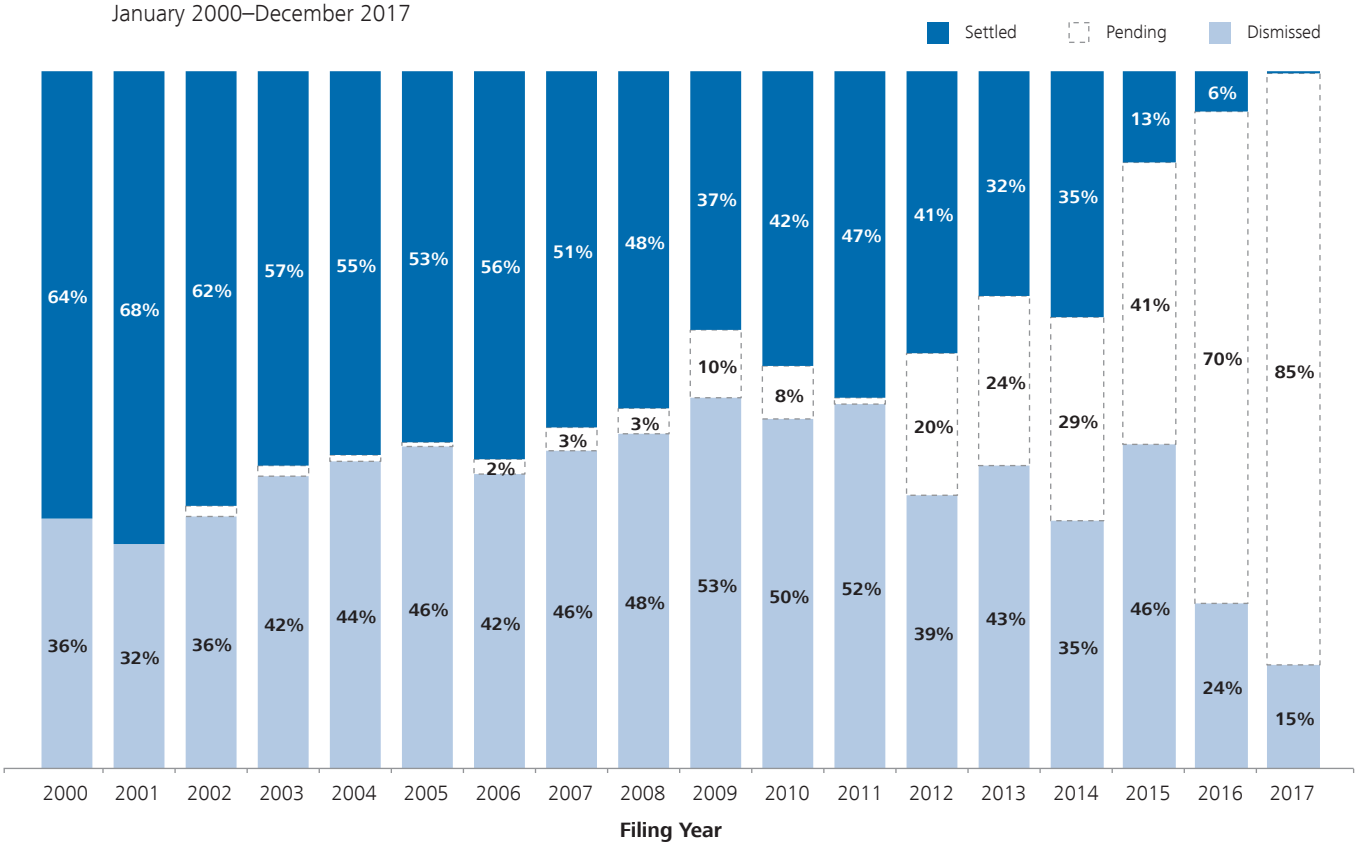
Case Status by Year

Figure 18 shows the current resolution status of cases by filing year. Each percentage in the figure represents the current resolution status of cases filed in each year as a proportion of all cases filed in that year. IPO laddering cases are excluded, as are merger-objection cases, and verdicts.

Historically, more cases settled than were dismissed. However, the rate of case dismissal has steadily increased. While only about a third of cases filed between 2000 and 2002 were dismissed, in 2011, the most recent year with substantial resolution data, about half of cases filed were dismissed.[31]

While dismissal rates have been climbing since 2000, at least until 2011, the ultimate dismissal rate for cases filed in more recent years is less certain. On one hand, it may increase further, as there are more pending cases awaiting resolution. On the other hand, it may decrease because recent dismissals have more potential than older ones to be appealed or re-filed, and cases that were recently dismissed without prejudice may ultimately result in settlements.

Figure 18. **Status of Cases as Percentage of Federal Filings by Filing Year**
Excluding Merger Objections and IPO Laddering Cases and Verdicts
January 2000–December 2017



Note: Dismissals may include dismissals without prejudice and dismissals under appeal.

Number of Cases Pending

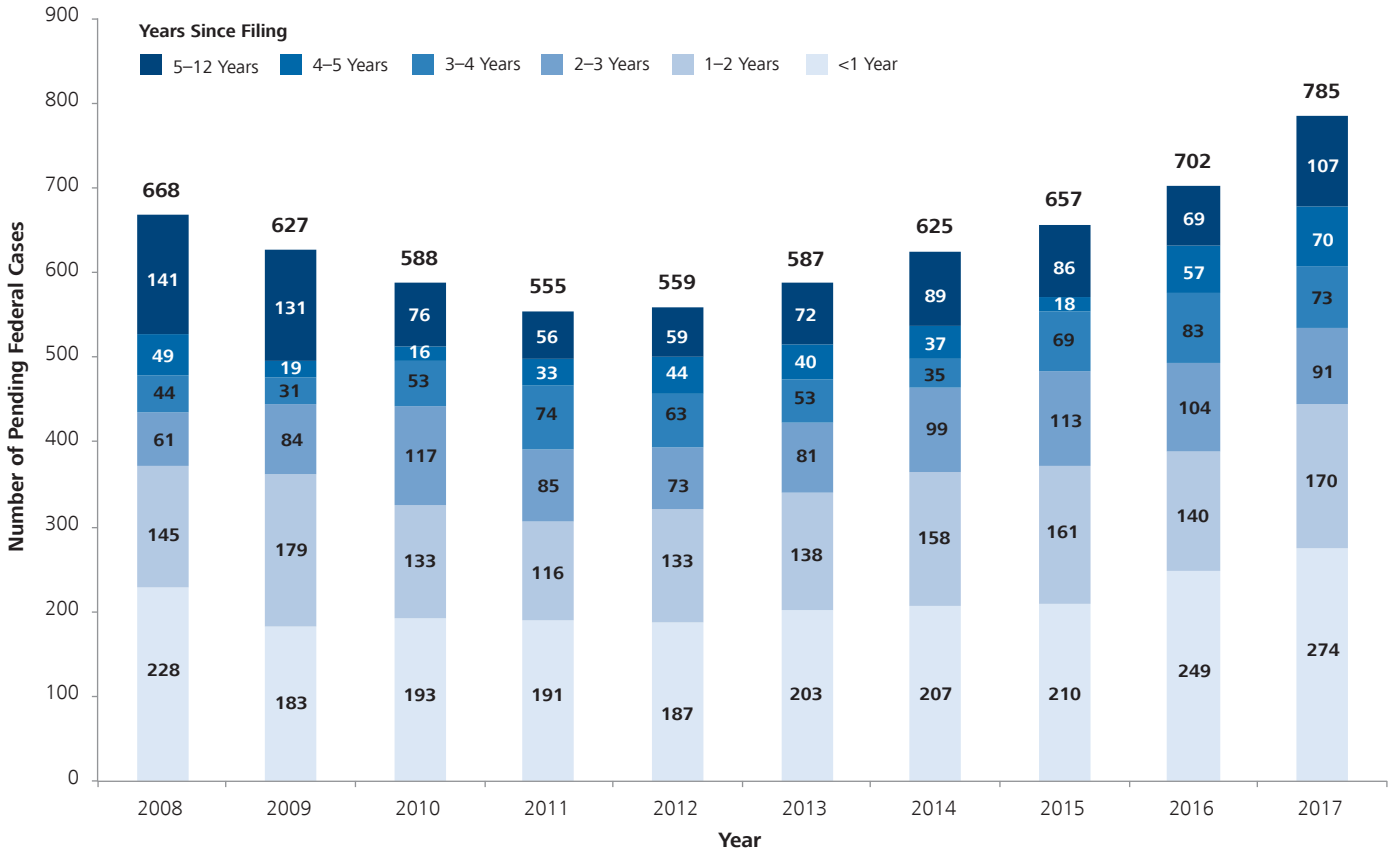
The number of securities class actions pending in the federal system has steadily increased from a post-PSLRA low of 555 in 2011 (see Figure 19).[32] Since then, pending case counts have increased every year (indeed at a faster rate in every year except 2015). In 2017, the number pending cases in the federal system increased to 785, up by 12% from 2016 and 41% from 2011.

Generally, since cases are either pending or resolved, a change in filing rate or a lengthening of the time to case resolution potentially contributes to changes in the number of cases pending. If the number of new filings is constant, the change in the number of pending cases can be indicative of whether the time to case resolution is generally shortening or lengthening.

The increase in pending cases in 2017 partially stemmed from a record number of recent filings, which was only partially offset by the record number of case resolutions. Approximately 20% of the growth in pending cases in 2017 is tied to new filings. In other words, despite the record number of cases filed in the past year also being resolved at a record rate, new filings are adversely affecting the pending case load.

The recent influx of merger-objection filings corresponded with considerable differences in the growth of pending cases between circuits. Growth in pending cases between 2015 (just before the *Trulia* decision) and 2017 was about 5.5 times higher in the four circuits with the most new merger-objection filings relative to historical filing rates, versus the four circuits with the fewest new merger-objection filings relative to historical filing rates. Overall, in 2016 and 2017, merger-objection filings in the Third, Fourth, Eighth, and Tenth Circuits exceeded the total number of all types of filings in those circuits in 2014 and 2015 by about 6.5%. This corresponded with a 41.9% increase in pending cases in those circuits. That contrasts with the Second, Fifth, Seventh, and Eleventh Circuits, where new merger objections in 2016 and 2017 were about 82.7% less than aggregate filings in 2014 and 2015. This corresponded with only about a 7.5% increase in pending cases in those circuits.[33] It remains to be seen whether the recent influx of merger-objection cases significantly slows processing of standard securities class actions.

Figure 19. **Number of Pending Federal Cases**
Excluding IPO Laddering Cases
January 2008–December 2017



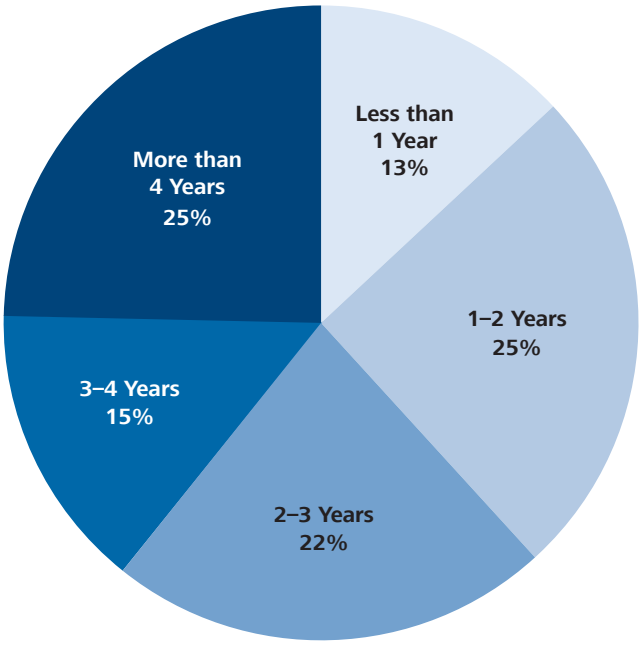
Note: Years since filing are year-end calculations. The figure excludes, in each year, cases that had been filed more than 12 years earlier, which ensures that all pending cases were filed post-PSLRA and that years are comparable.

Time to Resolution

The term "time to resolution" denotes the time between the filing of the first complaint and resolution (whether through settlement or dismissal). Figure 20 illustrates the time to resolution for all securities class actions filed between 2001 and 2013, and shows that about 38% of cases are resolved within two years of initial filing and about 60% are resolved within three years.[34]

The median time to resolution for cases filed in 2015 (the last year with sufficient resolution data) was 2.3 years, similar to the range observed over the preceding five years. Over the previous decade, the median time to resolution declined by more than 5%, primarily due to an increase in the dismissal rate (dismissals are generally resolved faster than settlements) and due to shorter time to settlement, as opposed to a shorter time to dismissal.

Figure 20. **Time from First Complaint Filing to Resolution**
Excludes Merger Objection and IPO Laddering Cases
Cases Filed January 2001–December 2013



Trends in Settlements

We present several settlement metrics to highlight attributes of cases that settled in 2017 and to compare them with cases settled in past years. We discuss two ways of measuring average settlement amounts and calculate the median settlement amount. Each calculation excludes IPO laddering cases, merger-objection cases, and cases that settle with no cash payment to the class, as settlements of such cases may obscure trends in what have historically been more typical cases.

Each of our three metrics indicates a decline in settlement values on an inflation-adjusted basis to lows not observed since the early 2000s. The recent drop is in sharp contrast with a steady increase in overall settlement values over the preceding two years. However, excluding settlements of over $1 billion, 2017 saw the second consecutive annual drop in the average settlement value. For the first time since 1998, no case settled for more than $250 million (without adjusting for inflation).

Record-low settlement metrics in 2017 do not necessarily indicate that cases were, on average, especially weak, as the aggregate size of settled cases in 2017 (indicated by aggregate NERA-defined Investor Losses) was the lowest since 2003. The trends in 2017 settlements do not necessarily portend low aggregate settlements in the future.[35] In fact, aggregate Investor Losses of pending cases, a factor that has historically been significantly correlated with settlement amounts, increased for the second consecutive year and currently exceed $900 billion.[36] Average Investor Losses of pending standard cases have also increased for the second consecutive year to $2.1 billion, but have fallen from a 10-year high of $3.8 billion in 2011.

To illustrate how many cases settled over various ranges in 2017 compared with prior years, we provide a distribution of settlements over the past five years. We also tabulated the 10 largest settlements of 2017.

Average and Median Settlement Amounts

In 2017, the average settlement amount fell to less than $25 million, a drop of about two-thirds compared with 2016, adjusted for inflation (see Figure 21). This contrasts with increases in year-over-year average settlements between 2014 and 2016. While infrequent large settlements are generally responsible for the wide variability in average settlement amounts over the past decade, in 2017 there was a dearth of even moderate settlements.

Figure 21. **Average Settlement Value ($Million)**
Excluding Merger-Objection Cases, IPO Laddering Cases, and Settlements for $0 Payment to the Class
January 2008–December 2017

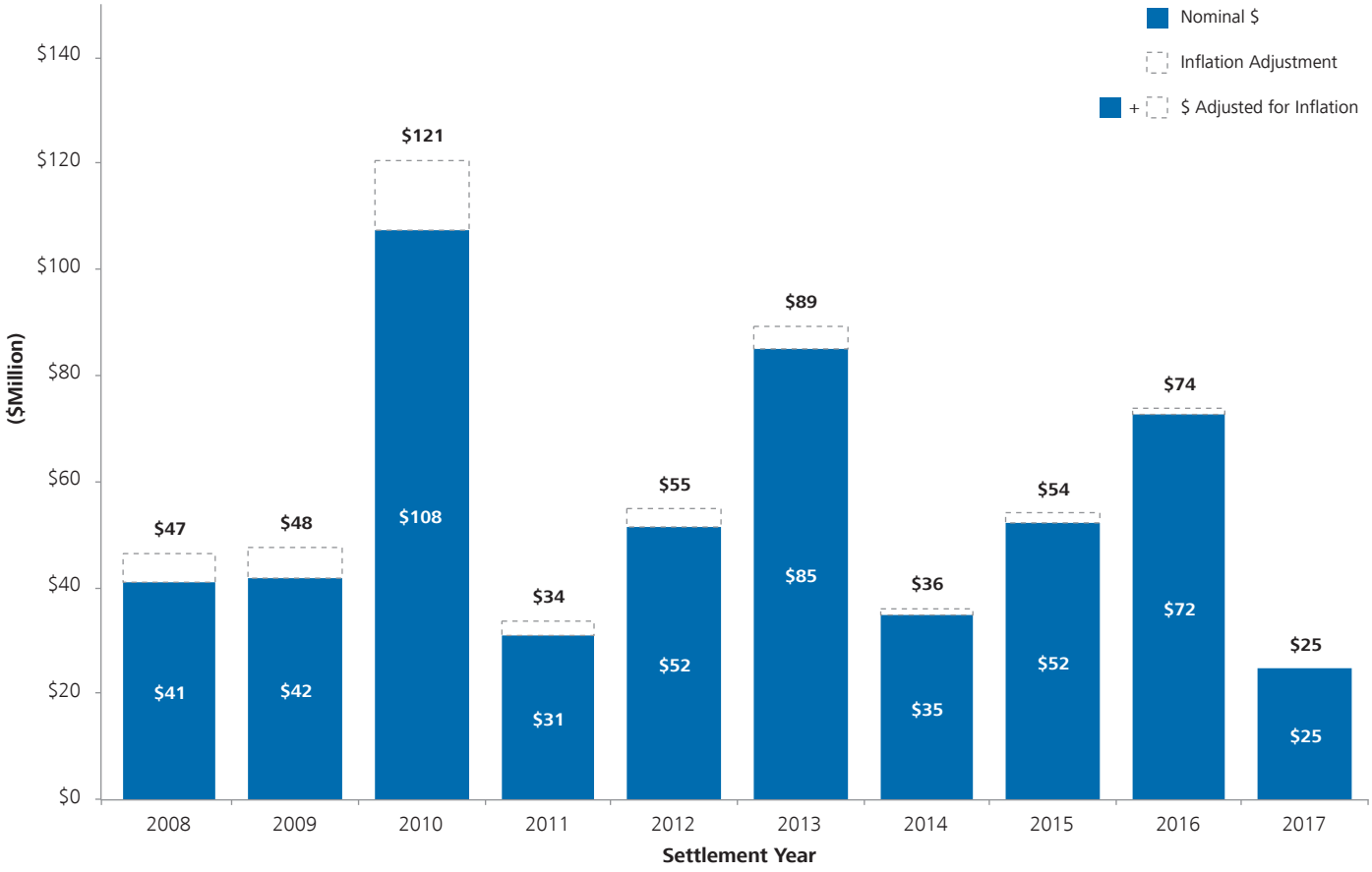
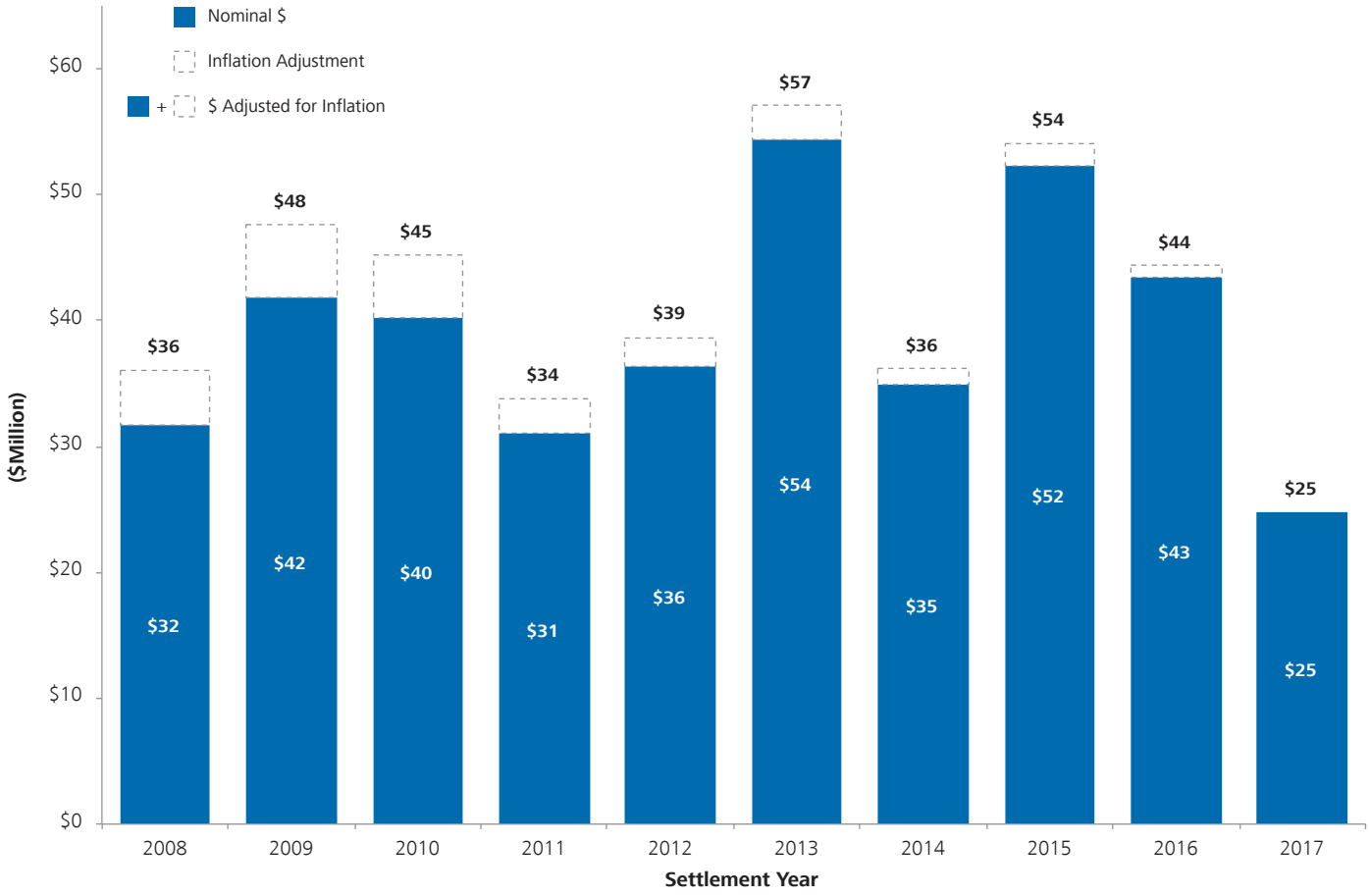


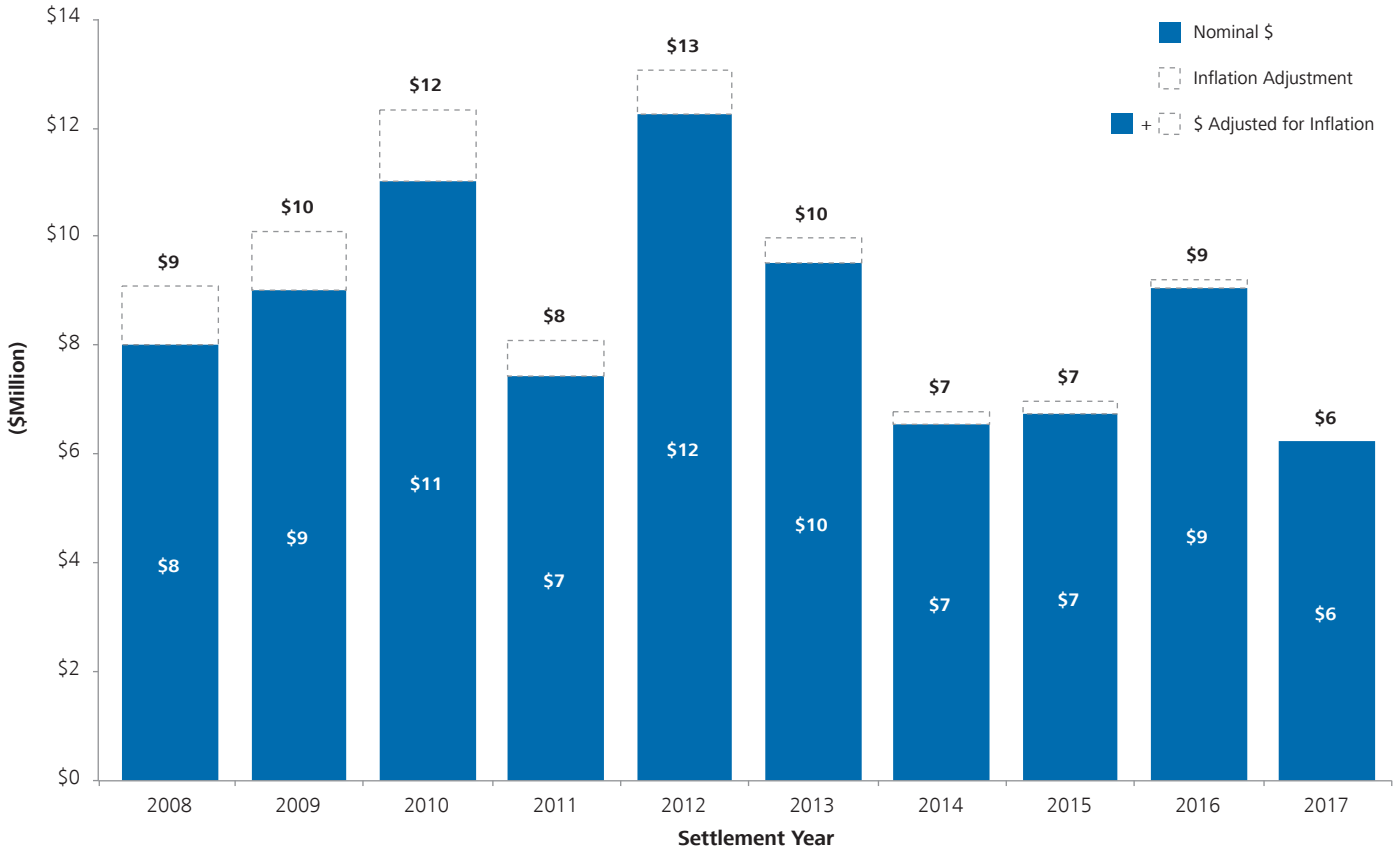
Figure 22 illustrates that, even excluding settlements over $1 billion, the $25 million average settlement in 2017 is more than 40% less than the comparable figure from 2016, and more than 25% less than the next lowest average settlement over the last decade (in 2011). Adjusted for inflation, the average settlement in 2017 was the lowest since 2001.

Figure 22. **Average Settlement Value ($Million)**
Excluding Settlements over $1 Billion, Merger-Objection Cases, IPO Laddering Cases, and Settlements for $0 Payment to the Class
January 2008–December 2017



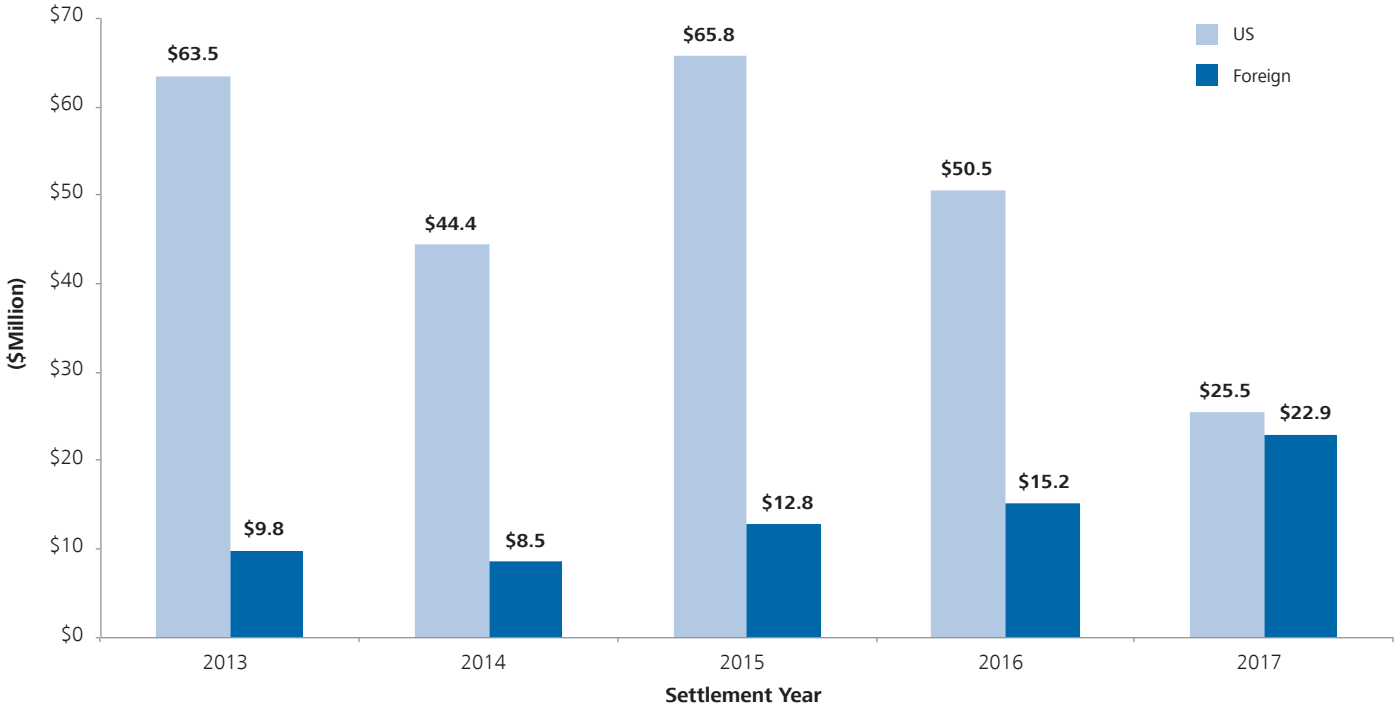
Despite the dramatic drop in 2017 average settlement metrics, over the longer term, settlement amounts have not declined as considerably across the board. The 2017 median settlement amount, or the amount that is larger than half of the settlement values over the year, is only moderately below the median settlement values in 2014 and 2015, even after adjusting for inflation (see Figure 23). Despite this, the median settlement in 2017 is the lowest since 2001.

Figure 23. **Median Settlement Value ($Million)**
Excluding Settlements over $1 Billion, Merger-Objection Cases, IPO Laddering Cases, and Settlements for $0 Payment to the Class
January 2008–December 2017



Securities class actions targeting foreign issuers settled for an average of $22.9 million in 2017, close to parity with settlements of cases against domestic issuers (see Figure 24). Contrasting with the slowdown in high and moderate settlements against domestic issuers, there were two relatively large settlements against foreign issuers in 2017. BP p.l.c. (2010) settled for $175 million, while Elan Corporation plc (2012) settled for $135 million, with both settlements among the top 10 settlements in 2017. Excluding these two cases, the 2017 average was $8.2 million.

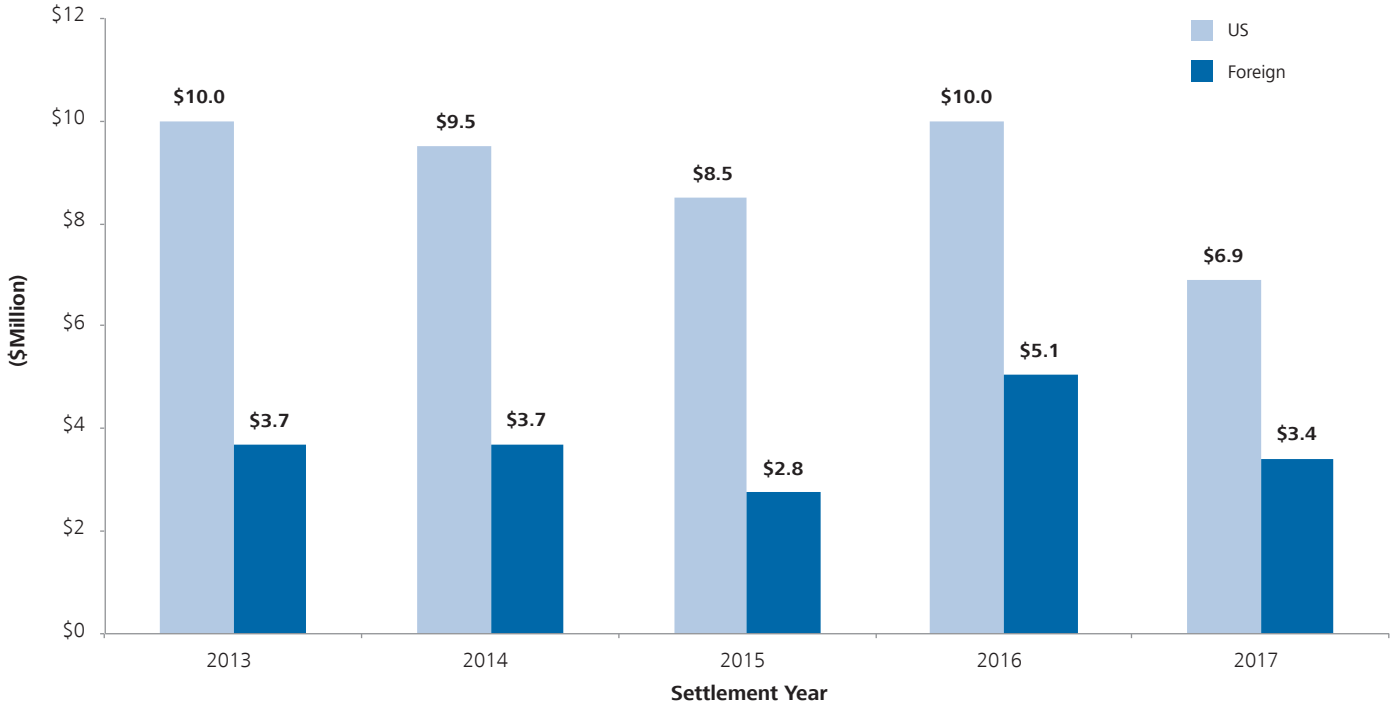
Figure 24. **Average Settlement Value—US vs. Foreign Companies ($Million)**
Excluding Settlements over $1 Billion, Merger-Objection Cases, and Settlements for $0 Payment to the Class
January 2013–December 2017



Note: Foreign company status based on country of principal executive offices.

In 2017, the median settlement of securities class actions targeting foreign issuers was $3.4 million, in line with prior years. Securities class actions against foreign issuers are generally smaller, as measured by NERA-defined Investor Losses. Cases targeting firms located in China also tend to settle for less than comparable cases against domestic firms.

Figure 25. **Median Settlement Value—US vs. Foreign Companies ($Million)**
Excluding Settlements over $1 Billion, Merger-Objection Cases, and Settlements for $0 Payment to the Class
January 2013–December 2017

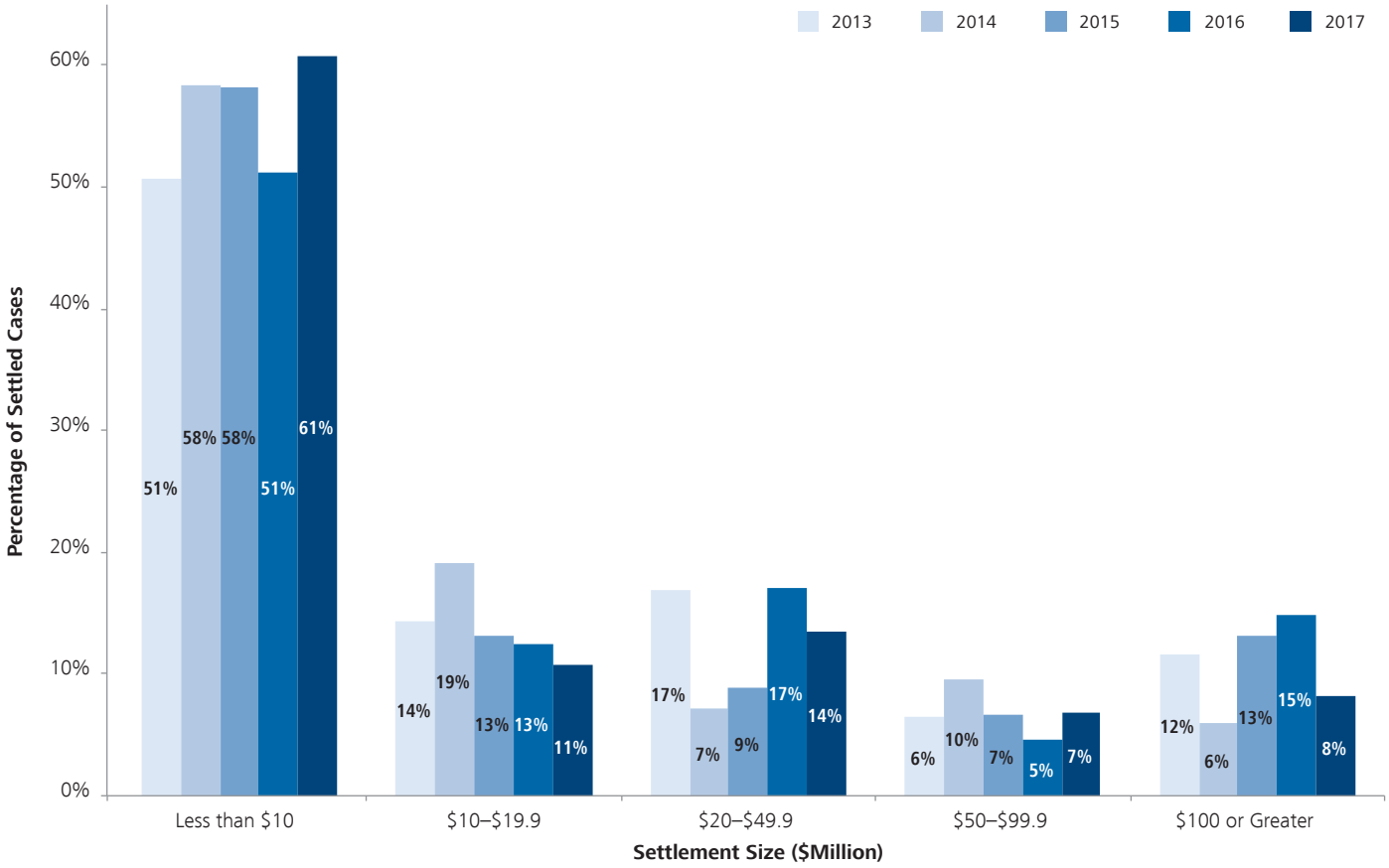


Note: Foreign company status based on country of principal executive offices.

Distribution of Settlement Amounts

In 2017, a dearth of moderate and large settlements resulted in a higher proportion of cases that settled for amounts less than $10 million (see Figure 26). This reversed a persistent trend between 2014 and 2016 toward a higher proportion of settlements that exceeded $20 million. As such, in 2017 the distribution of settlements dramatically skewed toward the lower end of the range.

Figure 26. **Distribution of Settlement Values**
Excluding Merger-Objection Cases and Settlements for $0 Payment to the Class
January 2013–December 2017



The 10 Largest Settlements of Securities Class Actions of 2017

The 10 largest securities class action settlements of 2017 are shown in Table 1. Three of the 10 largest settlements involved defendants in the Health Technology and Services Sector. This contrasts with the preceding two years, in which the majority of large settlements involved financial sector defendants. Overall, these 10 cases accounted for more about $1.2 billion out of about $1.8 billion in aggregate settlements (67%) over the period. The largest settlement, which involved Salix Pharmaceuticals, Ltd., was for $210 million, making up about 11% of total dollars spent on settlements during the year.

Table 1. **Top 10 2017 Securities Class Action Settlements**

Ranking	Case Name	Total Settlement Value ($Million)	Plaintiffs' Attorneys' Fees and Expenses Value ($Million)
1	Salix Pharmaceuticals, Ltd.	$210.0	$48.7
2	BP p.l.c. (2010)	$175.0	$24.3
3	NovaStar Mortgage Funding Trusts	$165.0[1]	$49.7
4	Clovis Oncology, Inc. (2015)	$142.0	$32.9
5	Elan Corporation, plc (2012)	$135.0	$29.5
6	Halliburton Company	$100.0	$40.8
7	J. C. Penney Company, Inc.	$97.5	$33.5
8	Dole Food Company, Inc. (2015)	$74.0	$19.1
9	Rayonier Inc.	$73.0	$25.4
10	Ocwen Financial Corporation	$56.0	$17.3
	Total	**$1,227.5**	**$321.2**

Note:

[1] The settlement was preliminarily approved on 9 May 2017. The final hearing was originally scheduled for 13 September 2017 and later rescheduled for 20 September 2017, but did not occur due to an appeal. At the time of this report's publication, the appeal was pending before the Second Circuit.

These settlements pale in comparison to the largest settlements since passage of the PSLRA. Enron Corp. settled for more than $7.2 billion in aggregate, while Bank of America Corp. settled for more than $2.4 billion in 2013, making it the largest Finance Sector settlement ever (see Table 2).

Table 2. **Top 10 Securities Class Action Settlements**
As of 31 December 2017

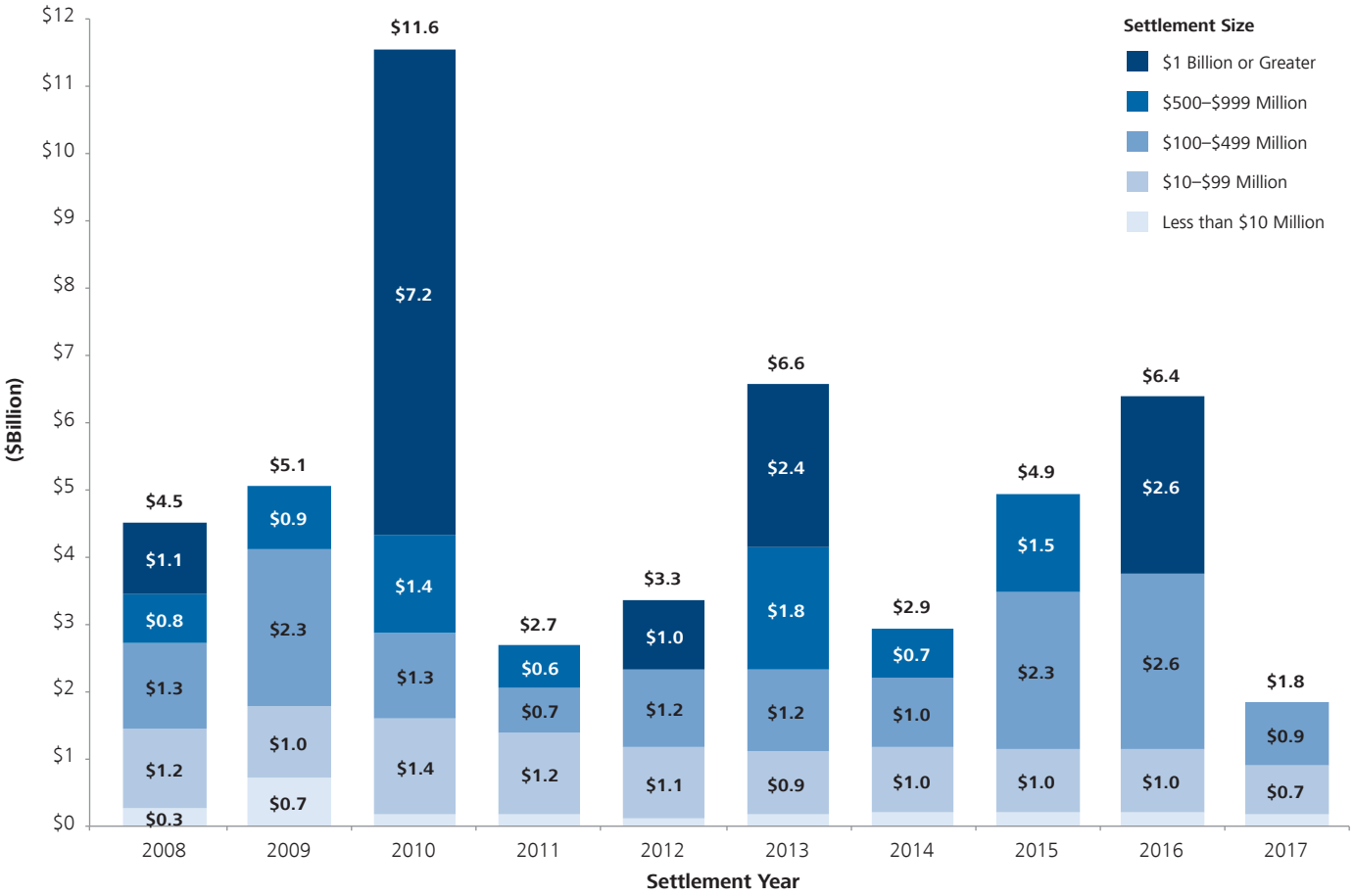
Ranking	Defendant	Settlement Year(s)	Total Settlement Value ($Million)	Codefendant Settlements		Plaintiffs' Attorneys' Fees and Expenses Value ($Million)
				Financial Institutions Value ($Million)	Accounting Firms Value ($Million)	
1	ENRON Corp.	2003–2010	$7,242	$6,903	$73	$798
2	WorldCom, Inc.	2004–2005	$6,196	$6,004	$103	$530
3	Cendant Corp.	2000	$3,692	$342	$467	$324
4	Tyco International, Ltd.	2007	$3,200	No codefendant	$225	$493
5	AOL Time Warner Inc.	2006	$2,650	No codefendant	$100	$151
6	Bank of America Corp.	2013	$2,425	No codefendant	No codefendant	$177
7	Household International, Inc.	2006–2016	$1,577	$0	Dismissed	$427
8	Nortel Networks (I)	2006	$1,143	No codefendant	$0	$94
9	Royal Ahold, NV	2006	$1,100	$0	$0	$170
10	Nortel Networks (II)	2006	$1,074	No codefendant	$0	$89
	Total		**$30,298**	**$13,249**	**$967**	**$3,252**

Aggregate Settlements

We use the term "aggregate settlements" to denote the total amount of money to be paid to settle litigation by (non-dismissed) defendants based on court-approved settlements during a year.

Aggregate settlements were about $1.8 billion in 2017, a drop of more than 70% to a level not seen since 2001 (see Figure 27). This dramatic decline reflects both a drop in the number of standard case settlements in 2017 and the near-record low overall average settlement value.

Figure 27. **Aggregate Settlement Value by Settlement Size ($Billion)**
January 2008–December 2017



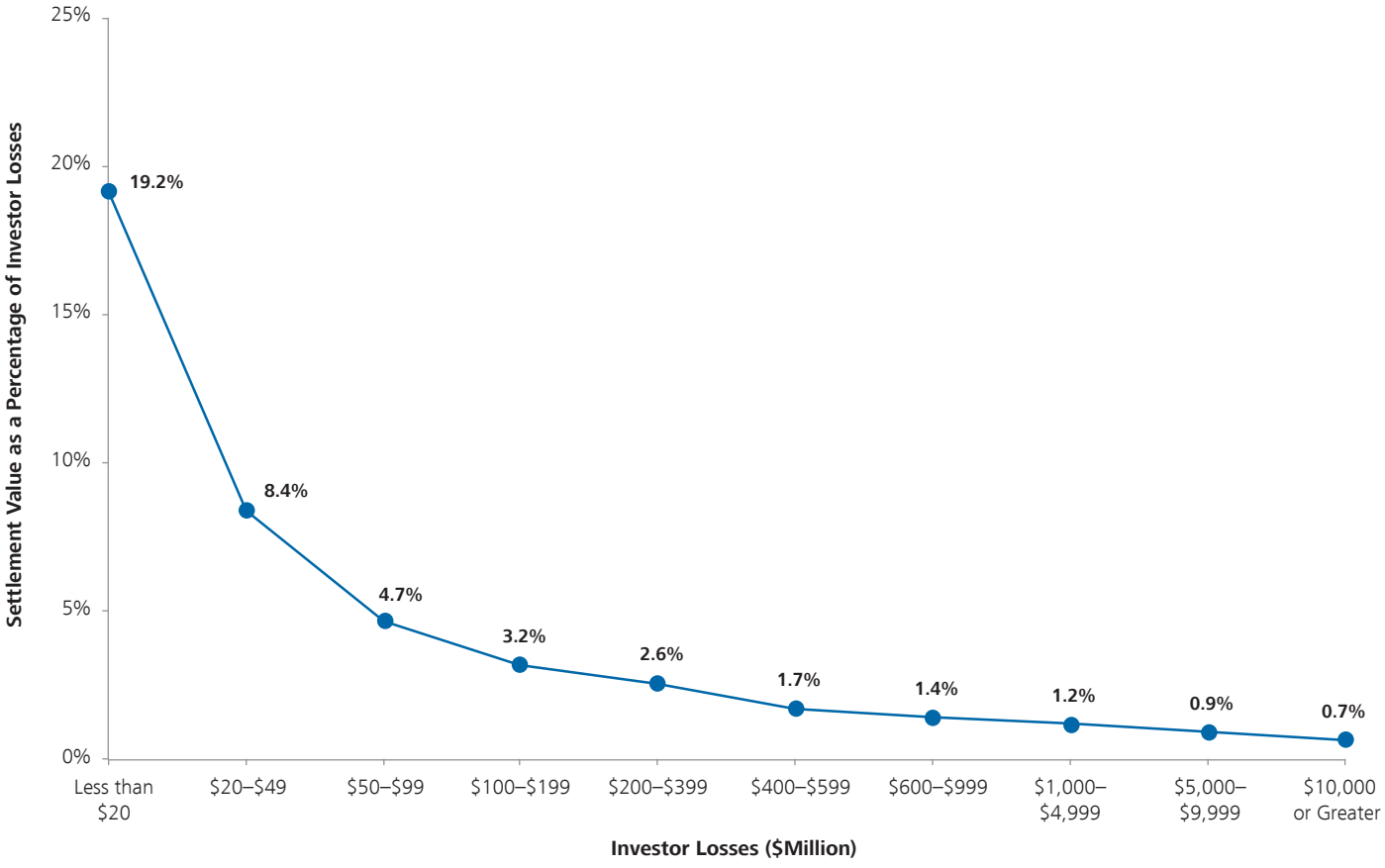
NERA-Defined Investor Losses vs. Settlements

As noted above, our proxy for case size, NERA-defined Investor Losses, is a measure of the aggregate amount that investors lost from buying the defendant's stock rather than investing in the broader market during the alleged class period.

In general, settlement size grows as NERA-defined Investor Losses grow, but the relationship is not linear. Based on our analysis of data from 1996 to 2017, settlement size grows less than proportionately with Investor Losses. In particular, small cases typically settle for a higher fraction of Investor Losses (i.e., more cents on the dollar) than larger cases. For example, the median ratio of settlement to Investor Loss was 19.2% for cases with Investor Losses of less than $20 million, while it was 0.7% for cases with Investor Losses over $10 billion (see Figure 28).

Our findings regarding the ratio of settlement amount to NERA-defined Investor Losses should not be interpreted as the share of damages recovered in settlement but rather as the recovery compared to a rough measure of the "size" of the case. Notably, the percentages given here apply *only* to NERA-defined Investor Losses. Use of a different definition of investor losses would result in a different ratio. Also, the use of the ratio alone to forecast the likely settlement amount would be inferior to a proper all-encompassing analysis of the various characteristics shown to impact settlement amounts, as discussed in the next section.

Figure 28. **Median of Settlement Value as a Percentage of NERA-Defined Investor Losses by Level of Investor Losses**
Excluding Settlements for $0 Payment to the Class
January 1996–December 2017

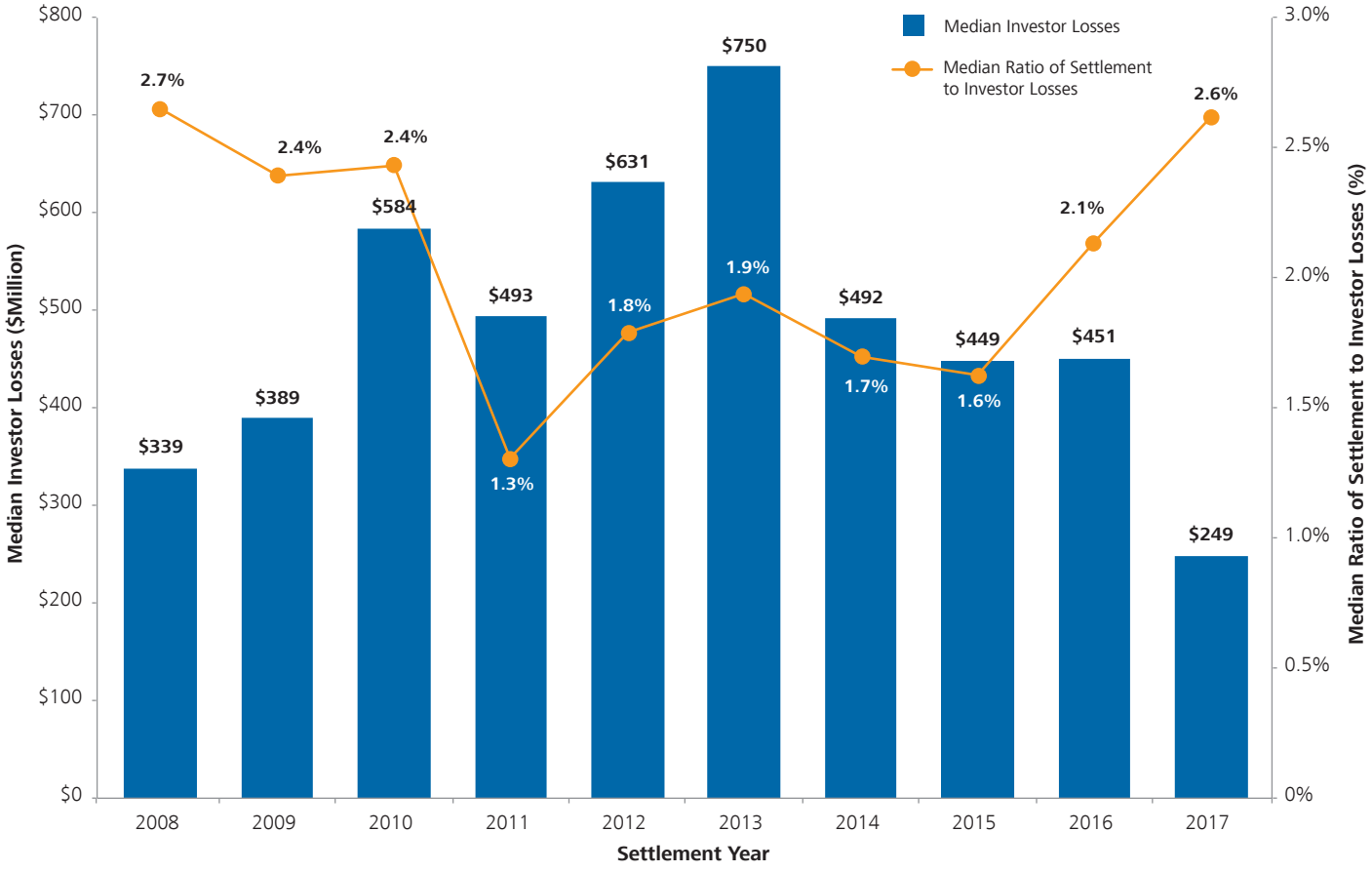


Median NERA-Defined Investor Losses over Time

Prior to 2014, median NERA-defined Investor Losses for settled cases had been on an upward trajectory since the passage of the PSLRA. As described above, the median ratio of settlement size to Investor Losses generally decreases as Investor Losses increase. Over time, the increase in median Investor Losses coincided with a decreasing trend in the median ratio of settlement to Investor Losses. Of course, there are year-to-year fluctuations.

As shown in Figure 29, the median ratio of settlements to NERA-defined Investor Losses was 2.6% in 2017. This was the second consecutive yearly increase and at least a short-term reversal of a long-term downtrend of the ratio between passage of the PSLRA and 2015. The increase in the median settlement ratio is to be expected given relatively few settlements of large and moderately-sized cases.

Figure 29. **Median NERA-Defined Investor Losses and Median Ratio of Settlement to Investor Losses**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, or Section 12
January 2008–December 2017



Explaining Settlement Amounts

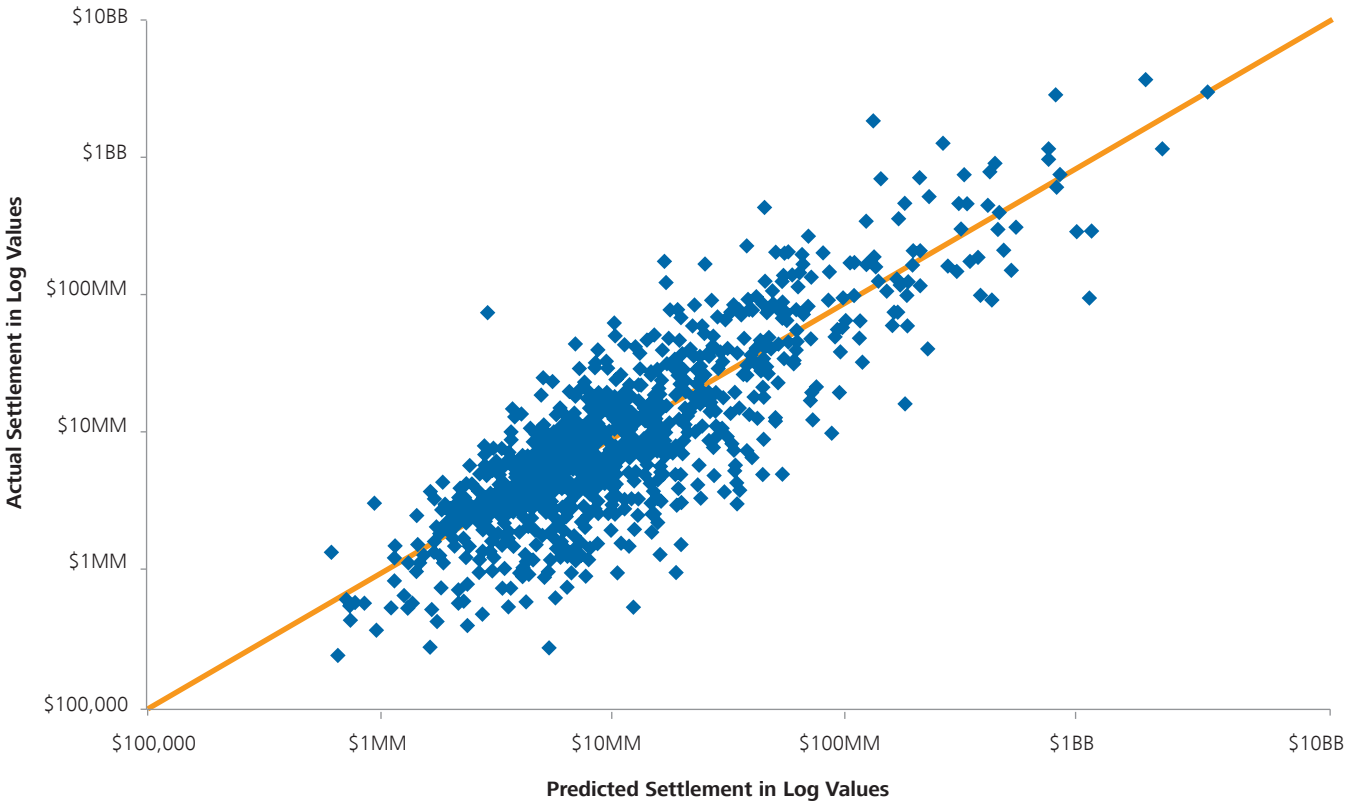
The historical relationship between case attributes and other case- and industry-specific factors can be used to measure the factors that are correlated with settlement amounts. NERA has examined settlements in more than 1,000 securities class actions and identified key drivers of settlement amounts, many of which have been summarized in this report.

Generally, we find that the following factors have historically been significantly correlated with settlement amounts:

- NERA-defined Investor Losses (a proxy for the size of the case);
- The market capitalization of the issuer;
- Types of securities alleged to have been affected by the fraud;
- Variables that serve as a proxy for the "merit" of plaintiffs' allegations (such as whether the company has already been sanctioned by a governmental or regulatory agency or paid a fine in connection with the allegations);
- Admitted accounting irregularities or restated financial statements;
- The existence of a parallel derivative litigation; and
- An institution or public pension fund as lead plaintiff.

Together, these characteristics and others explain most of the variation in settlement amounts, as illustrated in Figure 30.[37]

Figure 30. **Predicted vs. Actual Settlements**

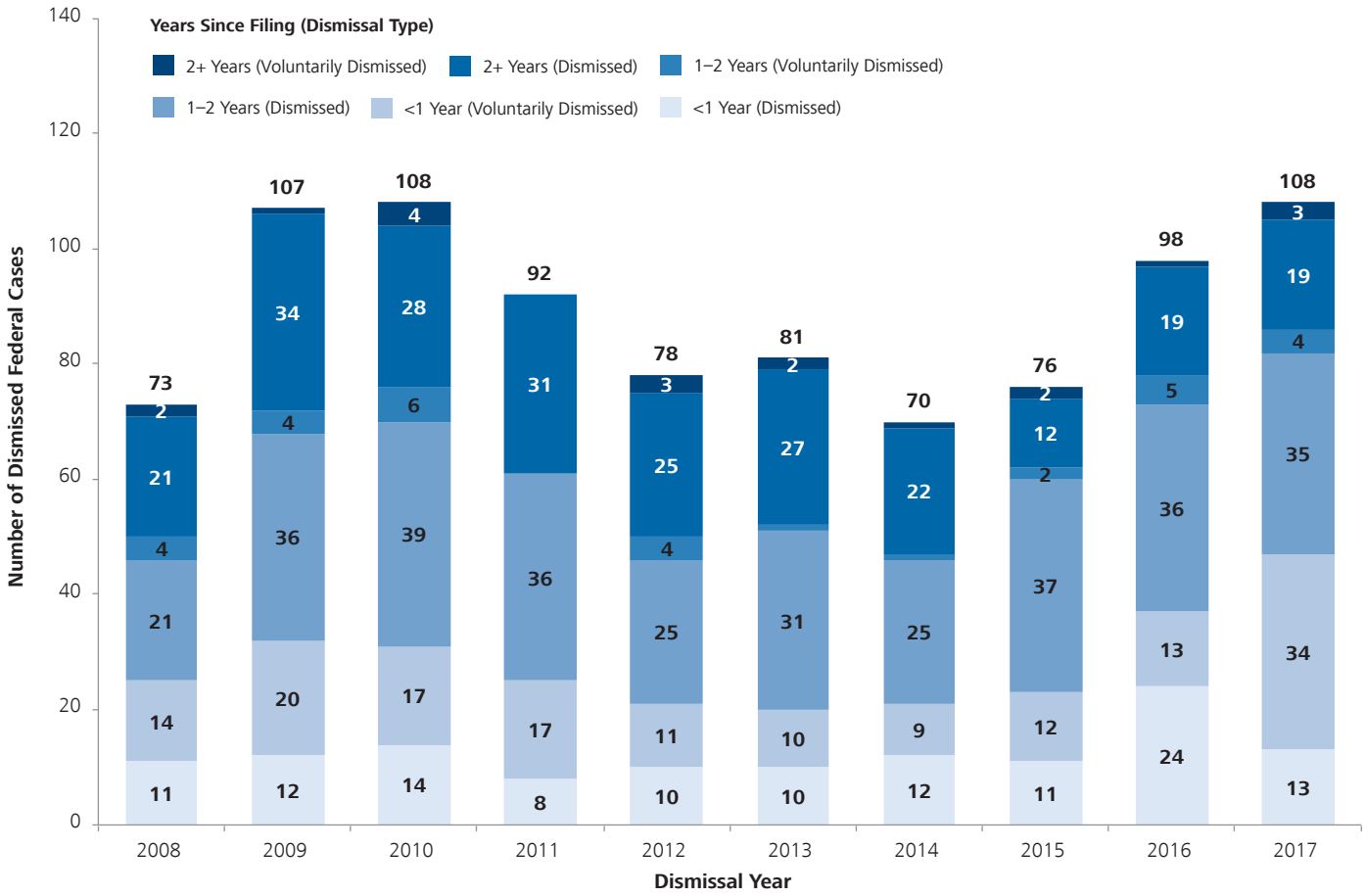


Trends in Dismissals

In 2017, the number of dismissals (excluding merger objections) matched the high of 108 over the last decade (see Figure 31). This was largely due to a substantial increase in voluntary dismissals, which more than doubled.[38] In particular, the number of voluntary dismissals without prejudice increased from two in 2016 to 32 in 2017. Out of all voluntary dismissals in 2017, 83% occurred within one year of filing, the highest rate in 10 years and well above the five-year average of 73%.

Generally, most voluntary dismissals occur within a year of filing, and the increase in 2017 can partially be attributed to more cases being filed. More filings also occurred in the first quarter of 2017, providing a longer dismissal window. However, filings of standard securities class actions grew at a slower rate in 2017 than in 2011, and growth was only somewhat faster than in 2013. Despite that, the number of voluntary dismissals within one year of filing was unchanged in 2011 and fell in each year between 2012 and 2014.

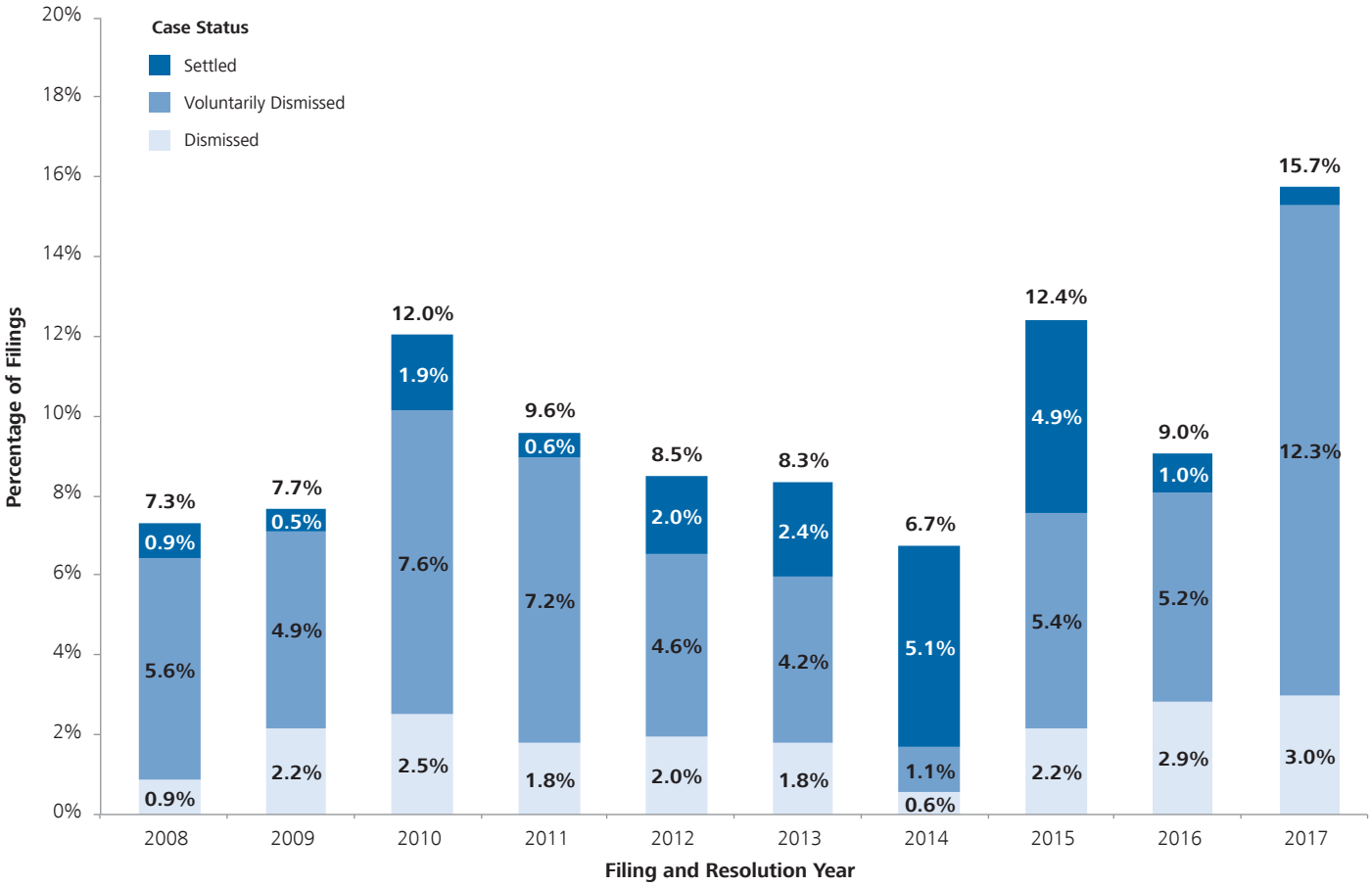
Figure 31. **Number of Dismissed Cases by Case Age**
Excluding Merger Objections
January 2008–December 2017



In 2017, 15.7% of standard cases were filed and resolved within the same calendar year, which was the highest rate in at least a decade (see Figure 32). By the end of the year, 12% of cases were voluntarily dismissed, of which the vast majority were voluntary dismissals without prejudice. This may indicate that certain securities cases filed in 2017 were particularly weak, perhaps a result of plaintiffs' managing a more diverse portfolio of casework. Alternatively, the dramatic increase in such dismissals may be driven by plaintiff forum selection.[39]

The rate of voluntary dismissals was not particularly concentrated in terms of jurisdiction or the specific allegations we track.

Figure 32. **Year-End Status of Class Actions Filed and Resolved Within Each Calendar Year**
Excluding Merger Objections
January 2008–December 2017



Trends in Attorneys' Fees

Plaintiffs' Attorneys' Fees and Expenses

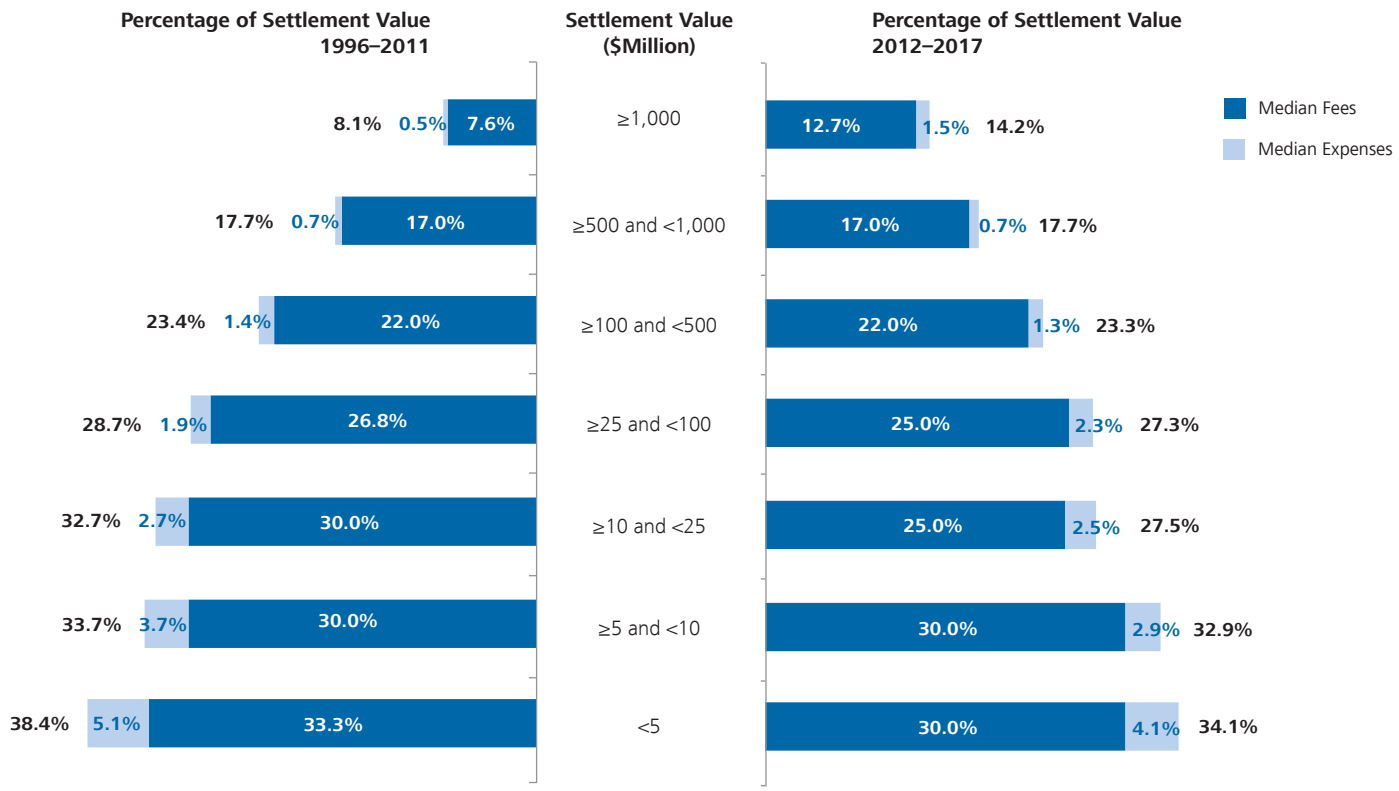
Usually, plaintiffs' attorneys' remuneration is determined as a fraction of any settlement amount in the form of fees, plus expenses. Figure 33 depicts plaintiffs' attorneys' fees and expenses as a proportion of settlement values over ranges of settlement amounts. The data in the figure exclude settlements of merger-objection cases and cases with no cash payment to the class.

A strong pattern is evident in Figure 33: typically, fees grow with settlement size, but less than proportionally (i.e., the fee percentage shrinks as the settlement size grows).

To illustrate that the fee percentage typically shrinks as settlement size grows, we grouped settlements by settlement value and reported the median fee percentage for each group. While fees are stable at around 30% of settlement values for settlements below $10 million, this percentage declines as settlement size increases.

We also observe that fee percentages have been decreasing over time, except for fees awarded on very large settlements. For settlements above $1 billion, fee rates have increased.

Figure 33. **Median of Plaintiffs' Attorneys' Fees and Expenses by Size of Settlement**
Excluding Merger-Objection Cases and Settlements for $0 Payment to the Class



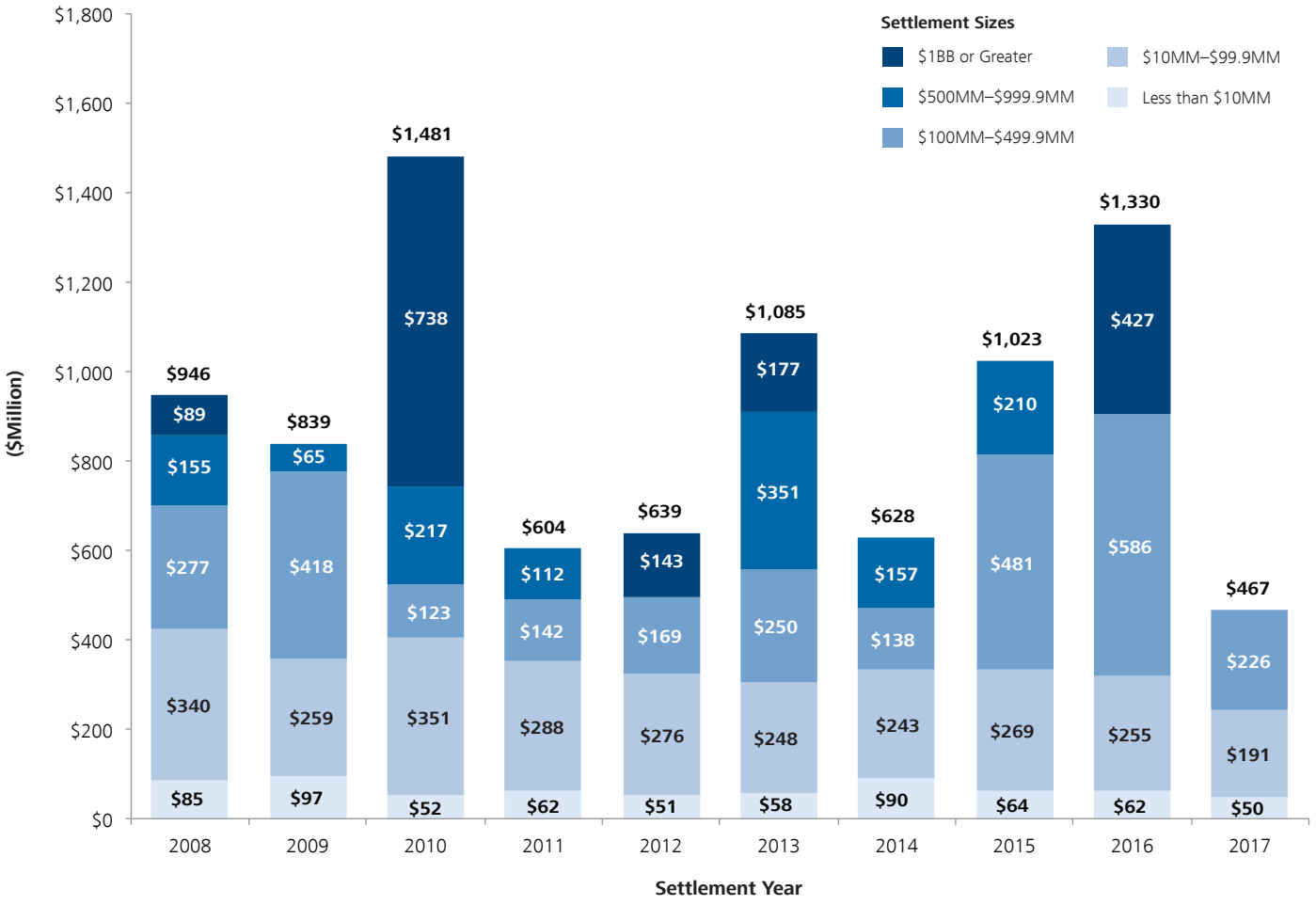
Aggregate Plaintiffs' Attorneys' Fees and Expenses

Aggregate plaintiffs' attorneys' fees and expenses are the sum of all fees and expenses received by plaintiffs' attorneys for all securities class actions that receive judicial approval in a given year.

In 2017, aggregate plaintiffs' attorneys' fees and expenses were $467 million, a drop of about 65% to a level not seen since 2004 (see Figure 34). This decrease in fee amounts partially reflects the trend toward fewer and smaller settlements. However, the drop in aggregate plaintiffs' attorneys' fees is still less than the 70%+ drop in aggregate settlements, as most cases that settled were smaller, and smaller cases typically have higher fee payout ratios.

Note that this figure differs from the other figures in this section, because the aggregate includes fees and expenses that plaintiffs' attorneys receive for settlements in which no cash payment was made to the class.

Figure 34. **Aggregate Plaintiffs' Attorneys' Fees and Expenses by Settlement Size ($Million)**
January 2008–December 2017



Notes

[1] This edition of NERA's report on recent trends in securities class action litigation expands on previous work by our colleagues Lucy Allen, Dr. Renzo Comolli, the late Dr. Frederick C. Dunbar, Dr. Vinita M. Juneja, Sukaina Klein, Dr. Denise Neumann Martin, Dr. Jordan Milev, Dr. John Montgomery, Robert Patton, Dr. Stephanie Plancich, and others. The authors also thank Dr. Milev and Benjamin Seggerson for helpful comments on this edition. In addition, we thank Edward Flores and other researchers in NERA's Securities and Finance Practice for their valuable assistance. These individuals receive credit for improving this paper; all errors and omissions are ours.

[2] Data for this report have been collected from multiple sources, including Institutional Shareholder Services, Inc., complaints, case dockets, Dow Jones, Bloomberg L.P., FactSet Research Systems Inc., the US Securities and Exchange Commission (SEC) filings, and public press reports.

[3] Craig Doidge, G. Andrew Karolyi, and René M. Stulz, "The U.S. Listing Gap," National Bureau of Economic Research Working Paper No. 21181, May 2015.

[4] *In re Trulia, Inc. Stockholder Litigation*, C.A. No. 10020-CB (Del. Ch. Jan. 22, 2016).

[5] Despite a 13% year-over-year drop in US M&A deals in 2016, merger-objection suits doubled from 2015 levels (see "Global M&A Review: Full Year 2016 Final Results," Dealogic, January 2017.) The doubling of merger-objection filings again in 2017 far exceeded the 18% increase in deals over the first nine months of 2017 (see "Global M&A Review 3Q 2017," Thomson Reuters, October 2017).

[6] 2010 deal growth and litigation rates obtained from M. D. Cain and S. D. Solomon, "A Great Game: The Dynamics of State Competition and Litigation," *Iowa Law Review*, Vol. 100, No. 165, 2015, Table 1. 2016 M&A activity growth obtained from "Global M&A Review: Full Year 2016 Final Results," Dealogic, January 2017. 2017 deal activity obtained from "Global M&A Review 3Q 2017," Thomson Reuters, October 2017.

[7] M. D. Cain and S. D. Solomon, "A Great Game: The Dynamics of State Competition and Litigation," *Iowa Law Review*, Vol. 100, No. 165, 2015.

[8] M. D. Cain and S. D. Solomon, "Takeover Litigation in 2015," Berkeley Center for Law Business and the Economy, 14 January 2016. Alison Frankel, "Forum Selection Clauses Are Killing Multiforum M&A litigation," *Reuters*, 24 June 2014.

[9] *In re Trulia, Inc. Stockholder Litigation*, C.A. No. 10020-CB (Del. Ch. Jan. 22, 2016), n. 36.

[10] M. D. Cain and S. D. Solomon, "Takeover Litigation in 2015," Berkeley Center for Law Business and the Economy, 14 January 2016.

[11] Warren S. de Wied, "Delaware Forum Selection Bylaws After Trulia," Harvard Law School Forum on Corporate Governance and Financial Regulation, 25 February 2016.

[12] *In re: Walgreen Co. Stockholder Litigation*, No. 15-3799 (7th Cir. Aug. 10, 2016).

[13] *Jones v. WSB Holdings, Inc.*, No. CAL-1231262 (Md. Cir. Ct. Nov. 12, 2013).

[14] Federal securities class actions that allege violations of Rule 10b-5, Section 11, and/or Section 12 have historically dominated federal securities class action dockets and are often referred to as "standard" cases.

[15] Robert Patton, "Recent Trends in US Securities Class Actions against Non-US Companies," NERA Working Paper, 24 October 2012.

[16] Kane Wu, "U.S.-Listed China Firms Hurry Homeward," *The Wall Street Journal*, 17 November 2015.

[17] Andrew Bolger, "Warning signs appear after bumper IPO year," *Financial Times*, 26 December 2014.

[18] "U.S. Tech IPO Market Sucked Less In 2017, But Still Managed To Disappoint," *VentureBeat*, 18 December 2017.

[19] "Why Section 11 Class Actions Are Proliferating In Calif.," *Law360*, 27 April 2015.

[20] Examples of such forum selection include those used by Blue Apron Holdings (see Blue Apron Holdings, Inc. SEC Form 8-K, filed 5 July 2017), MongoDB (see MongoDB, Inc. SEC Form 8-K, filed 25 October 2017), Restoration Robotics (See Restoration Robotics Inc. SEC Form 8-K, filed 17 October 2017), Roku (see Roku, Inc. SEC Form S-1/A, filed 18 September 2017), and Snap (see Snap, Inc. SEC Form S-1, filed 2 February 2017).

[21] *Cyan, Inc. v. Beaver County Employees Retirement Fund*, Supreme Court No. 15-1439.

[22] In 2016, several pharmaceutical companies were caught up in a long-running US Department of Justice (DOJ) probe into alleged generic drug price collusion (see Andrew Bolger, "U.S. Charges in Generic-Drug Probe to Be Filed by Year-End," *Bloomberg Markets*, 3 November 2016). In September 2016, a leading poultry distributor sued several poultry producers, alleging price fixing of broiler chickens (see Eric Kroh, "Poultry Producers Hit With Chicken Price Antitrust Suit," *Law360*, 3 September 2016).

[23] 13% of firms in the Third Circuit are in the Pharmaceutical Preparations industry (SIC code 2834), compared with 8% of publicly traded firms. These are mostly incorporated in New Jersey.

[24] *In re: Walgreen Co. Stockholder Litigation*, No. 15-3799 (7th Cir. Aug. 10, 2016).

[25] In 2016, several pharmaceutical companies were targeted in a long-running DOJ probe and a leading poultry distributor sued several poultry producers, alleging price fixing. See endnote 22 for details and sources.

[26] This case was filed after the SEC filed a complaint, more than four years after the end of the proposed class period. The plaintiffs in the class action stated that the SEC complaint first revealed the alleged fraud.

[27] Outcomes of the motions for summary judgment are available from NERA but not shown in this report.

[28] *Active cases* equals the sum of pending cases at the beginning of 2017 plus those filed during the year.

[29] In 2016, 84% of dismissed merger-objection cases were dismissed within one year of filing. Prior to 2016, a period completely before the *Trulia* decision, about 66% of such cases were dismissed within a year of filing.

[30] In addition to merger objections and standard securities class actions, our database includes a small number of "other" cases (see Figure 3).

[31] Nearly 90% of cases filed before 2012 have been resolved, providing evidence of longer-term trends about dismissal and settlement rates. Data since then is inconclusive given pending litigation.

[32] We only consider pending litigation filed after the passage of the PSLRA in 1995.

[33] The D.C. Circuit was excluded, as it generally has few securities class action filings.

[34] Each of the metrics in the *Time to Resolution* subsection excludes IPO laddering cases and merger-objection cases.

[35] In fact, in January 2018, Petrobras agreed to settle its securities class action for $2.95 billion. That settlement has not yet been finalized as of the date of this report.

[36] Over the last decade, aggregate NERA-defined Investor Losses peaked at about $1.2 trillion at the end of 2012.

[37] The axes are in logarithmic scale, and the two largest settlements are excluded from this figure.

[38] The number of cases voluntarily dismissed within one year of filing nearly tripled.

[39] Commentary regarding a 2017 ruling in the Southern District of New York indicated that "[p]laintiffs in [*Cheung v. Bristol-Myers Squibb*] had originally filed their lawsuits in a federal district court, but after the federal district court issued a ruling that was unfavorable for the plaintiffs, the plaintiffs voluntarily dismissed their lawsuits without prejudice and then refiled them in Delaware state court." See "Getting Your Company's Case Removed to Federal Court When Sued in Your 'Home' State," *The Legal Intelligencer*, 21 December 2017. The case referred to is *Cheung v. Bristol-Myers Squibb*, Case No. 17cv6223 (DLC), (S.D.N.Y. Oct. 12, 2017).

About NERA

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Exhibit 8

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re OSG SECURITIES LITIGATION	:	Civil Action No. 1:12-cv-07948-SAS
	:	CLASS ACTION
This Document Relates To:	:	[PROPOSED] ORDER AWARDING ATTORNEYS' FEES AND EXPENSES AND REIMBURSEMENT OF LEAD PLAINTIFFS' EXPENSES
ALL ACTIONS.	:	

This matter having come before the Court on December 1, 2015, on Lead Counsel's Motion for an Award of Attorneys' Fees and Expenses and Reimbursement of Lead Plaintiffs' Expenses ("Fee Motion"), the Court, having considered all papers filed and proceedings conducted herein, having found the Settlements of this class action (the "Action") to be fair, reasonable and adequate, and otherwise being fully informed in the premises and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. All of the capitalized terms used herein shall have the same meanings as set forth in the Stipulations of Settlement filed with the Court and the Memorandum in Support of the Fee Motion submitted in support thereof. *See* Dkt. Nos. 232, 233, 234, and 246.

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all members of the Class who have not timely and validly requested exclusion.

3. Notice of Lead Counsel's Fee Motion was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the Fee Motion met the requirements of Rules 23 and 54 of the Federal Rules of Civil Procedure, 15 U.S.C. §77z-1, the Securities Act of 1933, and 15 U.S.C. §78u-4(a)(7), the Securities Exchange Act of 1934, each as amended by the Private Securities Litigation Reform Act of 1995, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. The Court hereby awards Lead Counsel attorneys' fees of 30% of the total recovery (consisting of the $16,250,000.00 obtained from the Settling Defendants, the $15,426,933.68 obtained to date in the Bankruptcy Court Settlement, as well as any additional funds received as a result of the Bankruptcy Court Settlement, which includes the contingent right to 15% of the net

proceeds of OSG's professional liability action against Proskauer Rose LLP and certain Individual Defendants (the "Proskauer Litigation")), plus expenses in the amount of $338,918.76, together with the interest earned on such amounts for the same time period and at the same rate as that earned on those amounts. The Court finds that the amount of fees awarded is appropriate and that the amount of fees awarded is fair and reasonable under the "percentage-of-recovery" method.

5. The fees and expenses shall be allocated among Plaintiffs' Counsel in a manner which, in Lead Counsel's good-faith judgment, reflects the contributions of such counsel to the prosecution and settlement of the Action.

6. The awarded attorneys' fees, expenses, and Lead Plaintiffs' expenses, shall be paid immediately to Lead Counsel and Lead Plaintiffs subject to the terms, conditions, and obligations of the Stipulations of Settlement.[1]

7. In making the award to Lead Counsel of attorneys' fees and litigation expenses to be paid from the recovery, the Court has considered and found that:

(a) The Settlements have created a common fund of at least $31,676,933.68 and that numerous Class Members who submit acceptable Proofs of Claim will benefit from the Settlements created by the efforts of Lead Counsel;

(b) The requested attorneys' fees and payment of litigation expenses have been approved as fair and reasonable by the Lead Plaintiffs;

---

[1] Pursuant to the terms of the Bankruptcy Court Settlement, a fixed payment of $5 million (of the $15.426 million Bankruptcy Court Settlement) is not due to be paid to the Class until a set period of time following resolution of the Proskauer Litigation (regardless of its outcome). The fee award on this portion of the recovery shall not be paid to Lead Counsel until after this $5 million payment is made.

(c) Notice was disseminated to putative Class Members stating that Lead Counsel would be moving for attorneys' fees in an amount not to exceed 30% of the total amount of the recovery and payment of litigation expenses, plus interest earned on both amounts;

(d) There were no objections to the requested attorneys' fees and payment of litigation expenses;

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

(f) Lead Counsel pursued the Action on a contingent basis, having received no compensation during the Action, and any fee 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;

(h) Lead Counsel conducted the Action and achieved the Settlements with skillful and diligent advocacy;

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

(j) The amount of attorneys' fees awarded are fair and reasonable and consistent with awards in similar cases within the Second Circuit; and

(k) Plaintiffs' Counsel devoted 12,914.50 hours, with a lodestar value of $6,563,933.75 to achieve the Settlements.

8. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fee and expense application shall in no way disturb or affect the finality of the Judgments entered with respect to the Settlements.

9. The Court hereby awards Lead Plaintiff Stitchting Pensioenfonds DSM Nederland $10,000, Lead Plaintiff Indiana Treasurer of State $7,250, and Lead Plaintiff Lloyd Crawford $9,000, for their time and expenses incurred in representing the Class.

10. In the event that the Settlements are terminated or do not become Final or the Effective Date does not occur in accordance with the terms of the Stipulations, this Order shall be rendered null and void to the extent provided by the Stipulations and shall be vacated in accordance with the Stipulations.

IT IS SO ORDERED.

DATED: 12/2/15

THE HONORABLE SHIRA A. SCHEINDLIN
UNITED STATES DISTRICT JUDGE

Exhibit 9

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE CELESTICA INC. SEC. LITIG.	:	Civil Action No.: 07-CV-00312-GBD
	:	(ECF CASE)
	:	Hon. George B. Daniels

[redacted]ORDER AWARDING ATTORNEYS' FEES AND EXPENSES

THIS MATTER having come before the Court on July 28, 2015 for a hearing to determine, among other things, whether and in what amount to award Class Counsel in the above-captioned consolidated securities class action (the "Action") attorneys' fees and litigation expenses and Class Representative New Orleans Employees' Retirement System ("New Orleans") expenses relating to its representation of the Class. All capitalized terms used herein have the meanings as set forth and defined in the Stipulation and Agreement of Settlement, dated as of April 17, 2015 (the "Stipulation"). The Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a notice of the hearing, substantially in the form approved by the Court (the "Notice"), was mailed to all reasonably identified Class Members; and that a summary notice of the hearing (the "Summary Notice"), substantially in the form approved by the Court, was published in *The Wall Street Journal* and transmitted over *PR Newswire*; 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. The Court has jurisdiction over the subject matter of this Action and over all parties to the Action, including all Class Members and the Claims Administrator.

2. Notice of Class Counsel's motion for 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 for attorneys' fees and expenses met the 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), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

3. Class Counsel is hereby awarded attorneys' fees in the amount of $9,000,000 plus interest at the same rate earned by the Settlement Fund (or 30% of the Settlement Fund, which includes interest earned thereon) and payment of litigation expenses in the amount of $1,392,450.33, plus interest at the same rate earned by the Settlement Fund, which sums the Court finds to be fair and reasonable.

4. In accordance with 15 U.S.C. §78u-4(a)(4), for its representation of the Class, the Court hereby awards New Orleans reimbursement of its reasonable lost wages and expenses directly related to its representation of the Class in the amount of $3,645.18.

5. The award of attorneys' fees and expenses may be paid to Class 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.

6. In making the award to Class Counsel of attorneys' fees and litigation expenses to be paid from the Settlement Fund, the Court has considered and found that:

(a) The Settlement has created a common fund of $30 million in cash and that numerous Class Members who submit acceptable Proofs of Claim will benefit from the

Settlement created by the efforts of plaintiffs' counsel;

(b) The requested attorneys' fees and payment of litigation expenses have been reviewed and approved as fair and reasonable by Class Representatives, sophisticated institutional investors that have been directly involved in the prosecution and resolution of the Action and which have a substantial interest in ensuring that any fees paid to Class Counsel are duly earned and not excessive;

(c) Notice was disseminated to putative Class Members stating that Class Counsel would be moving for attorneys' fees in an amount not to exceed 30% of the Settlement Fund, plus accrued interest, and payment of litigation expenses, and the expenses of Class Representatives for reimbursement of their reasonable lost wages and costs directly related to their representation of the Class, in an amount not to exceed $2 million, plus accrued interest;

(d) There were no objections to the requested litigation expenses or to the expense request by New Orleans. The Court has received one objection to the fee request, which was submitted by Jeff M. Brown. The Court finds and concludes that Mr. Brown has not established that he is a Class Member with standing to bring the objection and it is overruled on that basis. The Court has also considered the issues raised in the objection and finds that, even if Mr. Brown were to have standing to object, the objection is without merit. The objection is therefore overruled in its entirety;

(e) Plaintiffs' counsel have expended substantial time and effort pursuing the Action on behalf of the Class;

(f) The Action involves complex factual and legal issues and, in the absence of settlement, would involve lengthy proceedings whose resolution would be uncertain;

(g) Plaintiffs' counsel pursued the Action on a contingent basis, having

received no compensation during the Action, and any fee award has been contingent on the result achieved;

(h) Plaintiffs' counsel conducted the Action and achieved the Settlement with skillful and diligent advocacy;

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

(j) The amount of attorneys' fees awarded are fair and reasonable and consistent with awards in similar cases; and

(k) Plaintiffs' counsel have devoted more than 28,130.35 hours, with a lodestar value of $14,324,709.25 to achieve the Settlement.

7. Any appeal or any challenge affecting this Court's approval of any attorneys' fee and expense application shall in no way disturb or affect the finality of the Judgment entered with respect to the Settlement.

8. Exclusive jurisdiction is hereby retained over the subject matter of this Action and over all parties to the Action, including the administration and distribution of the Net Settlement Fund to Class Members.

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

IT IS SO ORDERED.

Dated: JUL 28 2015, 2015

George B. Daniels

Honorable George B. Daniels
UNITED STATES DISTRICT JUDGE

Exhibit 10

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CITILINE HOLDINGS, INC., Individually and On Behalf of All Others Similarly Situated,	:	Civil Action No. 1:08-cv-03612-RJS **(Consolidated)**
Plaintiff,	:	CLASS ACTION
vs.	:	
ISTAR FINANCIAL INC., et al.,	:	
Defendants.	:	

ORDER AWARDING ATTORNEYS' FEES AND EXPENSES

This matter having come before the Court on April 5, 2013, on the motion of Co-Lead Counsel for an award of attorneys' fees and expenses in the Litigation, the Court, having considered all papers filed and proceedings conducted herein, having found the settlement of this action to be fair, reasonable and adequate, and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Order incorporates by reference the definitions in the Settlement Agreement dated September 5, 2012 (the "Stipulation") and all capitalized terms used, but not defined herein, shall have the same meanings as set forth in the Stipulation.

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all Members of the Class who have not timely and validly requested exclusion.

3. The Court hereby awards Co-Lead Counsel attorneys' fees of 30% of the Settlement Fund, plus expenses in the amount of $234,901.71, together with the interest earned on both amounts for the same time period and at the same rate as that earned on the Settlement Fund until paid. The Court finds that the amount of fees awarded is appropriate and that the amount of fees awarded is fair and reasonable under the "percentage-of-recovery" method.

4. The fees and expenses shall be allocated among Lead Plaintiffs' counsel in a manner which, in Co-Lead Counsel's good-faith judgment, reflects each such counsel's contribution to the institution, prosecution, and resolution of the Litigation.

5. The awarded attorneys' fees and expenses and interest earned thereon, shall immediately be paid to Co-Lead Counsel subject to the terms, conditions, and obligations of the Stipulation, and in particular ¶¶6.2-6.3 thereof, which terms, conditions, and obligations are incorporated herein.

SO ORDERED.

DATED: April 5, 2013
New York, New York

RICHARD J. SULLIVAN
UNITED STATES DISTRICT JUDGE

Exhibit 11

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CITY OF ROSEVILLE EMPLOYEES' RETIREMENT SYSTEM, on Behalf of Itself and All Others Similarly Situated, Plaintiff, vs. ENERGY*SOLUTIONS*, INC., et al., Defendants.	Civil Action No. 1:09-cv-08633-JGK **(Consolidated)** CLASS ACTION [~~PROPOSED~~] ORDER AWARDING ATTORNEYS' FEES AND EXPENSES

THIS MATTER having come before the Court on March 15, 2013, on the motion of Lead Counsel for an award of attorneys' fees and expenses in the Action and Lead Plaintiffs' request for expenses, the Court, having considered all papers filed and proceedings conducted herein, having found the settlement of the Action to be fair, reasonable and adequate, and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. All of the capitalized terms used herein shall have the same meanings as set forth in the Revised Settlement Agreement dated as of November 19, 2012 (the "Stipulation").

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all members of the Class who have not timely and validly requested exclusion.

3. Counsel for the Lead Plaintiffs are entitled to a fee paid out of the common fund created for the benefit of the Class. *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478-79 (1980). ~~In class action suits where a fund is recovered and fees are awarded therefrom by the court, the Supreme Court has indicated that computing fees as a percentage of the common fund recovered is the proper approach. *Blum v. Stenson*, 465 U.S. 886, 900 n.16 (1984)~~. The Second Circuit recognizes the propriety of the percentage-of-the-fund method when awarding fees. *Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.*, 396 F.3d 96, 121 (2d Cir. 2005); *Hayes v. Harmony Gold Mining Co. Ltd.*, No. 12-118-cv, 2013 WL 322921 (2d Cir. Jan. 29, 2013).

4. Lead Counsel have moved for an award of attorneys' fees of 27% of the Settlement Fund, plus interest.

5. This Court adopts the percentage-of-recovery method of awarding fees in this case, and concludes that the percentage of the benefit is ~~the proper method for awarding attorneys' fees~~ results in a fair and reasonable attorney's fee in this case ~~this case~~.

6. The Court hereby awards attorneys' fees of ~~27%~~ 25% of the Settlement Fund, plus payment of expenses of $257,889.10, plus interest at the same rate as earned on the Settlement Fund. The Court finds the fees and expenses to be fair and reasonable. The Court further finds that a fee award of ~~27%~~ 25% of the Settlement Fund is consistent with awards made in similar cases.

7. Said fees and expenses shall be allocated among plaintiffs' counsel by Lead Counsel in a manner which, in their good faith judgment, reflects each counsel's contribution to the institution, prosecution and resolution of the action.

8. In making this award of attorneys' fees and expenses to be paid from the Settlement Fund, the Court has considered each of the applicable factors set forth in *Goldberger v. Integrated Res., Inc.*, 209 F.3d 43, 50 (2d Cir. 2000). In evaluating the *Goldberger* factors, the Court finds that:

(a) Counsel for Lead Plaintiffs expended considerable effort and resources over the course of the action researching, investigating and prosecuting Lead Plaintiffs' claims. ~~The services provided by Lead Counsel were efficient and highly successful, resulting in an outstanding recovery for the Class without the substantial expense, risk and delay of continued litigation. Such~~ efficiency and effectiveness support ~~the requested fee percentage.~~

(b) Cases brought under the federal securities laws are ~~notably~~ difficult and notoriously uncertain. *In re Flag Telecom Holdings, Ltd. Sec. Litig.*, No. 02-CV-3400 (CM)(PED), 2010 WL 4537550, at *27 (S.D.N.Y. Nov. 8, 2010); *In re AOL Time Warner, Inc. Sec. & ERISA Litig.*, No. MDL 1500, 2006 WL 903236, at *8 (S.D.N.Y. Apr. 6, 2006). This case was not aided by

any government agency investigation. ~~Despite the novelty and difficulty of the issues raised~~, Lead Counsel secured ~~an extremely~~ a good result for the Class.

(c) The recovery obtained and the backgrounds of the lawsuit ~~are the best evidence that the quality of Lead Counsel's representation of the Class~~ supports the requested fee. Lead Counsel demonstrated that ~~notwithstanding the barriers erected by the~~ Private Securities Litigation Reform Act of 1995, they would develop evidence to support a convincing case. Based upon Lead Counsel's diligent efforts on behalf of the Class, as well as their skill and reputations, Lead Counsel were able to negotiate a very favorable result for the Class. Lead Counsel are among the most experienced and skilled practitioners in the securities litigation field, and have unparalleled experience and capabilities as preeminent class action specialists. Their efforts in efficiently bringing the action to a successful conclusion against the Defendants are the best indicator of the experience and ability of the attorneys involved. In addition, Defendants were represented by highly experienced lawyers from prominent firms. The standing of opposing counsel should be weighed in determining the fee, because such standing reflects the challenge faced by plaintiffs' attorneys. The ability of Lead Counsel to obtain such a favorable settlement for the Class in the face of such formidable opposition confirms the superior quality of their ~~representation and the~~ reasonableness of the fee request.

(d) The overwhelmingly positive support of Class Members and the review and approval of sophisticated Lead Plaintiffs further support the requested fee.

(e) ~~The requested~~ A fee of ~~27%~~ 25% of the settlement is within ~~the~~ an acceptable range ~~normally awarded in cases of this nature~~ for fees.

(f) Lead Counsel's total lodestar is $2,208,520.75. A ~~27%~~ 25% fee represents a reasonable multiplier of ~~3.17~~ to their aggregate lodestar which is reasonably acceptable in this case.

9. The awarded attorneys' fees and expenses, and interest earned thereon, shall be paid to Lead Counsel from the Settlement Fund immediately after the date this Order is executed subject to the terms, conditions and obligations of the Stipulation and in particular ¶7.2 thereof, which terms, conditions and obligations are incorporated herein.

10. The Court finds that, pursuant to 15 U.S.C. §77z-1(a)(4), an award of reasonable expenses to Lead Plaintiffs in connection with their representation of the Class is appropriate. Lead Plaintiffs Building Trades United Pension Trust Fund, New England Carpenters Guaranteed Annuity and Pension Funds, and City of Roseville Employees' Retirement System are hereby awarded, respectively, $2,168.15, $2,525.00 and $1,750.00 for their expenses.

IT IS SO ORDERED.

DATED: 3/14/13

THE HONORABLE JOHN G. KOELTL
UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

I hereby certify that on March 1, 2013, I submitted the foregoing to orders and judgments@nysd.uscourts.gov and e-mailed to the e-mail addresses denoted on the Court's Electronic Mail Notice List, and I hereby certify that I have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on March 1, 2013.

s/ Evan J. Kaufman
EVAN J. KAUFMAN

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Exhibit 12

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

In re XEROX CORPORATION ERISA LITIGATION This Document Relates To: All Actions	Master File No. 02-CV-1138 (AWT) CLASS ACTION

ORDER GRANTING PLAINTIFFS' MOTION FOR AWARD OF ATTORNEYS' FEES, EXPENSES, AND CASE CONTRIBUTION AWARDS

On April 14, 2009, the Court heard Plaintiffs' Motion for Award of Attorneys' Fees, Expenses, and Case Contribution Award ("Motion"). Having heard argument and having fully considered the pleadings and evidence submitted, the Court hereby finds as follows:

1. The Settlement Class has been given proper and adequate notice of the Motion and that such notice has been provided in accordance with the Court's Order Preliminarily Approving Settlement and Confirming Final Settlement Hearing in this action.

2. Based on the entire record, including the evidence presented in support of the Motion, and specifically including the Joint Declaration of Lynn L. Sarko and Charles R. Watkins in Support of Motion for Final Approval of Class Action Settlement, Plan of Allocation and Request for Fees, Expenses and Case Contribution Awards,

a. The Settlement achieved as a result of the efforts of Plaintiffs' Counsel has created the Settlement Fund, a common fund of $51 million in cash that is already on deposit, plus interest thereon, and which will benefit thousands of Settlement Class Members;

b. More than 40,000 copies of the Class Notice was mailed and otherwise disseminated to Settlement Class Members stating that Plaintiffs' Counsel were moving for attorney's fees in the amount of up to 30 percent of the Settlement Fund and for reimbursement of expenses and that such request would be presented at the Fairness Hearing;

c. Plaintiffs' Counsel initiated and have conducted the litigation in the face of substantial risk and achieved the Settlement as a result of their skill, perseverance, and diligent advocacy;

d. The Action involved complex factual and legal issues prosecuted over nearly seven years and, in the absence of a settlement, would involve further lengthy proceedings, the resolution of which would be uncertain;

e. Had Plaintiffs' Counsel not achieved the Settlement, there would remain a significant risk that the Named Plaintiffs and the Settlement Class would recover less or nothing from the Defendants;

f. The amount of the case contribution awards and the attorneys' fees awarded and expenses reimbursed from the Settlement Fund are reasonable, well-warranted by the facts and circumstances of this case and consistent with awards in similar cases;

g. Plaintiffs' Counsel has expended more than 22,164 hours, with a lodestar value of $9,318,130.70, to achieve the Settlement; and

h. Named Plaintiffs David Alliet, Thomas Patti, Linda Willis and Cheryl Wright and Plaintiff William Saba rendered valuable service to the Plans and to the Plans' participants and beneficiaries. Without their participation, there would have been no case and no settlement, and the Plans would not have recouped any of their losses.

3. The expenses for which Plaintiffs Counsel seek reimbursement from the common fund created by the Settlement were reasonably incurred for the benefit of the Class in prosecuting the Class's claims and in obtaining the Settlement.

4. Named Plaintiffs David Alliet, Thomas Patti, Linda Willis and Cheryl Wright and Plaintiff William Saba should be awarded compensation for the time and effort they have invested for the benefit of the Class, including providing information to Plaintiffs' Counsel, reviewing and approving pleadings, assisting with discovery, and participating in settlement discussions.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

1. Plaintiffs' Motion is granted.

2. Plaintiffs' Counsel are awarded $15,250,000 from the Settlement Fund as attorneys' fees in this case, which shall be paid to Co-Lead Counsel. Co-Lead Counsel shall allocate the award among Plaintiffs' Counsel.

3. Co-Lead Counsel are further awarded $982,766.93 for reimbursement of their expenses, to be paid out of the Settlement Fund, which amount shall be paid to Co-Lead Counsel, who shall allocate the award among Plaintiffs' Counsel.

4. Named Plaintiffs David Alliet, Thomas Patti, Linda Willis and Cheryl Wright and the estate of Plaintiff William Saba are each awarded $5,000 as compensation for their substantial contribution to the litigation on behalf of the Class.

It is so ordered.

Dated this 14th day of April, 2009 at Hartford, Connecticut.

_____/s/ AWT_____
Alvin W. Thompson
United States District Judge

Exhibit 13

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

LARRY FREUDENBERG, Individually and On Behalf of All Others Similarly Situated, Plaintiff, - against - E*TRADE FINANCIAL CORPORATION, MITCHELL H. CAPLAN, ROBERT J. SIMMONS and DENNIS E. WEBB, Defendants.	Civil Action No. 07 Civ. 8538 (JPO) (MHD)

FINAL JUDGMENT AND ORDER OF DISMISSAL

This matter came before the Court for hearing pursuant to this Court's Order Granting Preliminary Approval of Settlement, Granting Conditional Class Certification, and Providing for Notice dated June 12, 2012 ("Preliminary Approval Order"), and the Court having received declarations attesting to the mailing of the Notice and the publication of the Summary Notice in accordance with the Preliminary Approval Order, on the application of the Settling Parties for approval of the settlement ("Settlement") set forth in the Stipulation of Settlement dated as of May 17, 2012 ("Stipulation"), the proposed Plan of Allocation of the Settlement proceeds, Plaintiffs' Counsel's application for an award of attorneys' fees and reimbursement of litigation expenses, and interim reimbursement of notice and administration expenses and, following a hearing on October 11, 2012 before this Court to consider the applications, all supporting papers and arguments of the Settling Parties, the objections, supporting papers and arguments submitted by Paul Liles, Leon Behar, Chris Andrews, and Eldon Ventris, and other proceedings held herein, and good cause appearing therefore,

IT IS HEREBY ADJUDGED, DECREED AND ORDERED:

1. This Final Judgment incorporates by reference the definitions in the Stipulation, and all terms used herein shall have the same meanings as set forth in the Stipulation unless set forth differently herein. The terms of the Stipulation are fully incorporated in this Final Judgment as if set forth fully herein.

2. The Court has jurisdiction over the subject matter of this Action and all parties to the Action, including all Settlement Class Members.

3. This Court finds that due and adequate notice was given of the Settlement, the Plan of Allocation of the Settlement proceeds, and Plaintiffs' Counsel's application for an award of attorneys' fees and/or reimbursement of expenses, as directed by this Court's Preliminary Approval Order, and that the forms and methods for providing such notice to Settlement Class Members:

(a) constituted the best notice practicable under the circumstances, including individual notice to all Settlement Class Members who could be identified through reasonable effort;

(b) was reasonably calculated, under the circumstances, to apprise Settlement Class Members of: (i) the proposed Settlement of this class action and the right to exclude themselves from the Settlement Class; (ii) their right to object to any aspect of the proposed Settlement, including the terms of the Stipulation and the Plan of Allocation; (iii) their right to appear at the Settlement Hearing, either on their own or through counsel hired at their own expense, if they are not excluded from the Settlement Class; and (iv) the binding effect of the proceedings, rulings, orders and judgments in this

Action, whether favorable or unfavorable, on all persons who are not excluded from the Settlement Class;

(c) was reasonable and constituted due, adequate, and sufficient notice to all persons entitled to be provided with notice; and

(d) fully satisfied all the applicable requirements of Rule 23 of the Federal Rules of Civil Procedure, due process, and all other applicable laws.

4. Pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure, the Court hereby grants final certification of the Settlement Class consisting of all Persons (other than those Persons who timely and validly request exclusion from the Settlement Class) who purchased or otherwise acquired E*TRADE securities between April 19, 2006 and November 9, 2007, inclusive. Excluded from the Settlement Class are Defendants, members of the Individual Defendants' immediate families, the directors, officers, subsidiaries, and affiliates of E*TRADE, any firm, trust, corporation, or other entity in which any Defendant has a controlling interest, and the legal representatives, affiliates, heirs, successors-in-interest or assigns of any such excluded person or entity.

5. The Settlement Class excludes those Persons who timely and validly filed requests for exclusion from the Settlement Class pursuant to the Notice sent to Settlement Class Members as provided in this Court's Preliminary Approval Order. A list of such Persons who filed timely, completed and valid requests for exclusion from the Settlement Class is attached hereto as Exhibit 1. Persons who filed timely, completed and valid requests for exclusion from the Settlement Class are not bound by this Final Judgment or the terms of the Stipulation, and may pursue their own individual remedies against Defendants and the Released Persons. Such

Persons are not entitled to any rights or benefits provided to Settlement Class Members by the terms of the Stipulation.

6. With respect to the Settlement Class, the Court finds that:

(a) the Settlement Class Members satisfy all of the requirements of Rule 23(a) of the Federal Rules of Civil Procedure because:

i. the members of the Settlement Class are so numerous that joinder of all members is impracticable;

ii. there are questions of law and fact common to the Settlement Class;

iii. the claims and defenses of the representative parties are typical of the Settlement Class; and

iv. the representative parties will fairly and adequately protect the interests of the Settlement Class.

(b) In addition, the Court finds that the Action satisfies the requirement of Federal Rule of Civil Procedure 23(b)(3) in that there are questions of law and fact common to the Settlement Class Members that predominate over any questions affecting only individual members, and that a class action is superior to other available methods for the fair and efficient adjudication of the controversy; and

(c) The Court finds that Plaintiffs, Kristen Management Limited, Straxton Properties, Inc., Javed Fiyaz, Ira Newman, Peter Farah and Andrea Frascaroli, possess claims that are typical of the claims of Settlement Class Members and that they have and will adequately represent the interest of Settlement Class Members and appoints them as the representatives of the Settlement Class, and appoints Lead Counsel, Brower Piven, A

Professional Corporation, and Co-Lead Counsel, Levi & Korsinsky, LLP, as counsel for the Settlement Class ("Plaintiffs' Counsel").

7. The Court hereby finds that objectors Liles and Andrews lack standing to object to the Settlement. The Court further finds that the objections of objectors Liles, Behar, and Andrews to the Notice and/or the Settlement are without factual or legal merits and hereby overrules them in their entirety.

8. Pursuant to Fed. R. Civ. P. 23(e), this Court hereby approves the Settlement set forth in the Stipulation and finds that said Settlement, and all transactions preparatory and incident thereto, is, in all respects, fair, reasonable, and adequate to, and is in the best interests of, Plaintiffs and all Settlement Class Members based on, among other things: the Settlement resulted from arm's-length negotiations between the Settling Parties and/or their counsel; the amount of the recovery for Settlement Class Members being within the range of reasonableness given the strengths and weaknesses of the claims and defenses thereto and the risks of non-recovery and/or recovery of a lesser amount than is represented through the Settlement by continued litigation through all pretrial, trial and appellate procedures; the recommendation of the Settling Parties, in particular experienced Plaintiffs' Counsel, and the absence of objections from any Settlement Class Member to the Settlement. All objections to the proposed Settlement, if any, are overruled in their entirety. Accordingly, the Settlement embodied in the Stipulation is hereby approved in all respects and shall be consummated in accordance with its terms and conditions. The Settling Parties are hereby directed to perform the terms of the Stipulation, and the Clerk of the Court is directed to enter and docket this Class Judgment in this Action.

9. The Court hereby finds that objector Andrews lacks standing to object to the Plan of Allocation. The Court further finds that the objections of objectors Behar and Andrews to the Plan of Allocation are without factual or legal merits and hereby overrules them in their entirety.

10. This Court hereby approves the Plan of Allocation as set forth in the Notice as fair and equitable, and overrules all objections to the Plan of Allocation, if any, in their entirety. The Court directs Plaintiffs' Lead Counsel to proceed with the processing of Proofs of Claim and the administration of the Settlement pursuant to the terms of the Plan of Allocation and, upon completion of the claims processing procedure, to present to this Court a proposed final distribution order for the distribution of the Net Settlement Fund to eligible Settlement Class Members, as provided in the Stipulation and Plan of Allocation.

11. The Court hereby finds that objectors Liles and Andrews lack standing to object to Plaintiffs' Counsel's request for an award of attorneys' fees and request for reimbursement of litigation expenses. The Court further finds that the objections of objectors Liles, Behar, and Andrews to the Plaintiffs' request for an award of attorneys' fees and request for reimbursement of litigation expenses are without factual or legal merits and hereby overrules them in their entirety.

12. This Court hereby awards Plaintiffs' Counsel reimbursement of their out-of-pocket expenses in the amount of $ 554,950.23, and attorneys' fees equal to 28 % percent of the balance of the Settlement Fund, with interest to accrue on all such amounts at the same rate and for the same periods as has accrued by the Settlement Fund from the date of this Final Judgment to the date of actual payment of said attorneys' fees and expenses to Plaintiffs' Counsel as provided in the Stipulation. The Court finds the amount of attorneys' fees awarded herein are fair and reasonable based on: (a) the work performed and costs incurred

by Plaintiffs' Counsel; (b) the complexity of the case; (c) the risks undertaken by Plaintiffs' Counsel and the contingent nature of their employment; (d) the quality of the work performed by Plaintiffs' Counsel in this Action and their standing and experience in prosecuting similar class action securities litigation; (e) awards to successful plaintiffs' counsel in other, similar litigation; (f) the benefits achieved for Settlement Class Members through the Settlement; and (g) the absence of a significant number of objections from Settlement Class Members to either the application for an award of attorneys' fees or reimbursement of expenses to Plaintiffs' Counsel. The Court also finds that the requested reimbursement of expenses is proper as the expenses incurred by Plaintiffs' Counsel, including the costs of experts, were reasonable and necessary in the prosecution of this Action on behalf of Settlement Class Members.

13. Based on the foregoing, the Court finds that the objection by Mr. Ventris has been resolved and is moot. The attorneys' fees awarded and expenses reimbursed above shall otherwise be paid to Plaintiffs' Counsel as provided in the Stipulation.

14. Plaintiffs' Counsel may apply, from time to time, for any fees and/or expenses incurred by them solely in connection with the administration of the Settlement and distribution of the Net Settlement Fund to Settlement Class Members.

15. All payments of attorneys' fees and reimbursement of expenses to Plaintiffs' Counsel in the Action shall be made from the Settlement Fund, and the Released Persons shall have no liability or responsibility for the payment of any of Plaintiffs' or Plaintiffs' Counsel's attorneys' fees or expenses except as expressly provided in the Stipulation with respect to the cost of Notice and administration of the Settlement.

16. Pursuant to Federal Rule of Civil Procedure 23(c)(3), all Settlement Class Members who have not filed timely, completed and valid requests for exclusion from the

Settlement Class are thus Settlement Class Members who are bound by this Final Judgment and by the terms of the Stipulation.

17. The Released Persons are hereby released and forever discharged from any and all of the Released Claims. All Settlement Class Members are hereby forever barred and enjoined from asserting, instituting or prosecuting, directly or indirectly, any Released Claim in any court or other forum against any of the Released Persons. All Settlement Class Members are bound by paragraph 4.4 of the Stipulation and are hereby forever barred and enjoined from taking any action in violation of that provision.

18. The Court hereby dismisses with prejudice the Action and all Released Claims against each and all Released Persons and without costs to any of the Settling Parties as against the others.

19. Neither the Stipulation nor the settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Defendants; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Defendants in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal; or (c) is admissible in any proceeding except an action to enforce or interpret the terms of the Stipulation, the settlement contained therein, and any other documents executed in connection with the performance of the agreements embodied therein. Defendants and/or the other Released Persons may file the Stipulation and/or this Final Judgment and Order in any action that may be brought against them in order to support a defense or counterclaim based on the principles of res judicata, collateral estoppel, full faith and credit,

release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

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

21. Without affecting the finality of this Final Judgment in any way, this Court hereby reserves and retains continuing jurisdiction over: (a) implementation and enforcement of any award or distribution from the Settlement Fund or Net Settlement Fund; (b) disposition of the Settlement Fund or Net Settlement Fund; (c) determining applications for payment of attorneys' fees and/or expenses incurred by Plaintiffs' Counsel in connection with administration and distribution of the Net Settlement Fund; (d) payment of taxes by the Settlement Fund; (e) all parties hereto for the purpose of construing, enforcing, and administering the Stipulation; and (f) any other matters related to finalizing the Settlement and distribution of the proceeds of the Settlement.

22. Neither appellate review nor modification of the Plan of Allocation set forth in the Notice, nor any action in regard to the motion by Plaintiffs' Counsel for attorneys' fees and/or reimbursement of expenses and the award of costs and expenses to Plaintiffs, shall affect the finality of any other portion of this Final Judgment, nor delay the Effective Date of the Stipulation, and each shall be considered separate for the purposes of appellate review of this Final Judgment.

23. In the event that the Settlement does not become Final in accordance with the terms of the Stipulation or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants, then this Final Judgment shall be

rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

24. This Final Judgment and Order is a final judgment in the Action as to all claims asserted. This Court finds, for purposes of Rule 54(b) of the Federal Rules of Civil Procedure, that there is no just reason for delay and expressly directs entry of judgment as set forth herein.

Dated: Oct. 20, 2012

HONORABLE J. PAUL OETKEN
UNITED STATES DISTRICT JUDGE

Exhibit A – Exclusions

1. Robert F Lentes Jr TOD

2. Ronald M Tate, Trustee

3. George Avakian

4. Jaehong Park

5. Kenneth L. Kientz

6. Luis Aragon & Michelle Aragon

Exhibit 14

NERA
ECONOMIC CONSULTING

12 February 2020

Recent Trends in Securities Class Action Litigation: 2019 Full-Year Review

Filings Remain High, Driven by an Uptick in Standard Cases
Median Settlement Value at Highest Recorded since 2012
Resolutions Have Slowed, Mostly from Fewer Settlements

By Janeen McIntosh and Svetlana Starykh

Insight in Economics™

Foreword

I am excited to share NERA's Recent Trends in Securities Class Action Litigation: 2019 Full-Year Review with you. This year's edition builds on work carried out over numerous years by many members of NERA's Securities and Finance Practice. In this year's report, we continue our analyses of trends in filings and settlements and present new analyses, such as our new quantification of Investor Losses and our new predicted-settlement model. Although space does not permit us to present all the analyses the authors have undertaken while working on this year's edition or to provide details on the statistical analysis of settlement amounts, we hope you will contact us if you want to learn more about our work related to securities litigation. On behalf of NERA's Securities and Finance Practice, I thank you for taking the time to review our work and hope you find it informative.

Dr. David Tabak
Managing Director

Recent Trends in Securities Class Action Litigation: 2019 Full-Year Review

Filings Remain High, Driven by an Uptick in Standard Cases
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Resolutions Have Slowed, Mostly from Fewer Settlements

By Janeen McIntosh and Svetlana Starykh[1]

12 February 2020

Introduction and Summary

In 2019, 433 federal securities class actions were filed, representing the third consecutive year with more than 400 filings.[2] Excluding the IPO laddering cases filed in 2001, filings between 2016 and 2019 have been the highest recorded since the passage of the Private Securities Litigation Reform Act (PSLRA) in 1995. Despite no change in the total number of cases filed between 2018 and 2019, there were differences in the underlying characteristics of these cases. Filings under Rule 10b-5, Section 11, and/or Section 12 in the Second Circuit increased by 39%, with 107 cases filed in 2019. Although merger-objection filings represented nearly 50% of cases filed in 2017 and 2018, in 2019, these filings declined, and there was an increase in cases alleging Rule 10-b, Section 11, and/or Section 12 violations, which were filed at the highest level recorded over the past 10 years. The proportion of filings against defendants in the health technology and services sector continued to decline in 2019, although this sector remains the most frequently targeted. Cases alleging missed earnings guidance spiked in 2019, with this allegation appearing in more than 30% of complaints filed, making it the single most common allegation.

The number of cases resolved in 2019 decreased from 2018, driven primarily by the lowest number of settled cases over the past 10 years. The average settlement value declined from an uptick in 2018, which was driven almost entirely by the $3 billion Petrobras mega-settlement. The median settlement value in 2019 was $12.8 million, the highest recorded since 2012 and approximately $1.3 million more than the 2018 inflation-adjusted value.

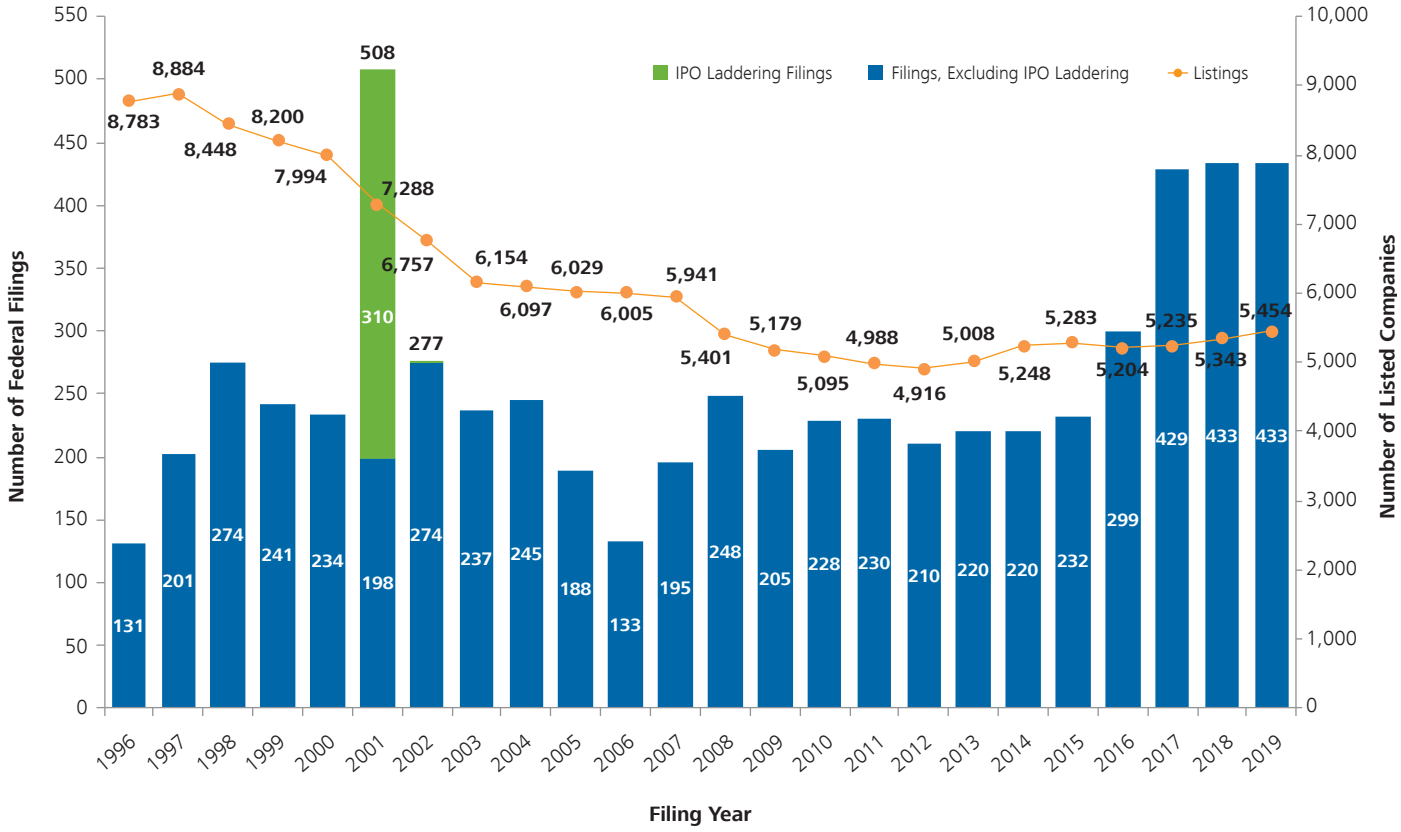
Aggregate NERA-defined Investor Losses for filed cases decreased from a record high of $929 billion in 2018 to $518 billion in 2019. This decrease was driven by a decline in cases with NERA-defined Investor Losses of $5 billion or more. At the same time, in 2019, aggregate NERA-defined Investor Losses for cases with losses of $5 billion or less was $173 billion, the highest recorded amount over the past 10 years.

Trends in Filings

Trend in Federal Cases Filed

Between 2015 and 2018, federal securities class action filings dramatically increased, reaching a high of 433 cases in 2018, nearly double the level observed in 2014.[3] In 2019, there was no change in new filings, with 433 securities class actions filed. This represents the third consecutive year with more than 400 cases filed, a higher level than has been recorded since 1996, with the exception of 2001, when 310 cases were filed related to IPO laddering allegations. See Figure 1.

Figure 1. **Federal Filings and Number of Companies Listed in the United States**
January 1996–December 2019



Note: Listed companies include those listed on the NYSE and Nasdaq. Listings data from 2016 through 2019 obtained from World Federation of Exchanges (WFE). Data for prior years were obtained from Meridian Securities Markets and WFE. The 2019 listings data are as of October 2019.

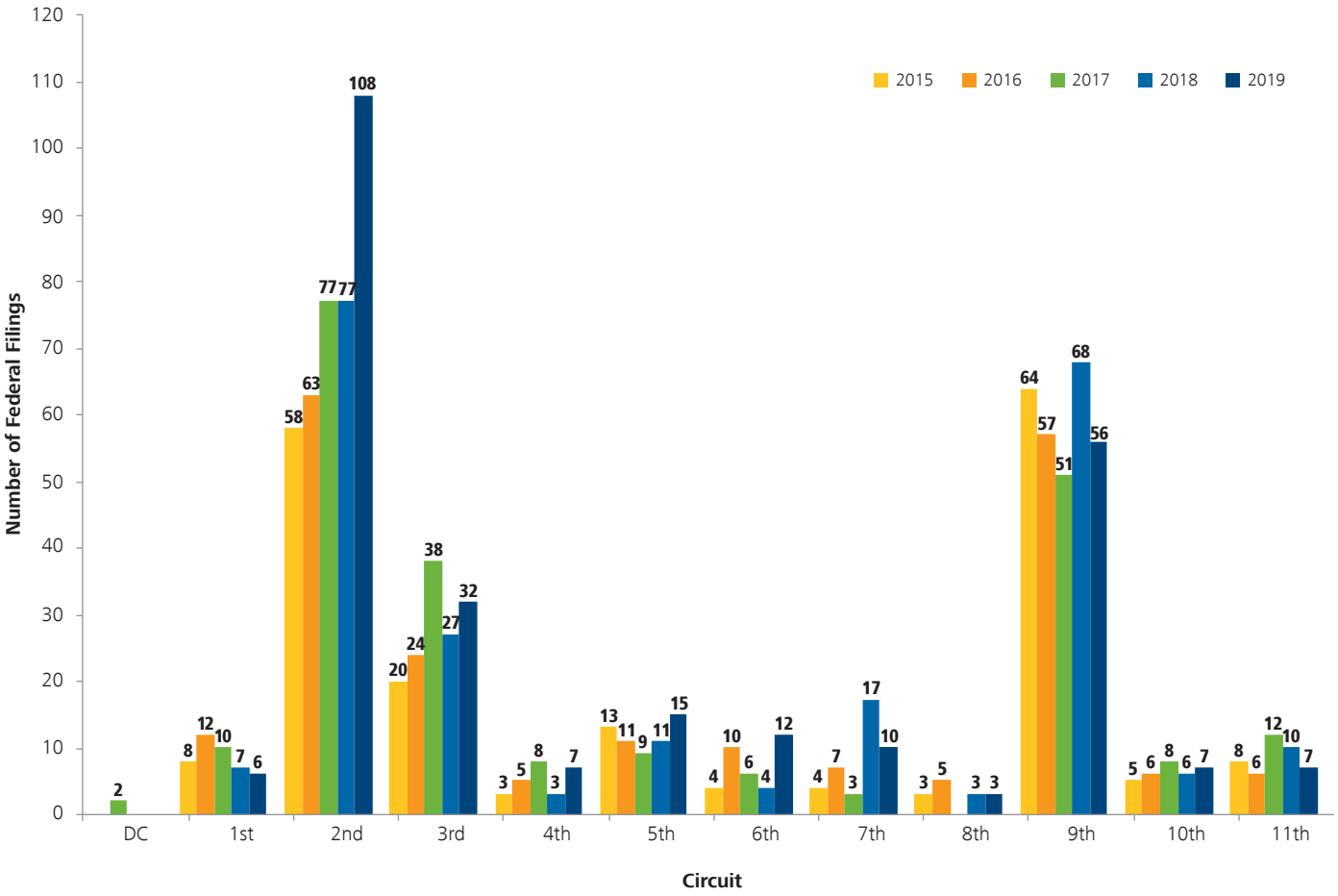
Similar to the pattern of new filings, the number of companies listed in the Unites States has grown in recent years, increasing 3% between 2015 and 2019. As of October 2019, there were 5,454 companies listed on the major US securities exchanges.[4] Although we see no significant change in the ratio of new filings to listed companies between 2017 or 2018 and 2019, the ratios in recent years are substantially higher than those earlier in the decade. These higher ratios are driven primarily by the increase in the new cases filed, although there has been slight variability in the number of listed companies from year to year. Since the 1995 implementation of the PSLRA, the

number of listed companies has declined considerably, falling by approximately 38% between 1996 and 2019. Securities class action filings, on the other hand, have more than doubled over the same period. Over the 20-year span ending in 2019, the ratio of filings to companies listed in the United States increased from 2.94% to 7.94%. This implies that the chance that a publicly listed company will face a securities class action case has more than doubled over the period while remaining relatively unchanged in the past few years.

Federal Filings by Circuit

Over the past five years, securities class action filings have been concentrated in the Second, Third, and Ninth circuits. Between January 2017 and December 2019, 74% of all securities class action cases (excluding merger-objections) have been filed in these three circuits, with more than 35% filed in the Second Circuit and 24% filed in the Ninth Circuit. In 2019, the number of cases filed in the Second Circuit was nearly double that in the Ninth Circuit, the circuit with the second highest number of cases. The Third Circuit includes Delaware, where a large number of companies are incorporated, and has continued to show a high number of filings, with 32 cases filed over the past 12 months. See Figure 2.

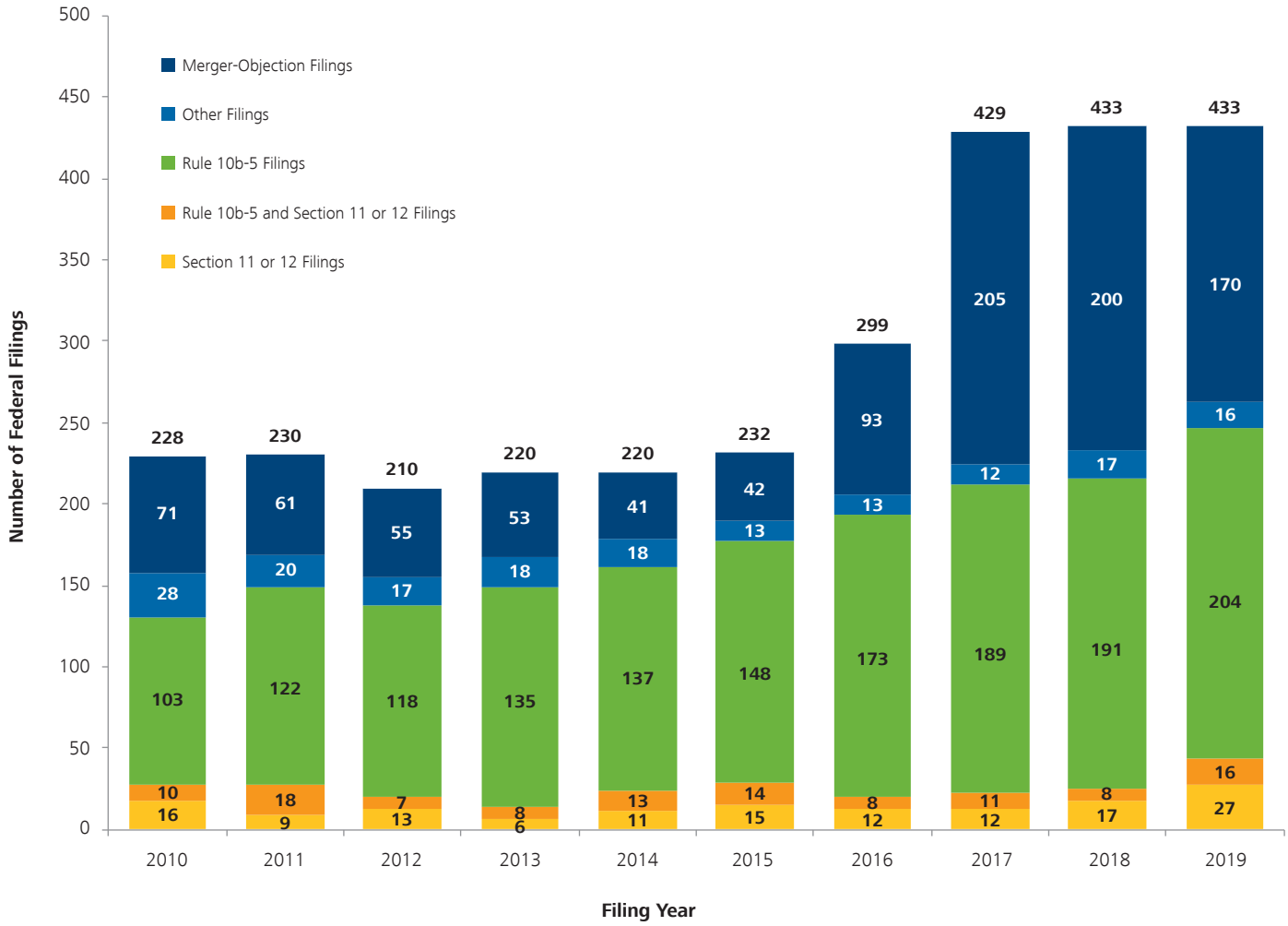
Figure 2. **Federal Filings by Circuit and Year**
Excludes Merger-Objections
January 2015–December 2019



Federal Filings by Type

Although merger-objection filings represented the largest portion of filings by type in 2017 and 2018 (48% and 46%, respectively), in 2019, this pattern shifted as filings of merger-objection cases declined slightly and Rule 10b-5 filings increased by approximately 7% compared with 2018. Generally, Rule 10b-5, Section 11, and/or Section 12 cases (standard cases), increased in 2019 relative to the levels in the previous five years.[5] See Figure 3. This increase in standard cases occurred almost entirely in the Second Circuit, which includes New York. Standard cases filed in the Second Circuit rose from 77 in 2018 to 107 in 2019, a 39% increase.

Figure 3. **Federal Filings by Type**
January 2010–December 2019



Section 11 securities class action filings increased by more than 80% from 23 in 2018 to 43 in 2019. In California, a state considered more favorable to plaintiffs, Section 11 filings in 2019 were more than double the number of filings in 2018, rising from 5 to 12. As in previous years, a substantial portion of these cases continue to be filed in New York, with approximately 35% of 2019 cases

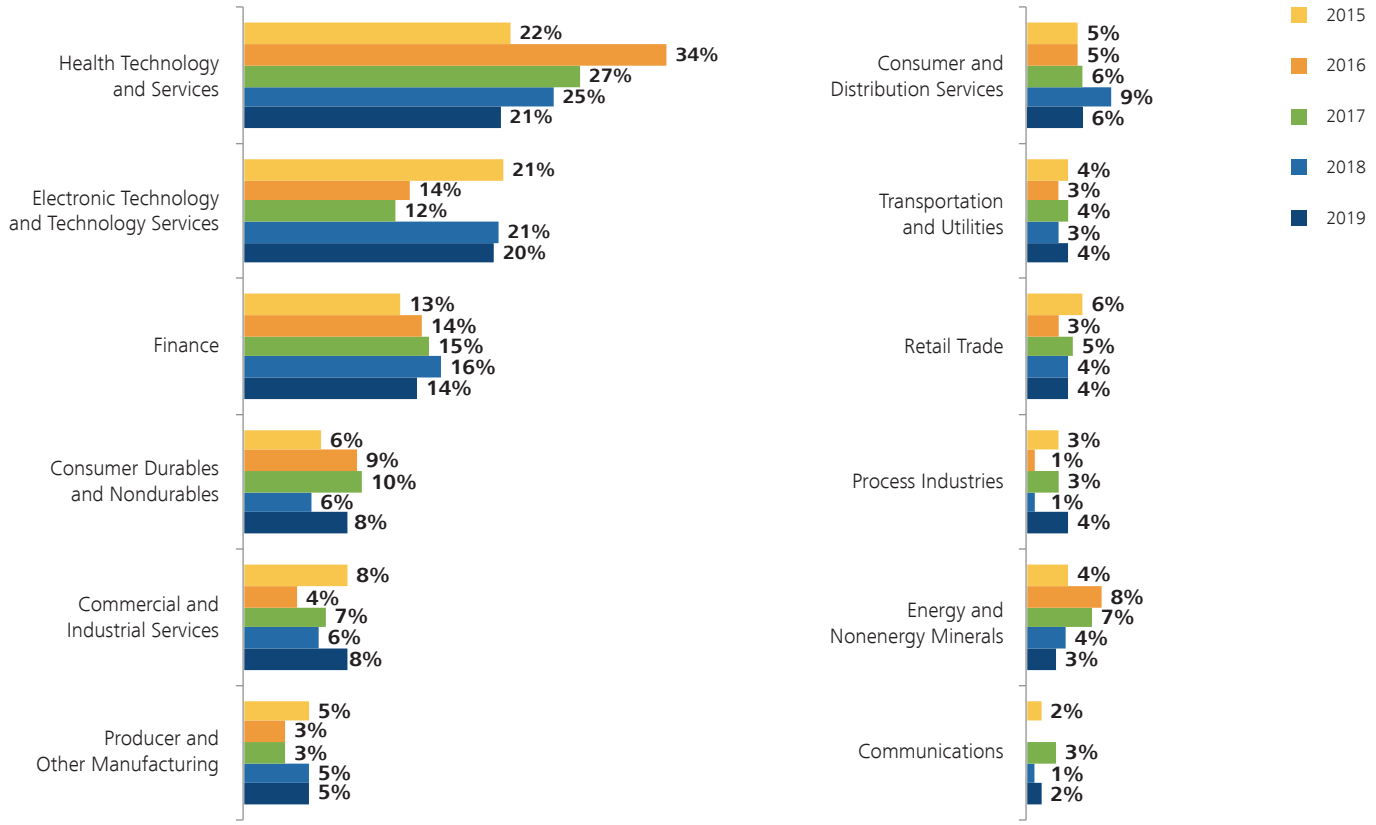
alleging Section 11 violations filed in this jurisdiction. This is a decline from the proportion observed in prior years, specifically 2017 and 2018, when 48% of Section 11 cases were filed in New York. The reason for the decline is not just the increase in Section 11 cases filed in California but also the filing of these cases in states that have seen no filings in the prior two years. More than 15% of all Section 11 cases filed in 2019 were in Michigan, Oregon, Rhode Island, Texas, and Utah.

Federal Filings by Sector

Since 2015, the health technology and services sector has recorded the largest proportion of new cases filed in a single sector. In 2019, this pattern persisted with this sector accounting for 21% of the non-merger-objection cases filed. Between 2016 and 2018, there has been a steady decline in the proportion of annual filings against firms in the health technology and services sector. Cases filed in this sector declined in 2019 for the third year in a row, from a high of 34% in 2016 to 21% in 2019.

The electronic technology and technology services and the finance sectors continued to demonstrate substantial activity, and defendants in these sectors remain a steady target of filings. Firms in the consumer durables and nondurables and the commercial and industrial services sectors continue to be targeted less frequently, each accounting for 8% of filings in 2019. See Figure 4.

Figure 4. **Percentage of Federal Filings by Sector and Year**
Excludes Merger-Objections
January 2015–December 2019

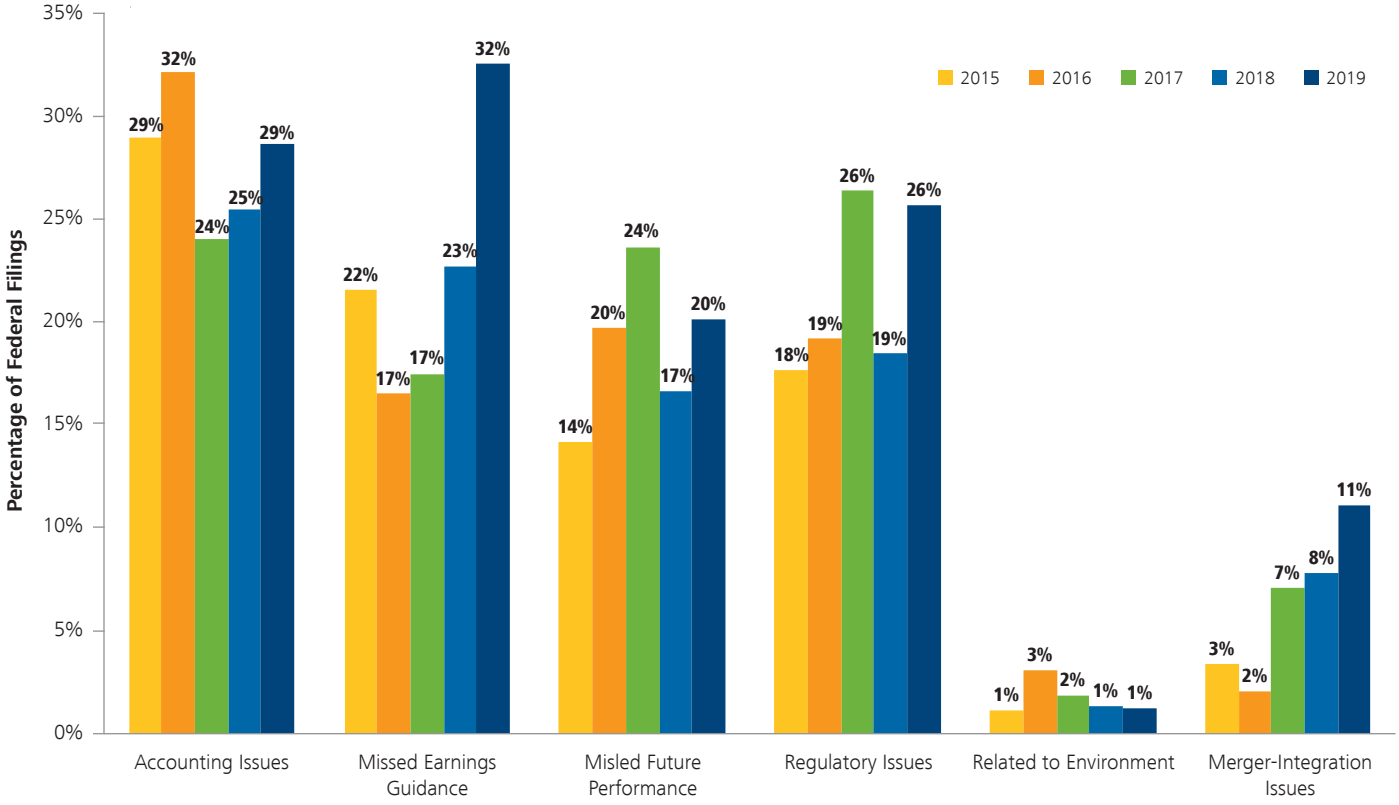


Note: This analysis is based on the FactSet Research Systems economic sector classification. Some of the FactSet economic sectors are combined for presentation.

Allegations

During 2015–2016, the most common type of allegation included in securities class action complaints was related to accounting issues, with more than 30% of cases including this type of allegation. In 2019, the relative mix of allegations shifted, with more cases including allegations of missed earnings guidance. More than 30% of complaints filed in 2019 included allegations of company-specific missed earnings guidance, compared with an average of 20% in the previous four years. Cases involving allegations related to the environment have remained low, representing less than 5% of filings in each of the past five years. Although allegations related to future performance and regulatory issues remain common, there have been no major changes in the respective proportion of cases including these claims. Allegations involving merger-integration issues have continued to show an upward trend, increasing from 8% of cases in 2018 to 11% in 2019.[6] See Figure 5.

Figure 5. **Allegations**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12
January 2015–December 2019



Recent Developments in Federal Filings

Despite the wave of event-driven litigation filings in 2018 related to the #MeToo movement and the opioid crisis, filings of these cases did not dominate 2019. In fact, very few of these cases were filed in 2019. There was, however, an increase in federal filings activity related to cyber security breach allegations.

- Between June and October 2019, three cases were filed against companies (FedEx Corporation, Capital One Financial Corporation, and Zendesk Inc.) alleging either that the company failed to disclose security breaches or that the company did not maintain robust information security systems.[7] This level of activity in six months is an increase from the three cases of this type filed over the 2017–2018 period.

In addition, there has been a new development: filings in the cannabis industry.

- Between July and December 2019, six cases were filed on behalf of investors in the cannabis industry alleging either (1) failure to disclose weak demand for the product or the expected decline in revenue and profits or (2) misrepresentations related to quality of the product, the status of inventory, or markup on biological assets.[8]

These developments in event-driven litigation and in the cannabis industry are areas to monitor in the upcoming months.

Table 1. **Event-Driven and Recent Development Activity Securities Class Actions**
January 2017–December 2019

Case Type	Defendant Name	Filing Date	Status	Circuit
Opioid crisis	Endo International PLC	18 Aug 17	Settled	3rd
Opioid crisis	Depomed, Inc.	18 Aug 17	Pending	9th
Opioid crisis	Alkermes PLC	22 Nov 17	Dismissed	2nd
Opioid crisis	Reckitt Benckiser Group PLC	15 Jul 19	Pending	3rd
#MeToo	BioSante Pharmaceuticals Inc.	03 Feb 19	Pending	7th
#MeToo	Signet Jewelers	28 Mar 17	Pending	5th
#MeToo	Ryb Education, Inc.	27 Nov 17	Dismissed	2nd
#MeToo	Wynn Resorts	20 Feb 18	Pending	2nd
#MeToo	National Beverage Corp.	17 Jul 18	Dismissed	11th
#MeToo	CBS Corporation	27 Aug 18	Pending	2nd
#MeToo	Papa John's International, Inc.	30 Aug 18	Pending	2nd
#MeToo	Teladoc Health, Inc.	12 Dec 18	Pending	2nd
Cyber security breach	Equifax Inc.	15 Sep 17	Pending	2nd
Cyber security breach	Chegg, Inc.	27 Sep 18	Dismissed	9th
Cyber security breach	Alphabet, Inc.	11 Oct 18	Pending	9th
Cyber security breach	FedEx Corporation	26 Jun 19	Pending	2nd
Cyber security breach	Capital One Financial Corp.	02 Oct 19	Pending	2nd
Cyber security breach	Zendesk, Inc.	24 Oct 19	Pending	9th
Cannabis companies	India Globalization Capital, Inc.	02 Nov 18	Pending	2nd
Cannabis companies	CannTrust Holdings Inc.	10 Jul 19	Pending	2nd
Cannabis companies	Sundial Growers Inc.	25 Sep 19	Pending	2nd
Cannabis companies	Canopy Growth Corporation	20 Nov 19	Pending	3rd
Cannabis companies	Aurora Cannabis Inc.	21 Nov 19	Pending	3rd
Cannabis companies	HEXO Corp.	26 Nov 19	Pending	2nd
Cannabis companies	Trulieve Cannabis Corp.	30 Dec 19	Pending	2nd

Trends in Case Resolutions

Number of Cases Settled or Dismissed

Resolutions declined in 2019, ending the three-year uptick in resolutions from 2016 through 2018.[9] In total, 311 securities class action cases were resolved, an approximate 9% decrease from the 10-year high of 340 cases in 2018. Despite the decline, resolutions for 2019 remained higher than during 2010–2016, when only 215 cases were resolved annually on average. Given the known time lag between filing and resolution, it is no surprise that the increase in federal filings in the past few years has not yet translated to a sustained higher level of resolutions.[10] See Figure 6.

Figure 6. **Number of Resolved Cases: Dismissed or Settled**
January 2010–December 2019

As has been the case since 2016, dismissals accounted for most of the case resolutions in the recent year.[11] In 2019, more than two-thirds of the cases resolved in favor of the defendant, with no payment made to plaintiffs. Although there was an increase in the number of cases dismissed in 2018, this pattern did not persist in 2019, with dismissals falling in between the 2017 and 2018 levels.

The overall decline in federal resolutions was driven primarily by the decline in the number of settled cases. For the first time since 2012, fewer than 100 cases were settled.

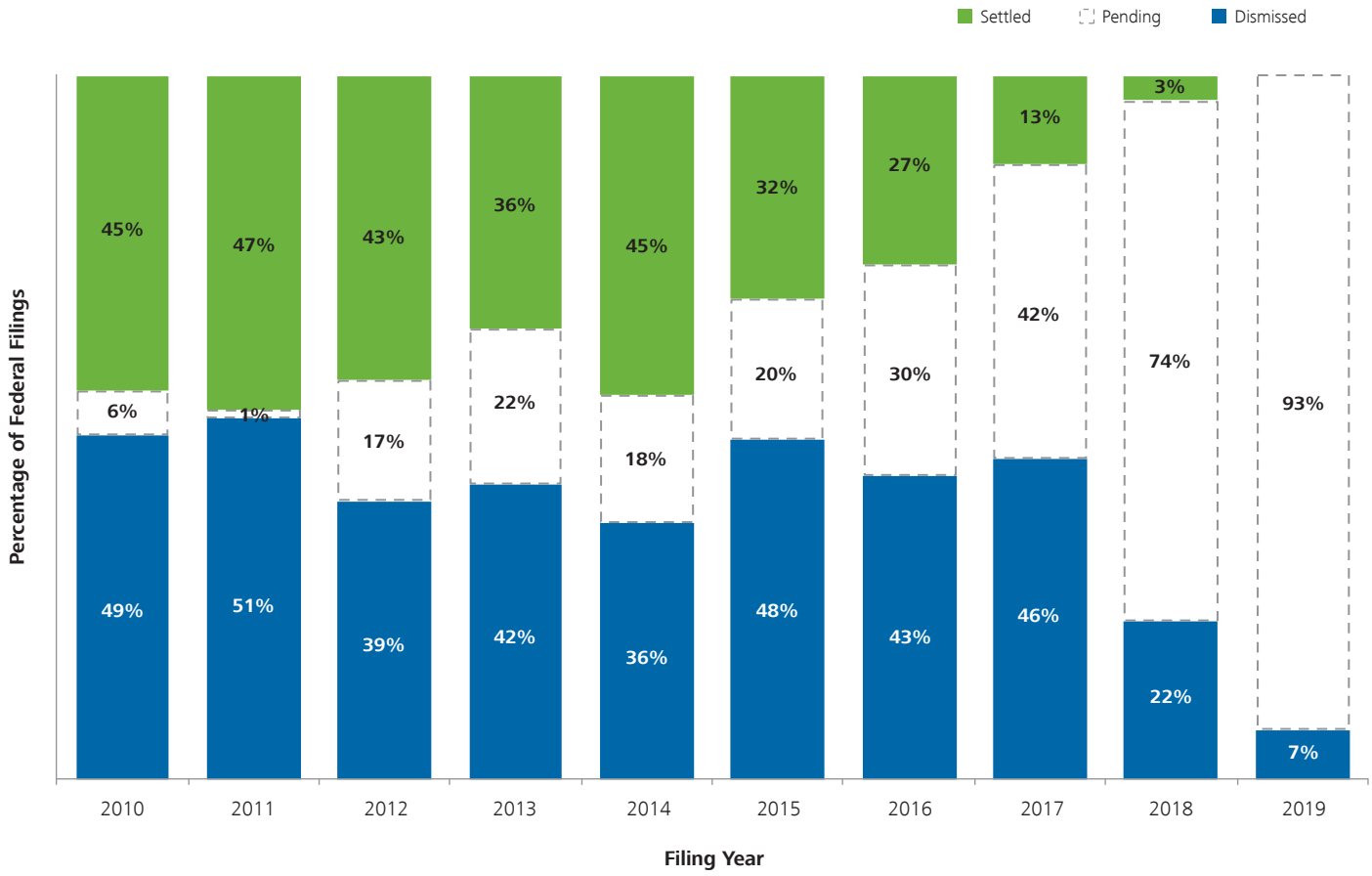
Although there was an overall decrease in settled cases, there was a slight increase in the number of cases alleging Rule 10b-5, Section 11, and/or Section 12 violations that settled in 2019. Settlements of these cases increased by 11%, and settlements of merger-objection cases declined by nearly 50%. This lower level of settlements for merger-objection cases occurred for the first time since 2015, when overall resolutions were fewer than 200 cases annually.

The decline in dismissals of 17% for standard cases was larger than the decline of 1% observed for merger-objection cases. However, the chance of a case resolving in favor of defendants remains higher regardless of the type of securities class action. In 2019, 88% of resolved merger-objection cases were dismissed, compared with 78% in the prior year. For standard cases, 54% of the cases in 2019 were resolved via dismissal, a decrease from the 61% resolved without payment in 2018.

Case Status by Filing Year

As of December 2019, the majority of resolved cases filed after 2015 were resolved in favor of the defendant. Between 2015 and 2017, more than 40% of cases filed each year were resolved by dismissal, and 20% to 42% of cases filed were still unresolved or pending. For the more recent filings—cases filed in 2018—more than 74% of filings remain pending, with 22% dismissed and only 3% settled. It is likely that a larger proportion of the pending cases will result in a positive settlement because settlements typically occur in the latter phases of the litigation, whereas motions for summary judgment or dismissal typically occur in the earlier stages. This theory is supported by looking at the change in the status of resolutions for cases filed between 2010 and 2018 using data as of December 2018 and data as of December 2019.[12] For cases filed before 2016, the proportion resolved via dismissal has changed minimally between the December 2018 and December 2019 snapshots, while the proportion of settled cases has increased.[13] See Figure 7 for the December 2019 snapshot. The more substantial increase in the proportion of cases filed in 2017 and later that were dismissed supports the notion that a larger proportion of dismissed cases than settled cases are resolved within two years of filing.

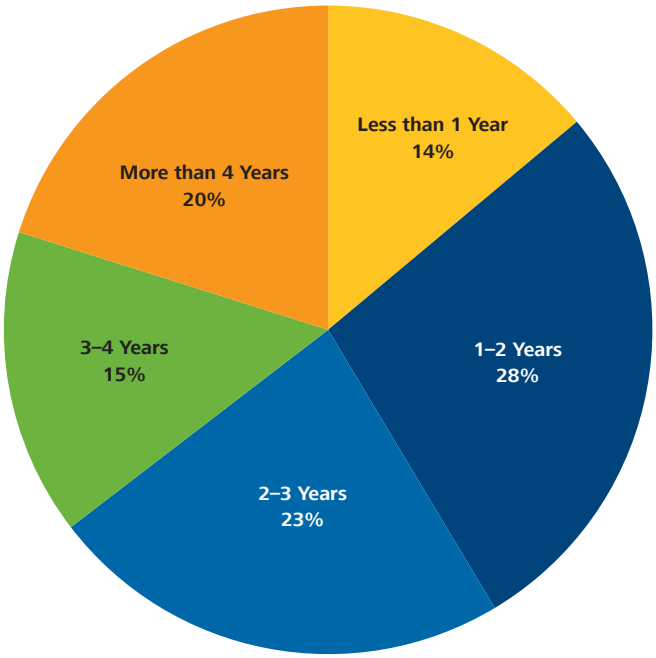
Figure 7. **Status of Cases as a Percentage of Federal Filings by Filing Year**
Excludes Merger-Objections and Verdicts
January 2010–December 2019



Time from First Complaint Filing to Resolution

A review of the time between the filing of the first complaint and resolution for each case filed between 1 January 2001 and 31 December 2015 reveals that approximately 80% of cases resolve within four years.[14] In the first four years, the distribution of resolution is far from steady, with 14% of the cases resolved in less than one year, 28% of cases resolved between one and two years, and 23% of cases resolved between two and three years. See Figure 8.

Figure 8. **Time from First Complaint Filing to Resolution**
Cases Filed January 2001–December 2015



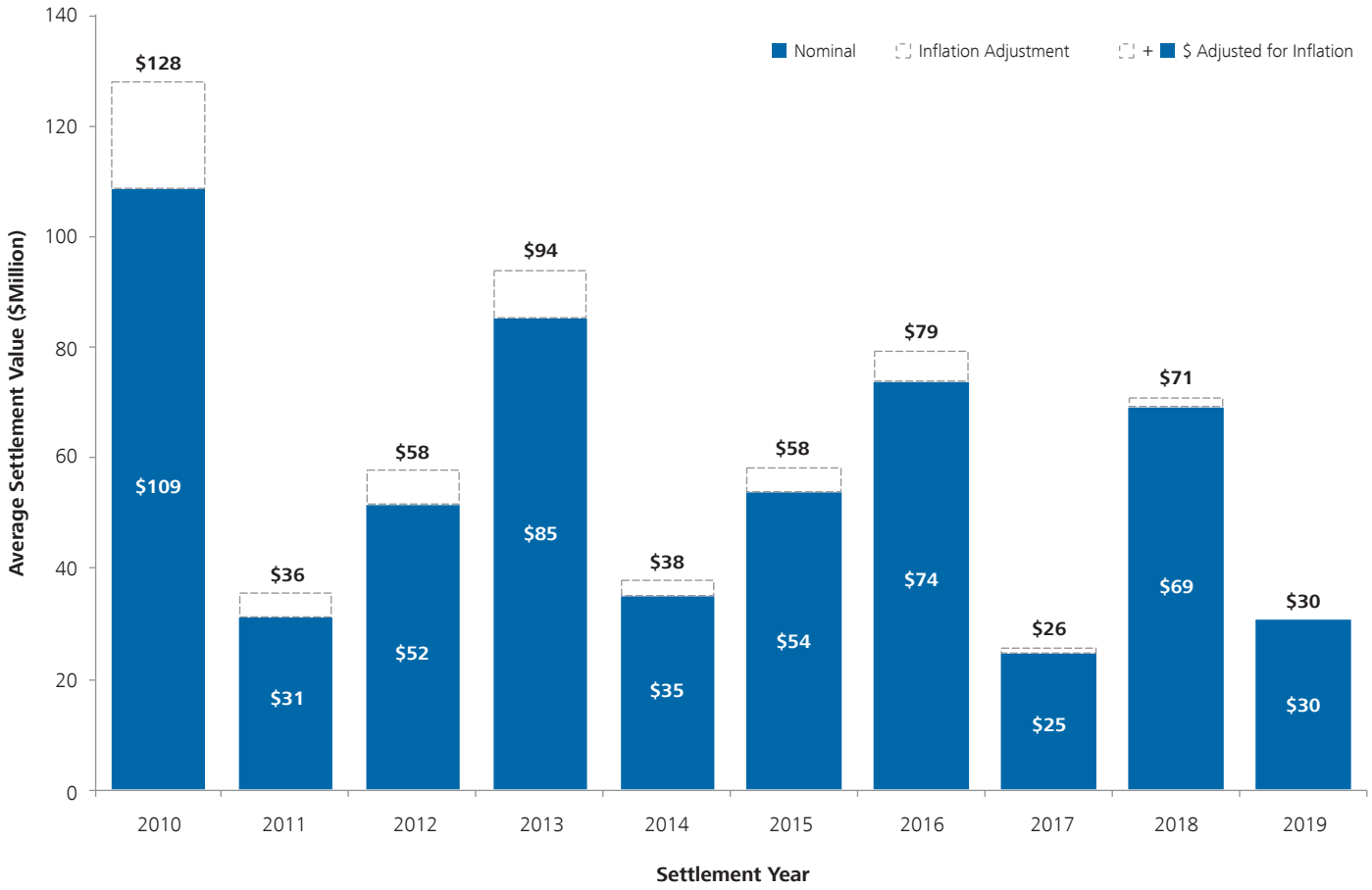
Based on the proportions observed in the pre-2016 filings, we would anticipate that as of 2019, approximately 65% of all non-merger-objection cases filed in 2016 would be resolved. This is in line with the actual status distribution of cases by file year shown in Figure 7. Of the 2016 filings, approximately 70% have already been resolved.

Trends in Settlement Values

Average and Median Settlement Value

To evaluate trends in settlement values, we present two alternative measures: the average settlement amount and the median settlement amount.[15] The average settlement value for non-merger-objection cases resolved in 2019 was $30 million, the second lowest average for the decade. Although slightly higher than the 2017 average settlement value, the average for 2019 was more than 50% lower than the average value in 2018. See Figure 9.

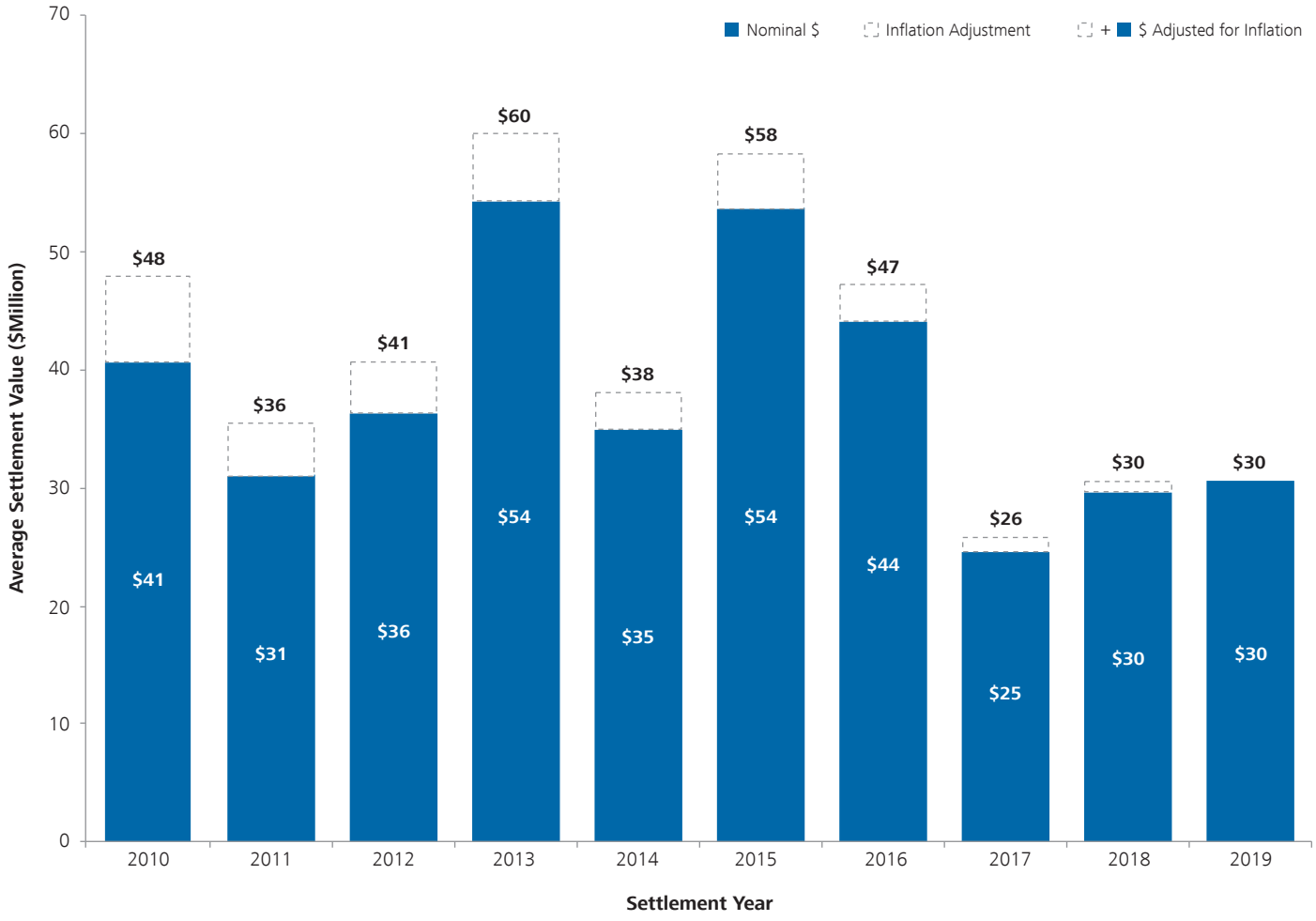
Figure 9. **Average Settlement Value**
Excludes Merger-Objections and Settlements for $0 to the Class
January 2010–December 2019



This drop-off in the average settlement value was influenced by the absence of a "outlier" or mega-settlement in 2019 of similar magnitude to the Petrobras $3 billion settlement in 2018.[16] Historically, there has been wide variation in the annual average settlement value for securities class action cases. Over the past 10 years, the average value for non-merger-objection cases after adjusting for inflation has ranged from a high of $128 million to a low of $26 million.

These swings in the average settlement value are often driven by a few larger outlier settlements. As a proxy to measure such outlier settlements, we evaluated the average settlement values excluding individual case settlements above $1 billion. Once these settlements are removed, the average settlement value for 2019 of $30 million is in line with the 2018 average of $30 million, but lower than the average over the 2015–2016 period. In addition, the average settlement values after adjusting for inflation from 2010 to 2019 are far less variable, with a range of $26 million to $60 million. See Figure 10.

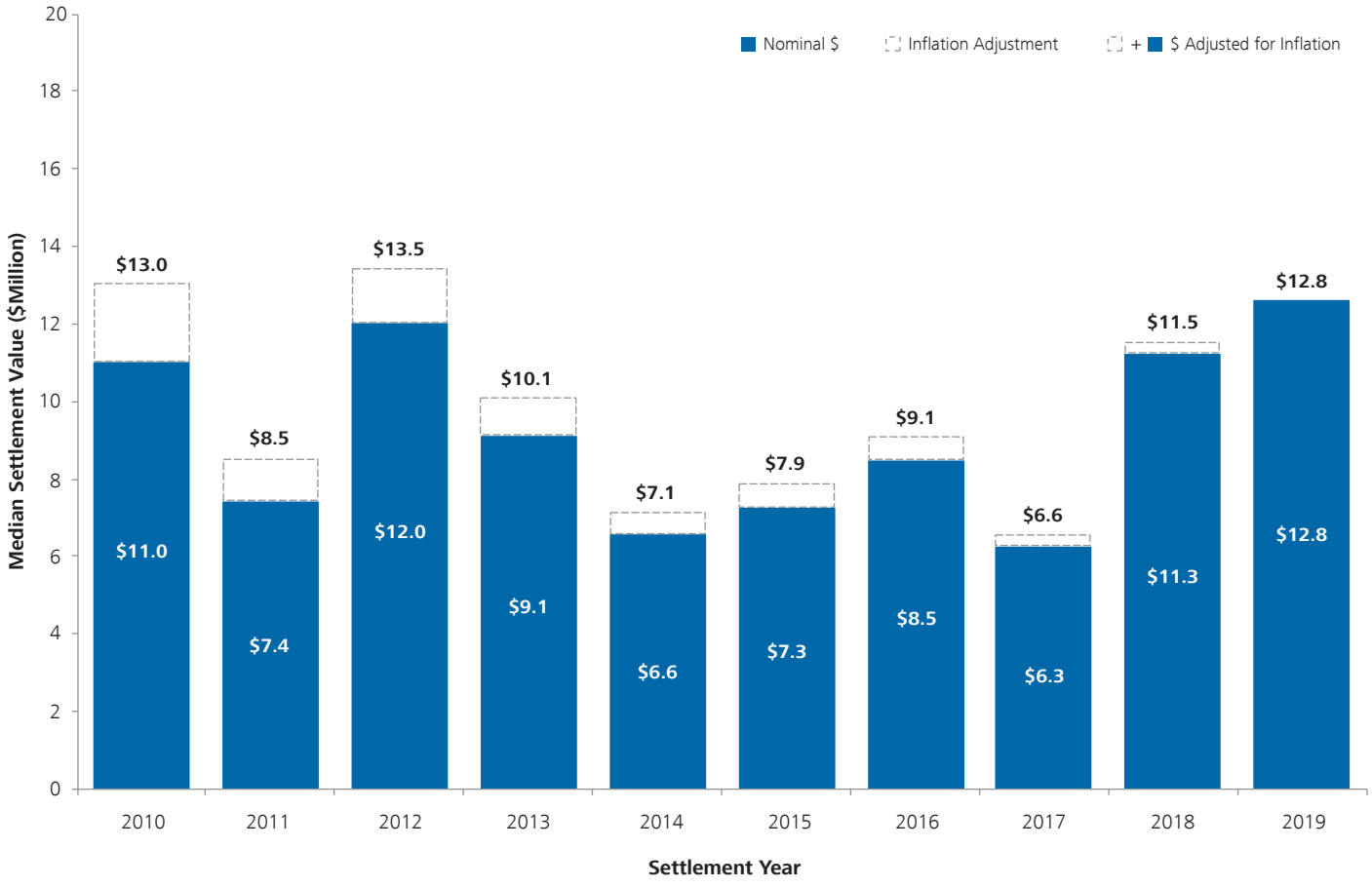
Figure 10. **Average Settlement Value**
Excludes Settlements over $1 Billion, Merger-Objections, and Settlements for $0 to the Class
January 2010–December 2019



An evaluation of the annual median settlement values over the past decade reveals a different trend. The median value for 2019 was $12.8 million, the highest median value since 2012 after adjusting for inflation. This is an indication that more cases have been settling for higher values in recent years than was the case between 2013 and 2017. In fact, the median settlement for 2018 and 2019 is more than 25% higher than the median values in the previous three years. See Figure 11.

This pattern of increasing median settlement values, combined with the pattern in average settlement values, shows that the high average settlement values in the earlier years were driven by a few outlier high settlements and not higher settlement values in general. In fact, the annual median settlements in 2017, 2018, and 2019 show that the individual settlement values have shifted slightly upward and are not declining, as suggested by the average settlement value. This is further evidenced by the change in the distribution of settlements over the past five years. In 2018 and 2019, there was an uptick in settlements values, with more than 40% of cases having settled for between $10 million and $49.9 million. This is a 50% increase in this settlement value range compared with the prior two-year period. In addition, this increase has been accompanied by a general downward trend in the proportion of cases settled for less than $10 million. Between 2015 and 2019, the proportion of cases settled for less than $10 million declined from 58% to 41%.

Figure 11. **Median Settlement Value**
Excludes Settlements over $1 Billion, Merger-Objections, and Settlements for $0 to the Class
January 2010–December 2019



Top Settlements for 2019

Between 1 January 2019 and 31 December 2019, two cases settled for $250 million or more. The top settlement for the year came from a case against Cobalt International Energy with allegations including violations of the Foreign Corrupt Practices Act. See Table 2.

Table 2. **Top 10 2019 Securities Class Action Settlements**

Rank	Defendant	Filing Date	Settlement Date	Total Settlement Value ($Million)	Plaintiffs' Attorneys' Fees and Expenses ($Million)	Circuit	Economic Sector
1	Cobalt International Energy, Inc.	30 Nov 14	13 Feb 19	$398.6	$112.4	5th	Energy minerals
2	Alibaba Group Holding Limited	30 Jan 15	16 Oct 19	$250.0	$11.3	2nd	Retail trade
3	Wal-Mart Stores, Inc.	07 May 12	08 Apr 19	$160.0	$48.6	8th	Retail trade
4	SunEdison, Inc.	04 Apr 16	25 Oct 19	$147.9	$36.0	2nd	Utilities
5	Fiat Chrysler Automobiles N.V.	11 Sep 15	05 Sep 19	$110.0	$35.8	2nd	Consumer durables
6	Orbital ATK, Inc.	12 Aug 16	07 Jun 19	$108.0	$31.5	4th	Electronic technology
7	Endo International plc	18 Aug 17	11 Dec 19	$82.5	$17.8	3rd	Health technology
8	The Bank of New York Mellon ADR FX	11 Jan 16	17 Jun 19	$72.5	$23.5	2nd	Finance
9	Heartware International, Inc.	22 Jan 16	12 Apr 19	$54.5	$13.3	2nd	Health technology
10	SanDisk Corporation (n/k/a SanDisk LLC)	30 Mar 15	26 Apr 19	$50.0	$15.0	9th	Electronic technology
	Total:			**$1,434.0**	**$345.2**		

Five of the top 10 2019 settlements were filed in the Second Circuit, specifically New York State, and were resolved three to five years after the initial complaint was filed. For the top settlements, the length of time between filing and settlement was between 2 and 7 years, with an average of 4 years. These cases were dispersed among economic sectors, with the majority filed against defendants in the retail trade, electronic technology, and heath technology sectors.

Given the absence of mega-settlements in 2019, the top 10 settlements since the passage of PSLRA remains unchanged from 2018, when the Petrobras settlement entered as the fifth highest settlement. See Table 3.

Table 3. **Top 10 Federal Securities Class Action Settlements**
As of 31 December 2019

				Codefendant Settlements					
Rank	Defendant	Filing Date	Settlement Year(s)	Total Settlement Value ($Million)	Financial Institutions Value ($Million)	Accounting Firm Value ($Million)	Plaintiffs' Attorneys' Fees and Expenses ($Million)	Circuit	Economic Sector
1	ENRON Corp.	22 Oct 01	2003–2010	$7,242	$6,903	$73	$798	5th	Industrial services
2	WorldCom, Inc.	30 Apr 02	2004–2005	$6,196	$6,004	$103	$530	2nd	Communications
3	Cendant Corp.	16 Apr 98	2000	$3,692	$342	$467	$324	3rd	Finance
4	Tyco International, Ltd.	23 Aug 02	2007	$3,200	No codefendant	$225	$493	1st	Producer mfg.
5	Petroleo Brasileiro S.A. - Petrobras	08 Dec 14	2018	$3,000	$0	$50	$205	2nd	Energy minerals
6	AOL Time Warner Inc.	18 Jul 02	2006	$2,650	No codefendant	$100	$151	2nd	Consumer services
7	Bank of America Corp.	21 Jan 09	2013	$2,425	No codefendant	No codefendant	$177	2nd	Finance
8	Household International, Inc.	19 Aug 02	2006–2016	$1,577	Dismissed	Dismissed	$427	7th	Finance
9	Nortel Networks	02 Mar 01	2006	$1,143	No codefendant	$0	$94	2nd	Electronic technology
10	Royal Ahold, NV	25 Feb 03	2006	$1,100	$0	$0	$170	2nd	Retail trade
	Total:			**$32,224**	**$13,249**	**$1,017**	**$3,368**		

Similar to the top 10 2019 settlements, many of the all-time top 10 settlements were filed in New York courts (50% of the cases). The most frequently appearing economic sector was finance, with 3 of the top 10 settlements involving defendants in this sector.

NERA-Defined Investor Losses

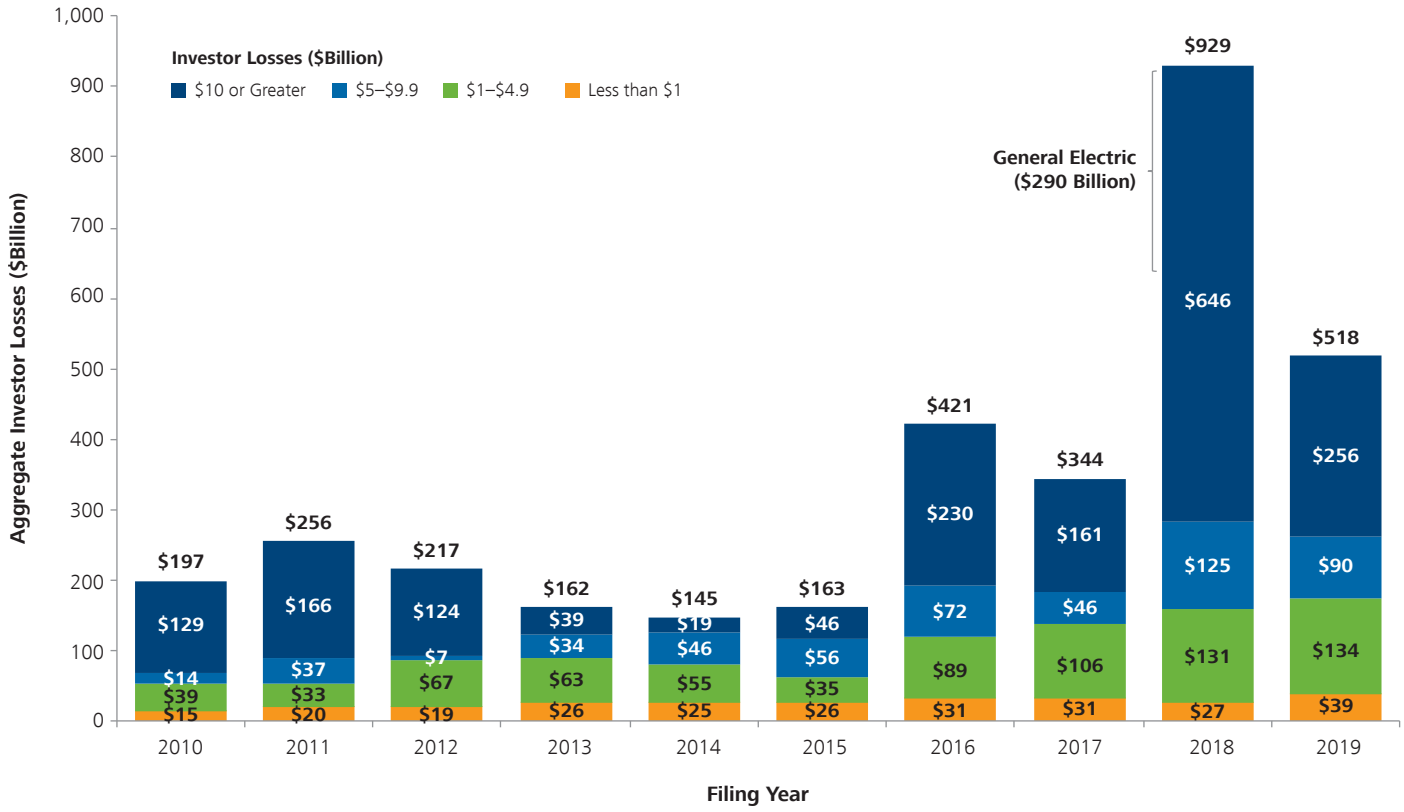
NERA-defined Investor Losses is a proprietary variable used as a proxy to measure the aggregate loss to investors from the purchase of a defendant's stock using publicly available data. Investor Losses are calculated based on the loss assuming an investor had alternatively purchased stock that performed similar to the S&P 500 index during the class period. NERA has examined more than 1,000 settlements and found that this variable is the most powerful predictor of settlement amount. Although losses are highly correlated with settlement values, we have found that the settlements increase at a slower rate.[17]

Based on our review of settlements between 1996 and 2019, we find that the ratio of the actual settlement amount to Investor Losses is higher for cases with lower estimated Investor Losses than for cases with higher estimated Investor Losses. For example, the median ratio of settlement amount to Investor Losses for cases with NERA-defined Investor Losses less than $20 million is 19.4%, declining to 8% for cases with Investor Losses between $20 million and $49 million and even further to 4.7% for cases with Investor Losses between $50 million and $99 million. For cases with Investor Losses more than $5 billion, the ratio is less than 1%.

Aggregate Investor Losses for Filed Cases

Aggregate NERA-defined Investor Losses declined in 2019 from the high level recorded for 2018. Investor Losses for 2019 totaled $518 billion, a 44% decline from the $929 billion for 2018 but above the 2016 value of $421 billion. See Figure 12. Although there was an increase in filings in 2017, aggregate Investor Losses showed no growth and actually declined from the level estimated for filings in 2016. For 2019, the outcome was different—the uptick in the number of standard cases filed in 2019 translated to increased aggregate Investor Losses. As illustrated in Figure 12, within the Investor Loss bins the pattern across years varies. For cases with Investor Losses less than $5 billion, the aggregate amount is higher than in any of the prior 10 years. For cases with estimated Investor Losses in the mid-range, the 2019 aggregate amounts are well within the historical range.

Figure 12. **Aggregate NERA-Defined Investor Losses**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12
January 2010–December 2019

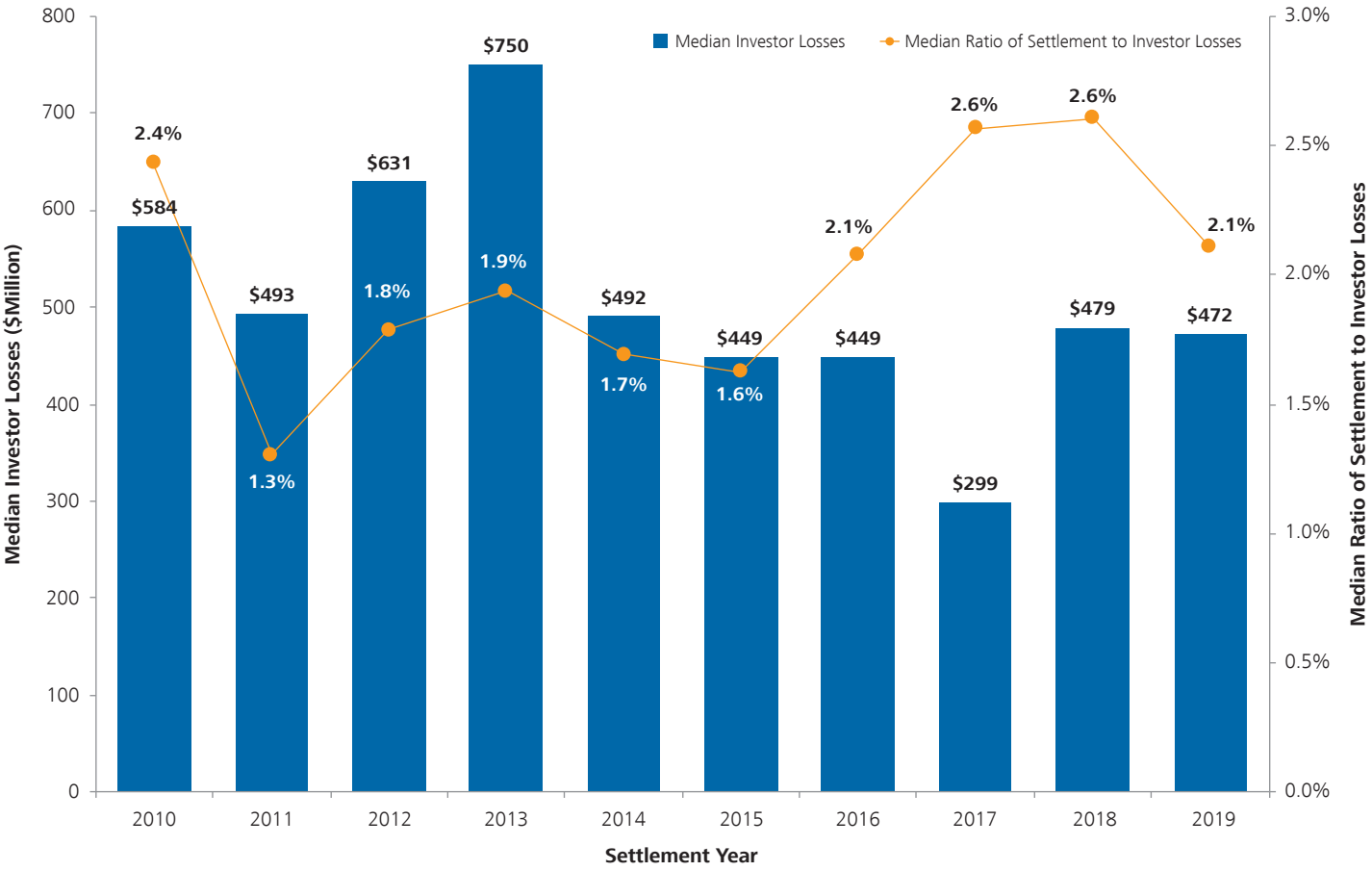


The distribution of cases across the four Investor Losses bins shifted in 2019 from the distribution observed in 2018, but was relatively in line with the 2017 mix. In 2019, 58% of the cases have estimated Investor Losses below $1 billion, compared with 50% in 2018. The proportion of cases represented in the $5 billion or more bin was 11% in 2019, 9 percentage points lower than the proportion for that group in 2018. This decline is one of the underlying drivers for the decrease in aggregate Investor Losses between 2018 and 2019.

Median Investor Losses and Median Ratio of Actual Settlement to Investor Losses

For cases settled after 2014, there have been only slight fluctuations in the median Investor Losses, with the exception of 2017, when the median Investor Losses dipped to $299 million. The median NERA-defined Investor Losses for cases settled in 2019 was $472 million, less than 2% lower than the median for 2018. See Figure 13.

Figure 13. **Median NERA-Defined Investor Losses and Median Ratio of Settlement to Investor Losses by Settlement Year**
January 2010–December 2019



Between 2015 and 2018, the median ratio of settlements to Investor Losses steadily increased from 1.6% in 2015 to 2.6% in 2018. In 2019, this ratio declined to 2.1%, lower than 2017 and 2018 but higher than all other years after 2010.

Predicted Settlement Values

In addition to Investor Losses, NERA identified several other key factors that drive settlement amounts. These factors, when combined with Investor Losses, account for a substantial proportion of the variation observed in actual settlements in our database. For this year's report, we prepared an alternative measure of Investor Losses (alternative Investor Losses). This model calculates investor losses as the recognized claim based on the plan of allocation for the settlement of a securities class action before application of the bounce-back limitation of the PSLRA.

Using the original and alternative measures of Investor Losses in the predicted model, some of the factors that influence settlement values are:

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

For the model that incorporates the alternative measure of NERA-defined Investor Losses in predicting settlement amount, there were two more factors identified as driving settlement value:

- The existence of a parallel derivative litigation, and
- The economic sector of the defendant.

As shown in Figures 14 and 15, these factors account for a substantial amount of the variation that exists in settlement amounts for cases settled between December 2011 and December 2019.[18]

Figure 14. **Predicted vs. Actual Settlements**
Investor Losses Using S&P 500 Index

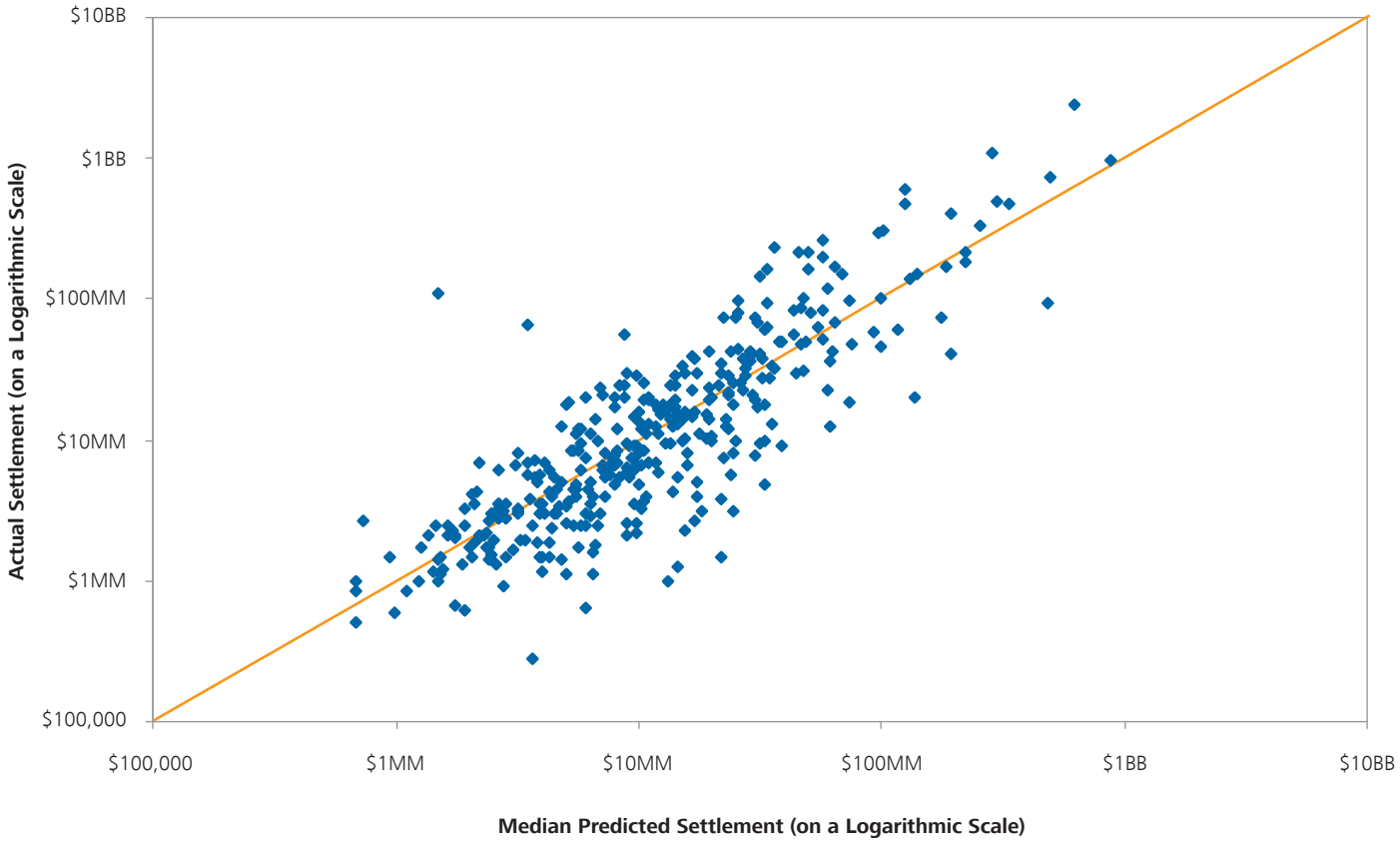
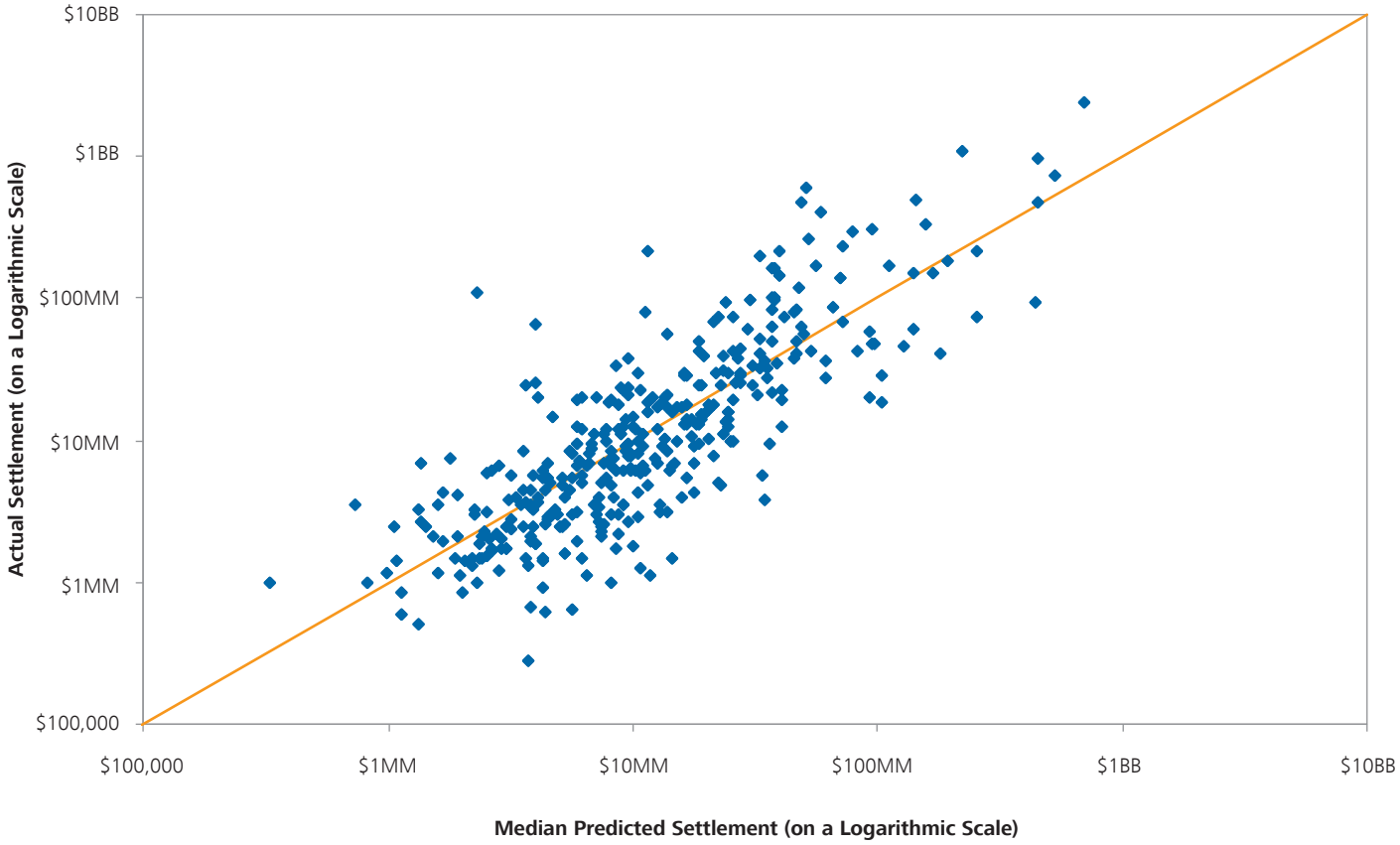


Figure 14 uses the original Investor Losses measure and, as shown in the scatterplot, there is significant correlation between the median predicted settlement and actual settlement values.

Figure 15. **Predicted vs. Actual Settlements**
Investor Losses Based on Plan of Allocation



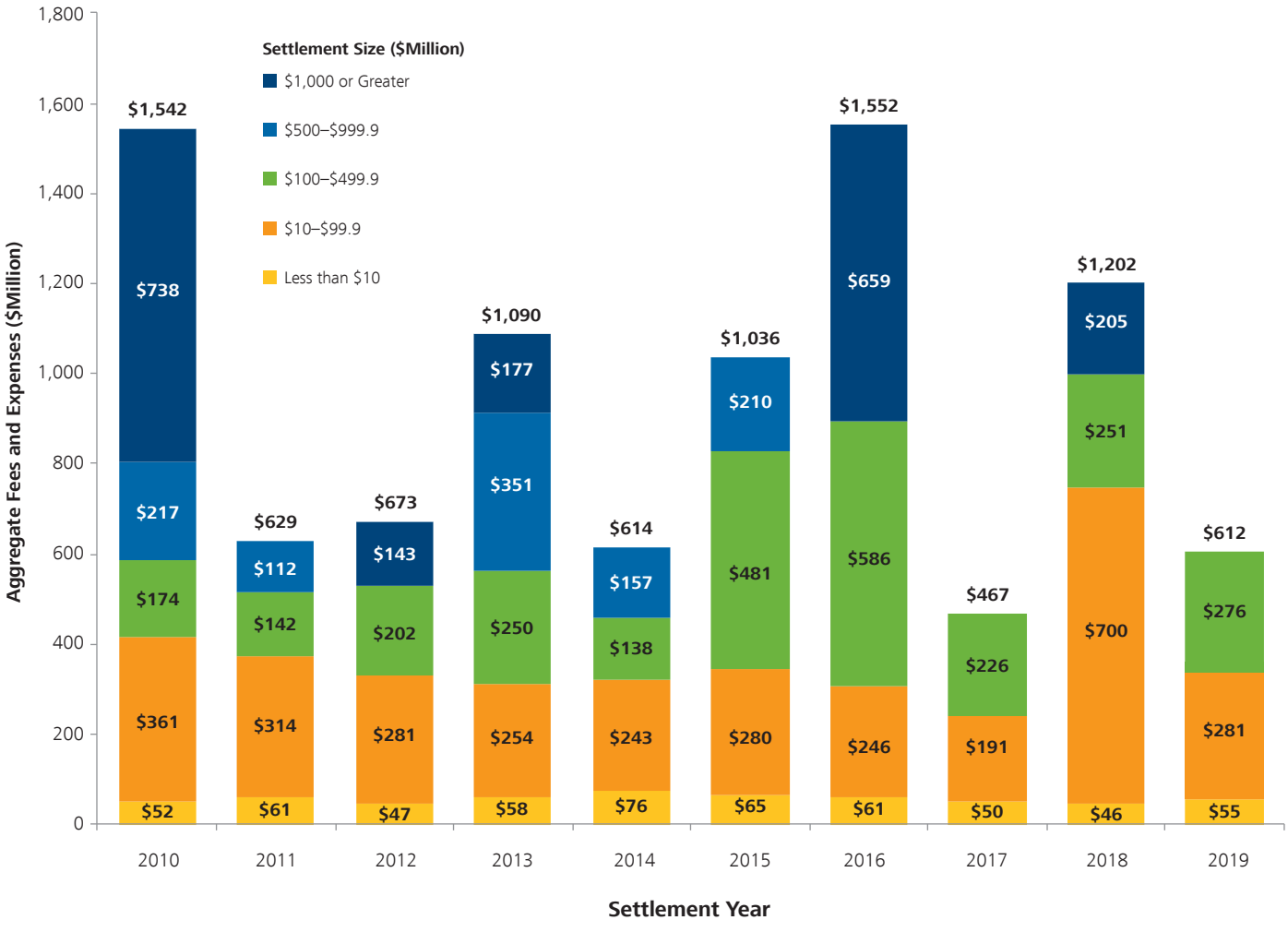
The median predicted value and the actual settlement amount are also highly correlated when using the prediction model that incorporates the alternative measure of investor losses.

Trends in Plaintiffs' Attorneys' Fees and Expenses

Typically, plaintiffs' attorneys receive compensation for fees and expenses as part of a settlement.[19] These attorneys' fees are often determined as a percentage of any settlement amount, and expenses are any out-of-pocket costs incurred related to work on the case.

Aggregate plaintiffs' attorneys' fees and expenses for 2019 were $612 million, falling by almost 50% from the 2018 level. This decline is attributable to two main factors. First, the absence of a mega-settlement in 2019 led to a lower aggregate settlement level for the year. Because attorneys' remuneration is a function of settlement amount, lower aggregate settlements will lead to lower fees and expenses. In 2018, payments to plaintiffs' attorneys related to a mega-settlement accounted for $205 million of the total $1,202 million for that year. Second, the aggregate payments to plaintiffs' attorneys' related to settlements between $10 million and $100 million was significantly lower in 2019 than in 2018. On the other hand, fees and expenses related to settlements less than $10 million and between $100 million and $500 million increased slightly. See Figure 16.

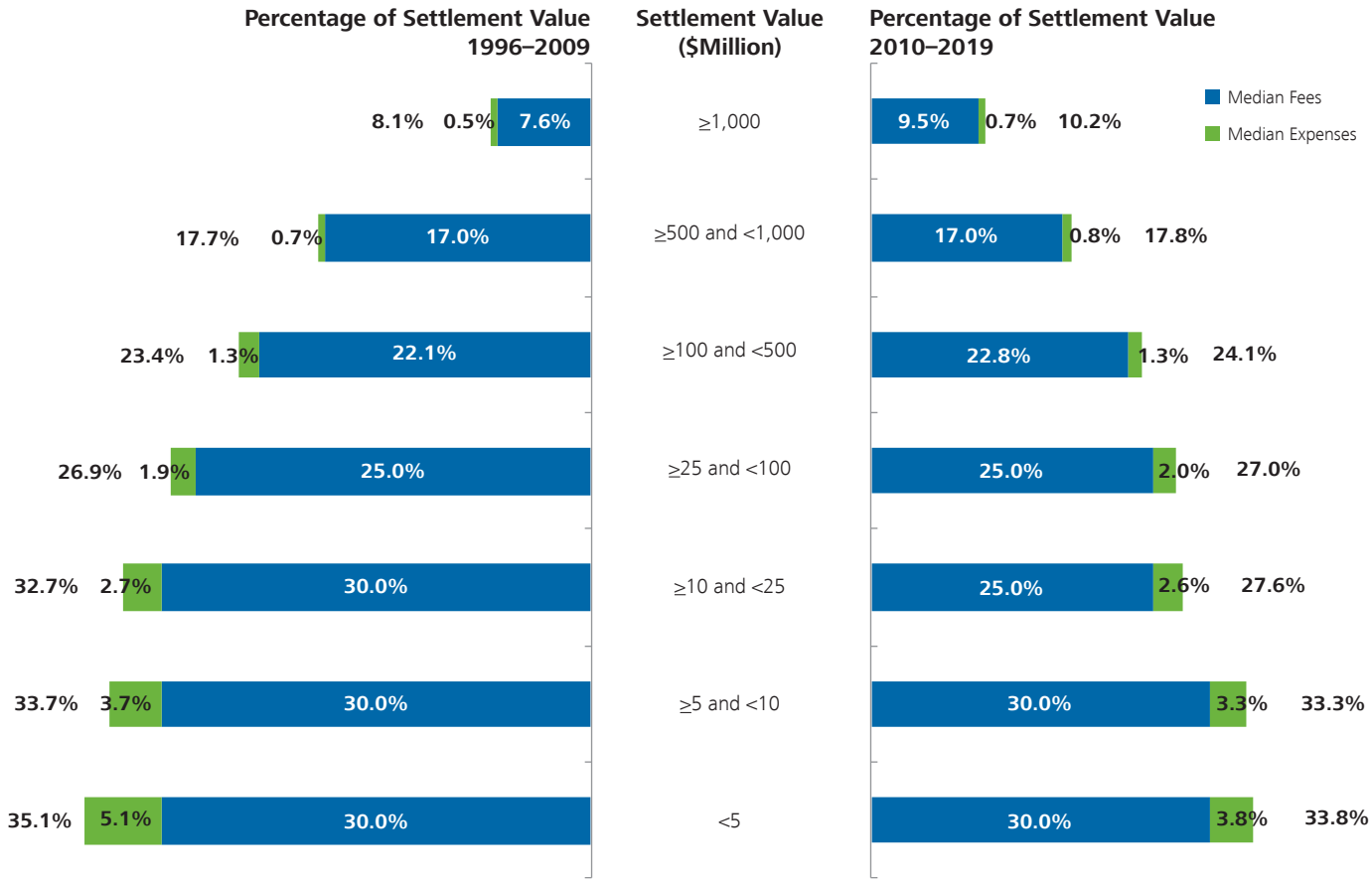
Figure 16. **Aggregate Plaintiffs' Attorneys' Fees and Expenses by Settlement Size**
January 2010–December 2019



Historically, these values have shown marked variability. Over the 10-year period ending December 2019, the annual aggregate amount allocated to plaintiffs' attorneys for approved settlements has ranged from a $467 million to $1,552 million.

We reviewed these payment figures as a percentage of actual settlement value and find that attorneys' fees and expenses represent a lower percentage of settlement for settlements $500 million and higher than for settlements below this amount. This pattern is consistent in settlements reached over the past 10 years and all settlements between 1996 and 2009. For cases settled in the most recent decade, the median of plaintiffs' attorneys' payments as percentage of settlement value was 33.8% for cases with settlement value less than $5 million, 27.6% for cases with settlement value between $10 million and $25 million, and 17.8% for cases with settlements between $500 million and $1 billion. For settlements above $1 billion, attorneys' fees and expenses were only 10% of the settlement value total. See Figure 17.

Figure 17. **Median of Plaintiffs' Attorneys' Fees and Expenses by Size of Settlement**
Excludes Merger-Objections and Settlements for $0 to the Class



Notes

[1] This edition of NERA's report on Recent Trends in Securities Class Action Litigation expands on previous work by our colleagues Lucy P. Allen, Dr. Vinita Juneja, Dr. Denise Neumann Martin, Dr. Jordan Milev, Robert Patton, Dr. Stephanie Plancich, and others. The authors thank Dr. David Tabak and Gary Napadov for helpful comments on this edition. We thank Zhenyu Wang and other researchers in NERA's Securities and Finance Practice for their valuable assistance. These individuals receive credit for improving this report; any errors and omissions are those of the authors. This report was updated on 12 February 2020 to incorporate additional information obtained following our initial publication.

[2] Data for this report were collected from multiple sources, including Institutional Shareholder Services, complaints, case dockets, Dow Jones Factiva, Bloomberg Finance, FactSet Research Systems, Nasdaq, Intercontinental Exchange, US Securities and Exchange Commission (SEC) filings, and public press reports.

[3] NERA tracks class actions filed in federal courts that involve securities. Most of these cases allege violations of federal securities laws; others allege violation of common law, including breach of fiduciary duty, as with some merger-objection cases; still others are filed in federal court under foreign or state law. If multiple actions are filed against the same defendant, are related to the same allegations, and are in the same circuit, we treat them as a single filing. However, the first two multiple actions filed in different circuits are treated as separate filings. If cases filed in different circuits are consolidated, we revise our count to reflect the consolidation. Therefore, case counts for a particular year may change over time. Different assumptions for consolidating filings would probably lead to counts that are directionally similar but may, in certain circumstances, lead observers to draw a different conclusion about short-term trends in filings.

[4] Includes companies listed on the Nasdaq and the New York Stock Exchange.

[5] Historically, filings of federal shareholder class actions involving allegations of Rule 10b-5, Section 11, and/or Section 12 violations have dominated dockets. These types of cases are often referred to as "standard" cases.

[6] Most securities class actions complaints include multiple allegations. For this analysis, all allegations from the complaint are included, and as such, the total number of allegations exceeds the total number of filings.

[7] For example, see complaints for *Marcus Minsky v. Capital One Financial Corporation* and *Rhode Island Laborers' Pension Fund v. FedEx Corporation*.

[8] For example, see complaints for *William Wilson v. Aurora Cannabis Inc., Yimin Huang v. Sundial Growers Inc.,* and *David McNear v. Trulieve Cannabis Corp.*

[9] Here the word "dismissed" is used as shorthand for all cases resolved without settlement; it includes cases where a motion to dismiss was granted (and not appealed or appealed unsuccessfully), voluntary dismissals, cases terminated by a successful motion for summary judgment, or an unsuccessful motion for class certification.

[10] See the section "Time from First Complaint Filing to Resolution" for a more detailed discussion on the lag between when a complaint is filed and a case is resolved.

[11] Dismissals may include dismissals without prejudice and dismissals under appeal.

[12] Approximately 92% of cases filed 2010–2012 have been resolved; data from this period can be used to infer trends about dismissal and settlement rates. For filings 2013 and after, a large proportion of cases remains pending and any conclusions regarding long-term resolution trends cannot yet be substantiated.

[13] See Figure 19 of the report "Recent Trends in Securities Class Action Litigation: 2018 Full-Year Review," for the December 2018 snapshot.

[14] Analyses in this section exclude IPO laddering cases and merger-objection cases.

[15] Unless otherwise noted, tentative settlements (those yet to receive court approval) and partial settlements (those covering some but not all nondismissed defendants) are not included in our settlement statistics. We define "settlement year" as the year of the first court hearing related to the fairness of the entire settlement or the last partial settlement. Analyses in this section exclude merger-objection cases and cases that settle with no cash payment to the class. All charts and statistics reporting inflation-adjusted values are estimated as of October 2019.

[16] *In re Petrobras Securities Litigation,* case no. 14-cv-09662 (JSR).

[17] NERA-defined Investor Losses is only calculable for cases involving allegations of damages to common stock over a defined class period. As such, we have not calculated this metric for cases such as merger-objections.

[18] These models explain approximately 70% of the variation observed in settlements. These models are based on cases filed after 1 January 2000 and settled between December 2011 and December 2019. The axes are in logarithmic scale.

[19] Analyses in this section exclude merger-objection cases and cases that settle with no cash payment to the class.

About NERA

NERA Economic Consulting (**www.nera.com**) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For over half a century, NERA's economists have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. We bring academic rigor, objectivity, and real-world industry experience to bear on issues arising from competition, regulation, public policy, strategy, finance, and litigation.

NERA's clients value our ability to apply and communicate state-of-the-art approaches clearly and convincingly, our commitment to deliver unbiased findings, and our reputation for quality and independence. Our clients rely on the integrity and skills of our unparalleled team of economists and other experts backed by the resources and reliability of one of the world's largest economic consultancies. With its main office in New York City, NERA serves clients from more than 25 offices across North America, Europe, and Asia Pacific.

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