

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**IN RE EQUIFAX INC. SECURITIES
LITIGATION**

Consolidated Case No.
1:17-cv-03463-TWT

**DECLARATION OF JAMES A. HARROD IN SUPPORT
OF (I) LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL
OF CLASS ACTION 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, and Seventh Circuits and am admitted *pro hac vice* in the above-captioned action (the “Action”). I am a Member of the law firm of Bernstein Litowitz Berger & Grossmann LLP (“BLB&G” or “Lead Counsel”), the Court-appointed Lead Counsel in the Action.¹ BLB&G represents the Court-appointed Lead Plaintiff Union Asset Management AG (“Union” 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) of the Federal Rules of Civil Procedure, for final approval of the proposed settlement of the Action (the “Settlement”), which the

¹ Unless otherwise defined in this Declaration, all capitalized terms have the meanings defined in the Stipulation and Agreement of Settlement, dated February 13, 2020 (the “Stipulation” or “Settlement Stipulation”), and previously filed with the Court. *See* ECF No. 159.

Court preliminarily approved by its Order dated February 25, 2020 (the “Preliminary Approval Order”). ECF No. 163.

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 Settlement 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 20% of the Settlement Fund, net of expenses; payment of Litigation Expenses incurred by Plaintiff’s Counsel’s in the amount of \$659,925.13; and payment of \$121,375.00 to Union in reimbursement of its costs and expenses directly related to its representation of the Settlement 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 \$149 million for the benefit of the

² Plaintiff’s Counsel are: Lead Counsel BLB&G and Bondurant Mixson & Elmore LLP, local counsel for Lead Plaintiff and the Class.

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 Class Action Settlement and Plan of Allocation (the “Settlement Memorandum”) and the Memorandum of Law in Support of Lead Counsel’s Motion for an Award of Attorneys’ Fees and Litigation Expenses (the “Fee Memorandum”).

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

5. 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.

6. Notably, the maximum potential damages that could be realistically established at trial in this Action were approximately \$588 million. The proposed Settlement of \$149 million thus represents a recovery of approximately 25% of the likely recoverable damages for the Settlement Class (before an award of attorneys' fees and reimbursement of Litigation Expenses). This is an outstanding result for Class Members given the risks of the litigation. Indeed, this percentage recovery is particularly noteworthy in comparison to the finding that, from 2010-19, in all securities class actions with estimated damages in the range of \$500-999 million,

the median settlements recovered only 3.7% of damages (before reductions for attorneys' fees and litigation expenses). *See* Cornerstone Research, *Securities Class Action Settlements 2019 Review and Analysis* (2020), attached as Exhibit 5, at 6.

7. When viewed in this context, the percentage recovery achieved in this case is extremely favorable, even putting aside the substantial liability, loss-causation and damages risks in this case. It is also significant in absolute dollars relative to other securities-class-action recoveries nationwide. The inflation adjusted median securities-class-action settlement in the Eleventh Circuit between 2010 and 2019 was \$6.3 million. *Id.* at 20. Similarly, the inflation adjusted median securities-class-action settlement nationwide between 1996 and 2019 was \$8.9 million. *Id.* at 19. By comparison, the proposed \$149 million Settlement provides an exceptional benefit for the Settlement Class and is the largest securities class action recovery in history related to a data breach.

8. The benefit that the proposed Settlement will provide to the Settlement Class is also particularly meaningful when considered against the substantial risk that the Settlement Class might recover significantly less (or nothing) if the Action were litigated through additional dispositive motions, trial, and any appeals that would likely follow—a process that could last years. As discussed in more detail below, if this case continued to be litigated, there is no

guarantee that Lead Plaintiff or the Settlement Class could establish Defendants' liability. Defendants would put forth powerful arguments, among other things, that Defendants' statements were not materially false and misleading; that Lead Plaintiff could not prove the scienter of Defendants Equifax or Smith, or any other senior officer of the Company, and thus could not prove that Equifax acted with scienter; that the case should not be certified as a class action; and that Lead Plaintiff could not prove loss causation or damages.

9. As also discussed in more detail below, the Settlement was achieved as a direct result of extensive efforts by Lead Counsel. Those efforts included:

- i. Conducting a wide-ranging investigation concerning the allegedly fraudulent misrepresentations and omissions made by Defendants during the period from February 25, 2016 through September 15, 2017, inclusive (the "Class Period"), including consulting with experts and reviewing the voluminous public record;
- ii. Drafting the 186-page Consolidated Class Action Complaint (the "Consolidated Complaint" or "Complaint"), filed with the Court on April 23, 2018 (ECF No. 49), which incorporated material from SEC filings, press releases and other public statements issued by Equifax, news articles, social media posts, and other publicly available sources of information concerning Equifax, research reports by securities analysts, transcripts of Equifax calls with investors, federal and state regulations and regulatory materials from the United States and abroad, industry best practices for cybersecurity, information from prior data breach incidents at Equifax, Congressional testimony and reports, and actions brought by

the Federal Trade Commission with respect to cybersecurity deficiencies;

- iii. Successfully moving to modify the discovery stay imposed by the PSLRA on April 27, 2018 (ECF No. 52) to engage in the same case management and discovery planning activities that were ongoing in the multidistrict litigation, *In re Equifax, Inc. Customer Data Security Breach Litig.*, No. 1:17-md-2800-TWT (N.D. Ga.);
- iv. Successfully opposing (in significant part) Defendants' joint motion to dismiss the Complaint, consisting of nearly 230 pages of briefing and exhibits, by researching and drafting a 72-page opposition brief responding to Defendants' arguments and a 28-page response to Defendants' false statement chart, which Lead Plaintiff filed with the Court on July 23, 2018 (ECF Nos. 69 and 69-1) and argued before the Court on December 11, 2018 for nearly two hours and thirty minutes (ECF No. 80);
- v. Successfully opposing Defendant Equifax's motion for clarification regarding the Court's corporate scienter findings in its January 28, 2019 Order regarding the Motion to Dismiss (ECF No. 88);
- vi. Preparing and filing a Motion for Class Certification on March 29, 2019 (ECF No. 102), including working with an expert to prepare a report on market efficiency and the availability of class-wide damages methodologies, defending the depositions of Lead Plaintiff's representatives and expert, deposing Defendants' expert, and preparing a reply in support of Class Certification filed on October 11, 2019 (ECF No. 147), which included a rebuttal expert a report;
- vii. Successfully opposing Defendants' joint motion to certify questions related to the Court's January 28, 2019 Order regarding the motion to dismiss for interlocutory review pursuant to 28 U.S.C. 1292(b), which the Court denied on July 29, 2019 (ECF No. 135);

- viii. Consulting with experts regarding loss-causation, damages, and cybersecurity issues presented by this Action;
- ix. Engaging in significant discovery, including producing over 28,150 pages of documents from Lead Plaintiff, drafting and serving extensive discovery requests on Defendants and document subpoenas upon several dozen relevant nonparties, responding to document requests served by Defendants, serving and responding to interrogatories and litigating discovery disputes, reviewing and analyzing more than 1.035 million pages of documents produced by Defendants and third parties, drafting a motion to compel (ECF No. 129), exchanging extensive correspondence regarding discovery with Defendants, and filing an emergency motion for a discovery conference on October 24, 2019 (ECF No. 152);
- x. Engaging in intensive, arm's-length negotiations with Defendants for approximately six months, including the submission of detailed mediation statements, attending an all-day mediation before the Hon. Layn R. Phillips (USDJ, Ret.) and months of follow-up negotiations through Judge Phillips, which ultimately culminated in the agreement to settle the Action for \$149 million in cash; and
- xi. Drafting and negotiating the Settlement Stipulation and related settlement documentation.

10. The close attention paid and oversight provided by the Lead Plaintiff, Union, 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 securities class actions. H.R. Conf. Rep. No. 104-369, at *34 (1995), *reprinted in* 1995 U.S.C.C.A.N. 730, 733. Here, Lead Plaintiff's representatives were actively involved in overseeing the litigation and settlement negotiations. *See* Declaration of Jochen Riechwald submitted by Union (the "Riechwald Decl."), attached as Exhibit 1.

11. Lead Plaintiff and Lead Counsel believe that the Settlement is in the best interests of the Settlement Class. Due to their substantial efforts, 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 Settlement Class.

12. In addition to seeking final approval of the Settlement, Lead Plaintiff seeks approval of the proposed Plan of Allocation as fair and reasonable. As discussed in further detail below, Lead Plaintiff's experienced expert for market efficiency, damages, and loss causation, Steven P. Feinstein, Ph.D., C.F.A., developed the Plan of Allocation in consultation with Lead Counsel. The Plan provides for the distribution of the Net Settlement Fund on a *pro rata* basis to Settlement Class Members who submit Claim Forms that are approved for payment by the Court. Each Claimant's share will be calculated based on his, her, or its losses attributable to the alleged fraud, similar to what likely would have

been awarded at trial if the Action had not been settled and had continued to trial following motions for class certification and summary judgment, other pretrial motions, and resulted in a verdict favorable to the proposed class.

13. 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 20% of the Settlement Fund, net of Court-approved Litigation Expenses. The 20% fee requested is based on a retainer agreement entered into with Lead Plaintiff at the outset of the litigation, and as discussed in the Fee Memorandum, is lower than the 25% "benchmark" fee established for percentage fee awards in the Eleventh Circuit and 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 1.59 on Plaintiff's Counsel's total lodestar, which is on the lower end of 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.

14. 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 \$659,925.13, plus reimbursement of \$121,375.00 to Union for its costs and expenses directly related to its representation of the Settlement Class, as authorized by the PSLRA.

15. 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). 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

16. As the Court is aware, this securities class action asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) on behalf of investors who purchased Equifax common stock during the Class Period.

17. Defendant Equifax, Inc. (“Equifax” or the “Company”), through itself and its operating segments, is one of the three largest credit reporting agencies in the world, and participates both in the business-to-business sector and the direct-to-consumer sector by collecting and selling data on more than 820 million consumers and business globally. The Company operates through four primary segments: U.S. Information Solutions (USIS); International; Workforce Solutions; and Global Customer Solutions.

18. This case involves alleged misrepresentations and omissions by Defendants about protecting the confidential personal information of the hundreds of millions of consumers it receives and stores the personal data of. In particular, Lead Plaintiff alleges that Defendants violated the federal securities laws by failing to disclose that Equifax knew it had poor cybersecurity practices and that its cybersecurity did not comply with industry standards or applicable regulations.

Lead Plaintiff further alleges in the Action that Equifax ignored warnings and lessons from smaller previous data breaches and failed to fix the problems that led to the September 2017 announcement of one of the most severe data breaches in history. Lead Plaintiff also alleges that Defendants' misrepresentations and omissions artificially inflated the prices of Equifax's common shares, which declined when the truth was revealed to the market through a series of partial corrective disclosures beginning on September 8, 2017 and ending on September 15, 2017, the last day of the Class Period.

B. Commencement of the Action and Organization of the Case

19. On September 7, 2017, after Equifax disclosed the Data Breach, the first of hundreds of class actions was filed in the Northern District of Georgia on behalf of consumers that were allegedly harmed by the Data Breach, *McGonnigal v. Equifax, Inc.*, No. 1:17-cv-03422-TWT (N.D. Ga.).

20. On September 8, 2017, the first securities action relating to the Data Breach was filed in the Northern District of Georgia, *Kuhns v. Equifax Inc., et al.*, Case No. 1:17-cv-03463-WSD.

21. Thereafter, on September 11, 2017, the plaintiffs in the *McGonnigal* action filed a motion with the United States Judicial Panel on Multidistrict Litigation ("JPML") seeking to centralize all of the related actions arising from

the Data Breach in the Northern District of Georgia. MDL No. 2800 Dkt. No. 1. On October 25, 2017, the securities actions, including *Kuhns* and *Groover v. Equifax Inc., et al.*, Case No. 1:17-cv-04511-WSD, were identified as “Tag-Along actions” to the Consumer MDL.

22. On November 13, 2017, Union Asset Management Holdings AG (“Union”) moved for its appointment as lead plaintiff and for approval of its selection of BLB&G as lead counsel. Union asserted that it was the “most adequate plaintiff” under the PSLRA on the grounds that it had the “largest financial interest” in the relief sought by the putative class.

23. Two additional plaintiff groups filed motions on November 13, 2017 seeking the movants’ appointment as lead plaintiff and approval of their selection of lead counsel. The competing lead-plaintiff applications were filed by Robert Brock (“Brock”) and Frankfurt-Trust Investment GmbH (“Frankfurt”).

24. On December 6, 2017, the JPML issued an order centralizing 97 related actions in the Northern District of Georgia and assigning them to Chief Judge Thrash.

25. Thereafter, while lead plaintiff briefing was ongoing, on December 11, 2017, the *Kuhns* action was reassigned to Chief Judge Thrash and centralized with the Consumer MDL. The *Groover* action remained before Judge Duffey.

26. On December 27, 2017, Defendants filed with the Court a letter addressing the inclusion of the *Kuhns* securities class action in the Consumer MDL. ECF No. 25. Defendants' letter argued that the securities class action was distinct from the Consumer MDL and should be litigated separately. Among other things, Defendants pointed out that while the *Kuhns* case was included in the JPML's transfer order, the *Groover* action was not, and remained before Judge Duffey, so the inclusion of the *Kuhns* action may have been inadvertent. Defendants argued that it would be inefficient in any event to try to coordinate the securities actions with the Consumer MDL, including because under the PSLRA, no discovery could proceed in the securities cases until the complaint survived Defendants' motion to dismiss.

27. On December 28, 2017, Lead Plaintiff responded to Defendants' December 27, 2017 letter. ECF No. 26. Lead Plaintiff's letter responded to Defendants' position, and further argued that centralizing the securities actions with the Consumer MDL would promote efficiency and was consistent with the way similarly complex litigations had been treated.

28. On January 4, 2018, Defendants filed a letter with both Chief Judge Thrash and Judge Duffey in response to Lead Plaintiff's December 28, 2017 letter. ECF No. 27. Defendants' letter again expressed their position that the inclusion of

Kuhns in the Consumer MDL appeared to have been inadvertent, and that in any case, securities class actions should be kept separate from consumer MDLs.

29. On January 9, 2018, the Court held a status conference. MDL ECF No. 98. During the status conference, the Court asked the parties to present their positions on the consolidation or centralization of the consumer MDL and the securities cases. The Court, agreeing with Lead Plaintiff, decided that “one judge ought to be handling both the MDL case and the two securities cases. One of the securities cases has already been transferred to me, and I’m going to talk to Judge Duffey about the other one. . . . I anticipate that Judge Duffey’s case will probably be transferred to me. And my intention is that the MDL proceeding and the securities cases will be coordinated.” The Court clarified that the soon-to-be consolidated securities cases would not be consolidated with the consumer MDL but would be coordinated with the MDL in terms of discovery, procedure, and status conferences.

30. On February 21, 2018, the Court issued an Order Appointing Lead Plaintiff, Approving Selection of Lead Counsel, and Addressing Case Management in this Action. ECF No. 32. Among other things, that order instructed the parties to “present to the Court a proposed discovery plan” and to meet and confer regarding further case management orders concerning initial

disclosures, requests for the production of documents, document preservation, and a discovery protocol.

31. On March 5, 2018, the parties held a meet and confer pursuant to the Court's February 21, 2018 order. It was Lead Plaintiff's position that the parties were required to discuss the various case management topics outlined in the order, including those related to discovery. It was Defendants' position that their obligation to confer on discovery matters was suspended pending adjudication of Defendants' motion to dismiss, and that discussion of such matters was barred by the PSLRA discovery stay, 15 USC 78u-4(b)(3)(B).

32. On March 23, 2018, the parties each submitted a report addressing case management in response to the Court's February 21, 2018 order expressing their diverging positions. ECF Nos. 39, 40.

33. On April 3, 2018, the Court held a status conference during which the parties' presented their opposing views on the coordination of discovery and what discovery activities should be permitted prior to the Court's ruling on Defendants' eventual motion to dismiss. ECF No. 46. Following that status conference, the Court ordered that Lead Plaintiff file a motion regarding the need for a modification of the PSLRA discovery stay and seeking permission to serve document preservation subpoenas on third parties.

34. On April 27, 2018, four days after filing the Complaint (discussed below), Lead Plaintiff filed a Motion for Limited Modification of the PSLRA Discovery Stay (the “PSLRA Modification Motion”). ECF No. 52. The PSLRA Modification Motion sought an order requiring Defendants to meet and confer regarding a protective order and ESI protocol, as well as a proposed discovery schedule and case management order; allowing the parties to serve initial requests for the production of documents and responses and objections to such requests; requiring the parties to meet and confer concerning custodians; and allowing the parties to serve document preservation subpoenas on third parties. Lead Plaintiff argued that engaging in early discovery planning activities would have benefits from a judicial efficiency and case management perspective, particularly in light of the procedural posture of the MDL cases. Lead Plaintiff argued that the discovery stay under the PSLRA is not absolute, and that the Court has discretion to grant the stay where necessary to prevent undue prejudice and maintain case management in complex litigation. Lead Plaintiff also argued that the concerns motivating the PSLRA discovery stay were not implicated by the present circumstances.

35. On May 11, 2018, Defendants filed a Response in Opposition to Lead Plaintiff’s PSLRA Modification Motion. ECF No. 53. Defendants argued among

other things that Lead Plaintiff did not establish the exceptional circumstances necessary to modify the PSLRA stay, and that Lead Plaintiff would suffer no undue prejudice. Defendants argued further that Lead Plaintiff sought to undermine the purpose of the discovery stay and that Defendants would endure unnecessary burden and expense should the PSLRA Modification Motion be granted.

36. On May 18, 2018, Lead Plaintiff filed a reply to Defendants' Opposition in which it reiterated the points made in its PSLRA Modification Motion and responded to Defendants' arguments. ECF No. 55.

37. Thereafter, on May 22, 2018, the Court held a status conference during which it heard argument from both parties on Lead Plaintiff's PSLRA Modification Motion. ECF Nos. 57 and 58.

38. On June 18, 2018, the Court granted in part Lead Plaintiff's PSLRA Modification Motion, noting that Lead Plaintiff "is only seeking permission to begin the same discovery preparations that are already underway in the MDL proceedings. This request is especially reasonable when taking the context of the entire case into account—this is a large, complicated case coinciding with several other complex cases arising out of the data breach." ECF No. 64.

C. Lead Plaintiff's Preparation and Filing of the Consolidated Class Action Complaint

39. To prepare the Complaint, Lead Counsel conducted an extensive factual and legal investigation. The investigation included, among other things, a review and analysis of (i) documents filed publicly by Equifax with government regulators (including the United States Securities Exchange Commission); (ii) press releases, websites, and other public statements issued by Equifax and its operating segments; (iii) transcripts of Equifax investor conference calls; (iv) advertisements and marketing materials published by Equifax; (v) research reports concerning Equifax by financial and securities analysts; (vi) information from government and regulatory investigations into Equifax and its operating segments; (vii) news reports and other publicly available sources of information concerning Equifax; (viii) interviews with former employees; (ix) information concerning cybersecurity generally, including applicable regulations and industry practices or standards; (x) information concerning data breaches and regulatory actions taken regarding data security lapses; (xi) information concerning Equifax's history of data breaches and data security; and (xii) information concerning the Data Breach and Equifax's response to it.

40. Lead Counsel also consulted with experts to assist in their analysis of the case and preparation of the Complaint. The experts retained by Lead Counsel

included (i) market-efficiency and damages experts, who advised Lead Plaintiff on damages and prepared a draft market-efficiency report for Lead Plaintiff's motion for class certification, and (ii) cybersecurity experts who provided consulting services regarding Equifax's statements regarding cybersecurity and the Data Breach and Lead Plaintiff's allegations regarding the same.

41. Following Lead Counsel's extensive investigation and consultation with experts, on April 23, 2018, Union filed the Consolidated Class Action Complaint. ECF No. 49. The Complaint asserted claims under § 10(b) of the Exchange Act and Securities and Exchange Commission Rule 10b-5 against Defendants Equifax, former Equifax Chief Executive Officer and Chairman of the Board of Directors Richard F. Smith ("Smith"), Equifax Corporate Vice President and Chief Financial Officer John W. Gamble ("Gamble"), President of Equifax's Workforce Solutions segment Rodolfo O. Ploder ("Ploder"), and former Equifax Senior Vice President of Investors Relations Jeffrey L. Dodge ("Dodge" and together with Smith, Gamble and Ploder, the "Individual Defendants"), as well as claims under § 20(a) of the Individual Defendants. The claims were based on allegations that Defendants fraudulently misrepresented and concealed material facts regarding Equifax's commitment to cybersecurity and the Company's compliance with data security standards, practices, and regulations. In particular,

the Complaint alleged that Defendants violated the federal securities laws by failing to disclose that Defendants knew that the Company had poor cybersecurity practices yet falsely touted the strength of the Company's cybersecurity, an integral facet of its business which revolves around collecting and storing sensitive personal information of hundreds of millions of consumers. The Complaint further alleged that Defendants falsely assured investors that Equifax complied with data protection laws, regulators and industry best practices and also falsely certified the integrity of its internal controls. The Complaint alleged that these false and misleading statements were made with scienter, and caused Equifax common stock to be inflated, damaging Union and the other investors making up the class.

D. Defendants' Joint Motion to Dismiss the Consolidated Class Action Complaint

42. On June 7, 2018, Defendants filed their joint motion to dismiss the Complaint. ECF No. 62. Defendants argued that the Complaint should be dismissed on numerous grounds, including, among others, the following:

- (i) The 10(b) claims asserted by Lead Plaintiff in the Complaint failed to plead particularized facts as to why the challenged statements were false and misleading;
- (ii) Lead Plaintiff failed to plead particularized facts giving rise to a "strong inference" that Defendants acted with the "required state of mind," i.e. scienter;

- (iii) Lead Plaintiff failed to adequately plead that its losses were caused by the alleged “fraud” set forth in the Complaint; and
- (iv) The 20(a) claims asserted by Plaintiff in the Complaint failed to plead a primary violation under Section 10(b) against Defendants Smith, Gamble, Dodge, and Ploder and further failed to adequately plead Defendants Smith’s, Gamble’s, Dodge’s, and Ploder’s control over the specific corporate policy that resulted in any alleged primary violation.

43. Specifically, as to whether their statements were false and misleading, Defendants argued that Lead Plaintiff’s allegations that Defendants’ security measures were inadequate were insufficient, amounting to inactionable claims of corporate mismanagement under Section 10(b). *See, e.g., Santa Fe Indus. v. Green*, 430 U.S. 462, 479-80 (1977) (allegations of mismanagement or the failure to disclose the same are insufficient to plead a Section 10(b) violation); *Cutsforth v. Renschler*, 235 F. Supp. 2d 1216, 1242-44 (M.D. Fla. 2002) (applying *Santa Fe*). Defendants argued that similar claims to those in this Action were dismissed in a case stemming from a cyber-attack involving theft of 130 million credit and debit card numbers. *See In re Heartland Payment Sys., Inc. Sec. Litig.*, 2009 WL 4798148, at *5 (D.N.J. Dec. 7, 2009) (finding that breach did not render defendants’ aspirational statements about security false or misleading). Further, Defendants argued that their failure to disclose the breach prior to September 7, 2017 did not constitute a violation of Section 10(b). Additionally, Defendants

argued that alleged statements about their commitment to security were generalized, non-verifiable, and vague statements, or “puffery.” Defendants also argued that several of the alleged false statements were inactionable because they were forward-looking and protected by the relevant provisions of the PSLRA. Finally, Defendants argued that Lead Plaintiff’s alleged false statements included many “opinion” statements and that Lead Plaintiff failed to plead that the Defendants did not believe the stated opinion or beliefs expressed.

44. As to scienter, Defendants argued in their motion to dismiss that Lead Plaintiff failed to show that Equifax and the Individual Defendants acted with wrongful intent, such as an intent to deceive, and that Union failed to plead facts that gave rise to an inference of scienter that was “cogent,” “strong,” and “at least compelling as any opposing [non-fraudulent] inference one could draw from the facts alleged.” *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 324 (2007). Specifically, Defendants argued that allegations reflecting certain warnings about Equifax’s cybersecurity vulnerabilities—including problems with “patching”—were inadequate to create an inference that such warnings were ever actually communicated to any of the Individual Defendants, including alleged findings of cybersecurity consultant Mandiant LLC (“Mandiant”), which were reported in the news media. Defendants also argued that Equifax’s experiences

from alleged prior data security incidents did not amount to information that was symptomatic of fundamental institutional data security failures because none of those previous incidents were comparable to the breach disclosed on September 7, 2017. Finally, Defendants argued that Lead Plaintiff's reliance on statements and events post-dating the breach amounted to fraud-by-hindsight and were insufficient to sustain a claim of securities fraud pursuant to Section 10(b).

45. Finally, Defendants argued that Lead Plaintiff failed to adequately plead loss causation because none of the alleged corrective disclosures revealed that any of Defendants' prior statements were false when made. Defendants also argued that certain executive resignations from Equifax following the announcement of the Data Breach did not reveal a "then-undisclosed fact with regard to the specific misrepresentations alleged in the complaint."

46. Defendants' motion-to-dismiss submissions (including Defendants' reply briefs, discussed below) comprised approximately 230 pages of briefing and exhibits.

47. On July 23, 2018, Lead Plaintiff filed its opposition to Defendants' joint motion to dismiss the Consolidated Class Action Complaint. ECF No. 69 ("MTD Opp."). Lead Plaintiff responded to Defendants' arguments and argued

that the Complaint adequately alleged materially misleading statements, scienter, and loss causation.

48. Specifically, Lead Plaintiff argued that Defendants knew that adequately securing the data in its custody was of paramount importance to investors and they therefore made number statements about the strength of the Company's cybersecurity and that Defendants' reliance upon *Santa Fe* was misplaced because that case stands for the "unremarkable proposition that a defendant's breach of fiduciary duty does not state a Section 10(b)." MTD Opp. at 16, n. 4. Lead Plaintiff argued that this Action was more akin to *In re ChoicePoint, Inc. Sec. Litig.*, where securities fraud claims were sustained over a motion to dismiss in a case involving a data company's statements touting its cybersecurity. *See* 2006 WL 8429145, at *6 (N.D. Ga. Nov. 21, 2006). Lead Plaintiff also argued that Defendants' more technical arguments—that the alleged false statements were puffery, forward-looking, or opinions—should be rejected, citing extensive authorities finding that arguably similar statements were actionable.

49. Regarding scienter, Lead Plaintiff argued that the Complaint includes a litany of facts that, when considered collectively, easily pled scienter. Lead Plaintiff argued that among the facts it pled included: (i) warnings in the form of

prior breaches, audits, and reports (including the results of the early 2017 Mandiant report, which were alleged to have been provided to Defendant Smith beginning in March of 2017); (ii) the “critical” nature of cybersecurity to Equifax’s business; (iii) Defendants’ own statements about their focus on data security; (iv) the magnitude and pervasiveness of Equifax’s cybersecurity deficiencies; (v) Defendants’ admissions that they knew about the Data Breach by at least July 2017; (vi) the firing of key executives; and (vii) suspicious insider sales.

50. Finally, as to loss causation, Lead Plaintiff argued that disclosure of the data breach and subsequent news *did* “correct” the prior false statements alleged in the Complaint, including by revealing the existence and magnitude of Equifax’s alleged cybersecurity deficiencies. Union also argued that issues of loss causation are fact-intensive and subject only to notice pleading.

51. On August 22, 2018, Defendants filed their reply brief in further support of their motions to dismiss. ECF No. 72. Defendants reiterated the arguments made in their opening brief and replied to the arguments made in Lead Plaintiff’s Opposition. In particular, Defendants argued that Plaintiff’s securities fraud claims were “based on little more than hindsight criticism of Equifax” following the Data Breach and that allegations that Equifax failed to prevent the

attack were not adequate to plead that Defendants' statements were misleading or sufficient to raise a strong inference of scienter. ECF No. 72 at 6.

52. On December 11, 2018, the Court heard over two hours of oral argument on Defendants' motions to dismiss the Complaint.

53. On January 28, 2019, the Court entered its 109-page Opinion and Order (the "Opinion") granting in part and denying in part Defendants' motions to dismiss the Complaint. ECF No. 84. The Court dismissed, with prejudice, all claims against Defendants Gamble, Ploder, and Dodge. The Court also dismissed certain of Plaintiff's alleged false statements, including those concerning Equifax's internal and disclosure controls. In all other respects, the Court denied Defendants' motions to dismiss.

E. Defendant Equifax's Motion for Clarification of the Court's January 28, 2019 Opinion and Order

54. On February 19, 2019, Defendant Equifax filed a motion for clarification concerning parts of the Court's Opinion related to corporate scienter. ECF No. 88. Specifically, Equifax argued that the Opinion was unclear as to the basis for the Court's finding that the Complaint adequately alleged Equifax's corporate scienter. Equifax argued that while the Opinion clearly found scienter as to Smith attributable to the Company, "[w]hat is not clear is whether the Order also finds that the scienter of any *other* Equifax officials is adequately alleged and

is attributable to Equifax, and if so, who those officials are.” *Id.* at 3 (emphasis in original). The Opinion found that the Complaint alleged that corporate officials were warned about the data security issues at Equifax, and that such warnings were sufficient to establish that those officials knew of the data security problems and would have had a role in crafting the allegedly false and misleading statements identified in the Complaint. Defendants argued, however, that the Opinion did not make clear which specific individuals responsible for the challenged statements allegedly possessed this information and what roles those individuals had with respect to the challenged statements, and thus created an ambiguity as to whether it was Defendant Smith’s scienter alone that was being imputed to Equifax. Equifax sought clarification of this issue.

55. On March 5, 2019, Lead Plaintiff filed a response in opposition to Equifax’s Motion for Clarification. ECF No. 95. Lead Plaintiff argued in its opposition brief that clarification was unnecessary and that Defendants’ motion was, in effect, a motion for reconsideration, and that Equifax failed to meet the stringent standard for reconsideration. Lead Plaintiff also argued that because the Court rightly found that Defendant Smith had scienter and his scienter is imputed to Equifax, Defendants’ request for clarification would not alter the scope of the litigation. Lead Plaintiff further put forth that Equifax misstated Eleventh Circuit

law on what corporate scienter requires, and argued that the Complaint's allegations raised a strong inference of scienter under that standard.

56. On March 19, 2019, Defendants filed a reply in support of their Motion for Clarification. ECF No. 97. Defendants reiterated the arguments made in their opening brief and further argued that the Complaint's allegations were insufficient to establish corporate scienter under the Eleventh Circuit standard.⁴

57. During a status conference held on April 3, 2019, the Court heard argument concerning Equifax's Motion for Clarification and subsequently denied it. ECF No. 103.

F. Defendants' Joint Motion to Certify Questions Presented by the Court's January 28, 2019 Order for Interlocutory Review Pursuant to 28 U.S.C. § 1292(b)

58. On April 10, 2019, Defendants filed a joint motion to certify questions presented by the Court's January 28, 2019 Opinion for interlocutory review pursuant to 28 U.S.C. § 1292(b) (the "1292(b) Motion"). ECF No. 105. In their 1292(b) Motion, Defendants presented three questions: first, "[w]hether generic statements regarding commitment to cybersecurity and devotion of 'significant' or 'substantial' resources to compliance can be materially misleading

and actionable under Section 10(b) of the Exchange Act”; second, whether “allegations based on statements attributed to anonymous sources in news articles must include particular facts describing the foundation or basis of the sources’ knowledge of the matters asserted to raise a strong inference that a defendant acted with scienter”; and third, “[w]hether statements made by a corporate official at a breakfast talk to a limited audience not alleged to have included analysts or investors can qualify as statements made ‘in connection with’ the purchase or sale of a security under Section 10(b).” Defendants argued that certification of an order for immediate interlocutory review of the preceding questions was appropriate because they involved controlling questions of law, an appeal of which may materially advance the ultimate termination of the litigation.

59. On April 24, 2020, Lead Plaintiff filed its opposition to Defendants’ 1292(b) Motion. ECF No. 111. Lead Plaintiff argued that the strict standards governing a 1292(b) motion were not met because there were not “exceptional circumstances” in this Action. Next, Lead Plaintiff argued, in response to Defendants’ contention that certain false statements were “immaterial,” that the Court applied well-settled materiality principles and interlocutory review of that

⁴ During briefing on Defendant Equifax’s Motion for Clarification, Lead Plaintiff

application to a fraction of the statements at issue in the Action was unwarranted. Further, Lead Plaintiff argued that the Court correctly articulated and applied Eleventh Circuit precedent with respect to the necessary amount of detail for “anonymous” source scienter allegations to be credited, negating any need for further review. Finally, Lead Plaintiff argued that an appeal of the Court’s holding that a single statement broadcast over the internet was made “in connection with the purchase or sale of securities” was inappropriate and unwarranted.

60. On May 8, 2019, Defendants filed a reply in further support of their 1292(b) Motion. ECF No. 116. Defendants reiterated the arguments made in their opening brief and replied to the arguments made in Lead Plaintiff’s Opposition. Defendants argued that they sought certification of “three purely legal questions concerning the standards that must be met to plead viable securities fraud claims” and that the “Eleventh Circuit Court of Appeals can decide these questions without having to delve beyond the surface of the record.” ECF 116 at 2 (citing *McFarlin v. Conseco Servs., LLC*, 381 F.3d 1251, 1259 (11th Cir. 2004)).

61. On July 29, 2019, the Court entered an order denying Defendants’ 1292(b) Motion. ECF No. 135.

prepared and filed its Motion for Class Certification.

G. Lead Plaintiff's Discovery Efforts

62. Following the Court's Order modifying the PSLRA stay, the Parties engaged in extensive discussions regarding the substance and process for discovery. These efforts resulted in, among other things, the Parties' Stipulated Discovery Schedule and Case Management Order, which the Court had entered on July 20, 2018 (ECF No. 68). That same day, the Court approved the Parties' Stipulated Protective Order (ECF No. 67).

63. In addition, on August 8, 2018, Lead Plaintiff served its first set of requests for production of documents ("RFPs") on Defendants. On August 22, 2018, following the Parties' negotiations, they filed Stipulation and Order for the Production of Documents and ESI, which the Court approved on August 23, 2018. ECF No. 73. Following service of Lead Plaintiff's RFPs, the Parties conferred extensively with respect to search terms for documents responsive to those RFPs.

64. On March 28, 2019, following the Court's resolution of the Defendants' motions to dismiss the Complaint, the Defendants filed their Answers. ECF Nos. 100 and 101.

65. On April 15, 2019, the Parties formally initiated discovery with the filing of a Joint Proposed Discovery Plan pursuant to Fed. R. Civ. P. 26(f) (ECF No. 108).

66. Between April 2019 and November 2019, the Parties exchanged initial disclosures under Fed. R. Civ. P. 26(a)(1), served and responded to interrogatories, served and responded to document requests, served and responded to requests for admission, and engaged in protracted negotiations, including both extensive written correspondence and numerous meet-and-confers, concerning search terms and custodians for their respective document searches and productions.

67. During discovery, the parties negotiated production of documents from the files of approximately 50 Equifax custodians, and, in total, Defendants produced over 1 million pages of documents to Lead Plaintiff. Furthermore, Lead Plaintiff served document subpoenas on and subsequently met and conferred with eighteen third parties. These third parties produced over 31,400 pages of documents. In addition, Lead Plaintiff produced over 28,150 pages of documents to Defendants.

68. Plaintiff's Counsel deployed a team of approximately 25 attorneys, who spent about seven months reviewing, coding and analyzing the documents produced by Defendants and third parties, prioritizing them by custodian and through the use of targeted search terms. They researched issues related to the factual issues in the discovery materials, identified witnesses to be deposed,

examined questions of privilege, and identified potential deficiencies or gaps in the documents produced. The discovery team also produced numerous memos outlining the results of their research into the factual, discovery and privilege issues that came up. Throughout the discovery period Plaintiff's Counsel had weekly "all-hands" meetings to review and discuss critical documents, address issues of concern and plan the next steps in the review process, including preparing for depositions. At the time the Settlement was reached, Lead Plaintiff's review of the documents was ongoing and Plaintiff's Counsel were in the midst of producing several "witness kits" in connection with the scheduled or anticipated depositions to occur over the next few months.

69. At the time the Settlement was reached, Lead Counsel was negotiating with Defendants' Counsel regarding the taking of depositions in coordination with counsel for plaintiffs in the then-ongoing MDL actions, pursuant to the Coordinated Discovery Order entered by the Court on September 4, 2019 (ECF No. 144) (the "CDO"). The CDO added another layer of complexity to the case, requiring extensive negotiation and coordination to set the schedule for two dozen depositions over the course of a three-month span. Those depositions were set to begin on November 18, 2019 and when the settlement in

principle was reached on November 8, 2019, the parties had either scheduled or were negotiating the scheduling of 15 additional depositions.

70. During discovery numerous disputes arose concerning the scope, adequacy and timing of Defendants' and third-party document productions, most of which were resolved by agreement of the parties. Other disputes, including those concerning the protracted negotiation of custodians and search terms for the documents responsive to Lead Plaintiff's RFPs and Defendants' assertion of privilege over documents from Mandiant, a third party consultant who provided cybersecurity services to Equifax, were raised with the Court during status conferences held on February 19, 2019 and June 12, 2019. In addition, several disputes were formally presented to the Court for resolution, including the following:

- (a) Plaintiff's motion to compel documents from Mandiant, as well as a deposition of a Mandiant representatives pursuant to Fed. R. Civ. P. 30(b)(6), challenging Equifax's assertion that the information requested was privileged or attorney work-product (ECF No. 129); and
- (b) Plaintiff's motion for a discovery conference with respect to deficiencies in Equifax's document productions, privilege logs,

and interactions with third parties in receipt of document subpoenas, which remained pending before the Court at the time the Parties agreed in principle on a settlement (ECF No. 152).

H. Lead Plaintiff's Motion for Class Certification

71. Lead Plaintiff's motion for class certification (the "Class Certification Motion") was filed on March 29, 2019 (ECF No. 102). Union's Class Certification Motion argued that the proposed class met every requirement of Rules of 23(a) and 23(b)(3). The motion was supported by Dr. Steven P. Feinstein's Report on Market Efficiency ("Feinstein Report"), which included the opinions of Lead Plaintiff's expert on the subjects of market efficiency and the availability of accepted methods for determining class-wide damages. As noted above, in connection with its Class Certification Motion, Union produced over 28,150 pages of documents from 21 custodians, in response to Defendants' requests. Defendants also deposed, and Lead Counsel defended, two representatives of Union (Dr. Carsten Fischer and Jochen Riechwald) and Dr. Feinstein.

72. The Defendants filed their opposition to class certification on August 12, 2019 (ECF No. 140) (the "Opposition"). Defendants' Opposition was

supported by the Rebuttal Report of René Stulz (“Stulz Report”). In the Opposition, Defendants asserted that Lead Plaintiff had failed to carry its burden to establish the existence of an acceptable model for determining class-wide damages, which failure precluded class certification. Defendants also argued that class certification should be denied because Lead Plaintiff’s damages claims relied on a “materialization of the risk” theory of loss causation that was inconsistent with a finding of predominance under Rule 23(b)(3). Lead Counsel deposed Dr. Stulz concerning the opinion in his report on September 24, 2019 in Atlanta.

73. Lead Plaintiff filed its reply in support of the Class Certification Motion on October 11, 2019 (ECF No. 147). The reply was accompanied by the Rebuttal Report of Professor Steven P. Feinstein (“Feinstein Reply Report”). In the reply, Lead Plaintiff articulated why its Class Certification Motion satisfied the requirements for predominance, including the adequacy of both the available damages model and its theory of loss causation. In addition, Lead Plaintiff cited numerous cases in which arguments similar to those raised by Defendants in this Action had been rejected by other Courts.

74. The Class Certification Motion was pending when the parties reached an agreement in principle to settle the case for \$149 million in November 2019.⁵

I. Settlement Negotiations

75. The Parties began to explore a potential settlement of the Action in the spring of 2019 through discussions between counsel and ultimately through a mediation process overseen by the Hon. Layn R. Phillips (USDJ, Ret.). The parties agreed to conduct an in-person mediation with Judge Phillips in June 2019 at his office in California. In preparation for the mediation session, Lead Counsel prepared an opening brief and a subsequent submission responding to arguments in Defendants' opening brief.

76. The June 2019 mediation lasted an entire day, with both sides engaging both with Judge Phillips and, at times, directly with each other regarding questions of liability and damages. The parties had substantial disagreements, largely focused on loss causation, damages, and Union's ability to establish scienter at trial. However, that mediation session ended without an agreement to resolve the Action.

⁵ On January 17, 2020, the Court denied the motion for class certification without prejudice. ECF No. 157. In the Court's order, it wrote that the class certification motion "may be renewed if the case is not settled."

77. Following the mediation, the Parties continued to engage in extensive discovery and other litigation efforts while the settlement process continued in parallel.

78. In the settlement discussions, Lead Plaintiff provided Defendants with information concerning Class-wide damages and other merits-based considerations related to settlement. In response, Defendants provided Lead Plaintiff with competing information concerning both damages and the merits of the case. Lead Plaintiff and Lead Counsel carefully analyzed the information provided by Defendants, considered arguments and risks associated with their positions, consulted with their economic-damages expert concerning Defendants' positions, and provided detailed written responses on those points.

79. The exchanges between the parties ultimately facilitated a series of intense, arm's-length negotiations in October and November 2019, facilitated by Judge Phillips. Through those negotiations, in November 2019 the Parties accepted Judge Phillips's proposal to resolve the Action for \$149 million. Accordingly, in November 2019, the Parties reached an agreement in principle to settle and release all claims against Defendants in the Action in return for a cash payment of \$149 million to be paid by Equifax on behalf of all Defendants for the

benefit of the Settlement Class, subject to the execution of a formal stipulation and agreement of settlement and related papers.

III. THE SETTLEMENT STIPULATION AND PRELIMINARY APPROVAL OF THE SETTLEMENT

80. Following the agreement in principle, the Parties negotiated the final terms of the Settlement and drafted the Stipulation and Agreement of Settlement and related settlement papers. On February 12, 2020, the Parties executed the Stipulation, which embodies the final and binding agreement to settle the Action. On February 13, 2020, Lead Plaintiff submitted the Parties' Stipulation to the Court as part of Lead Plaintiff's motion for preliminary approval of the Settlement (the "Preliminary Approval Motion"). ECF No. 159.

81. On February 25, 2020, the Court entered the Preliminary Approval Order, which preliminarily approved the Settlement, conditionally certified the Settlement Class for settlement purposes, appointed Lead Plaintiff as class representatives, appointed Lead Counsel as class counsel, approved the proposed procedure to provide notice of the Settlement to potential Settlement Class Members, and set June 26, 2020 as the date for the final-approval hearing. ECF No. 163. On or about March 17, 2020, the \$149 million Settlement Amount was deposited into an escrow account and has been earning interest for the benefit of the Settlement Class.

IV. RISKS OF CONTINUED LITIGATION

82. The Settlement provides an immediate and certain benefit to the Settlement Class in the form of a \$149 million cash payment. The recovery represents a significant portion of the recoverable damages in the Action as determined by Lead Plaintiff's damages expert, particularly after considering certain of Defendants' arguments concerning loss causation and scienter. As explained below, Defendants had substantial defenses with respect to liability, loss causation, and damages in this case. These arguments created a significant risk that, after years of protracted litigation, Lead Plaintiff and the Settlement Class would achieve no recovery at all, or a far smaller recovery than the Settlement Amount.

A. The Risks of Prosecuting Securities Actions

83. 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 as Exhibit 6, at 16.

84. Multiple securities class actions have recently been dismissed at the summary-judgment stage. *See, e.g., 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 before trial on Daubert motions. *See, e.g., Bricklayers & 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 plaintiff's expert was unreliable).

85. Even when securities-class-action plaintiffs are successful at summary judgment, and overcoming Daubert motions and have gone to trial, there are still real risks that there will be no recovery or substantially less recovery for class members than in a settlement. For example, in *In re BankAtlantic Bancorp, Inc. Securities Litigation*, a jury rendered a verdict in plaintiffs favor on liability in

2010. *See* 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 defendants on all claims. *See id.* at *38. In 2012, the Eleventh Circuit affirmed the district court's ruling, finding that there was insufficient evidence to support a finding of loss causation. *See Hubbard v. BankAtlantic Bancorp, Inc.*, 688 F.3d 713, 725 (11th Cir. 2012).

86. There is also an 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*, 575 U.S. 175 (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 Grp., Inc. v. First Deriv. Traders*, 564 U.S. 135 (2011); *Morrison v. Nat'l. Austl. Bank, Ltd.*, 561 U.S. 247. As a result, many cases have been lost after thousands of hours had been invested in briefing and discovery. For example, in *In re Vivendi Universal, S.A. Securities Litigation*, after a verdict for class plaintiffs finding that Vivendi acted recklessly with respect to 57 statements, the

district court granted judgment for defendants following the change in the law announced in *Morrison*. See 765 F. Supp. 2d 512, 524, 533 (S.D.N.Y. 2011).

87. In sum, securities class actions face serious risks of dismissal and nonrecovery at all stages of the litigation.

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

88. Even though Plaintiff prevailed at the motion-to-dismiss stage on several of their claims against Defendants, they continued to face substantial risks that the Court would find that they failed to establish liability, loss causation, or damages as a matter of law at summary judgment; if the Court were to permit the claims to proceed to trial, that a jury (or appeals court) would find against Lead Plaintiff; and even if Lead Plaintiff prevailed at trial, that the verdict would be overturned by an appellate court or reduced through other post-trial proceedings. Even the claims that were sustained have subsequently been subjected to a motion for clarification and a petition for interlocutory review pursuant to 28 U.S.C. § 1292(b) and significant arguments and risks, including that data breach was the materialization of a known risk. As Defendants noted, in *In re Miller Indus., Inc. Securities Litigation*, this Court denied the motion to dismiss and then entered summary judgment in favor of the defendants on scienter, falsity, and materiality grounds, all of which are at issue in this litigation. See 120 F. Supp. 2d 1371

(N.D. Ga. 2000). Thus, while Lead Plaintiff and Lead Counsel believe they advanced strong claims on the merits, Defendants vigorously contested liability with respect to nearly every element of Lead Plaintiff's claims.

C. The Risks of Proving Falsity and Materiality

89. As detailed above, the core allegations in this case were that Defendants violated the federal securities laws by making materially false and misleading statements and failing to disclose material facts about Equifax's data security, including the Company's compliance with applicable industry standards and regulations. Defendants raised compelling arguments in their motion to dismiss, motion for clarification, and petition for interlocutory review, which would have formed the basis for similar arguments to be adduced at summary judgment and trial. Indeed, the challenge of proving that Defendants' alleged misrepresentations were both materially false and made with scienter are illustrated by the Court's granting the motion to dismiss with respect to three of the Individual Defendants.

90. As noted above, Defendants would have continued to argue, as they did in their motion to dismiss the Complaint, that their alleged misstatements about Equifax's *commitment* to cybersecurity were immaterial "puffery"—

statements that are as a matter of law inactionable. This was the focus of Defendants' 1292(b) Motion.

91. For example, the Complaint alleges that, during the Class Period, Equifax made the following statements about its *commitment* to cybersecurity, in public statements and filings:

- (a) Equifax: "As a trusted steward of consumer and business information, Equifax employs strong data security and confidentiality standards on the data we provide and on the access to that data. We maintain a highly sophisticated data information network that includes advanced security, protections and redundancies." (Complaint ¶ 53) (emphasis added);
- (b) Equifax: "We have built our reputation on our commitment to deliver reliable information to our customers (both businesses and consumers) and to protect the privacy and confidentiality of personal information about consumers. We also protect the sensitive information we have about the businesses. Safeguarding the privacy and security of information, both

online and offline, is a top priority for Equifax.” (Complaint ¶ 54) (emphasis added); and

- (c) Smith: “[The Company] never take[s] for granted our need to continue to innovate around data security. I think we are in a very good position now . . . [I] feel like we’re in really good shape.” (Complaint ¶ 55) (emphasis added).

92. At least one court has found statements concerning data security allegedly revealed to be false by a data breach to be insufficient. *See In re Heartland Payment Sys., Inc. Sec. Litig.*, 2009 WL 4798148, at *5 (D.N.J. Dec. 7, 2009). Defendants would continue to argue that these statements are “puffery”—vague, generalized statements of corporate optimism upon which no reasonable investor would rely. For these reasons, there was a significant risk that, had the litigation continued to trial, a jury could have found that these statements about Equifax’s cybersecurity did not trigger liability under the securities laws.

93. With respect to the “commitment to cybersecurity” statements, Defendants would have also asserted that the truth of such statements was reflected in the work and investment Equifax actually made to maintain and improve its data security program. Similarly, Defendants would have argued that the fact that the Company’s data security defenses were overcome by

sophisticated cybercriminals does not establish that the Company's statements about cybersecurity were false or misleading. These arguments could undermine Plaintiff's theory of falsity, and, as discussed further below, scienter.

94. Defendants would have also continued to argue, as they did in their motion to dismiss, that these statements were immaterial as a matter of law because they were merely allegations of corporate mismanagement, which the Supreme Court has held does not come within the ambit of conduct Congress sought to regulate under Section 10(b). Indeed, courts in the Eleventh Circuit, as well as across the country, have often found allegations of mere possible mismanagement and operations problems do not state a Section 10(b) claim. *See, e.g., Santa Fe Indus. v. Green*, 430 U.S. 462, 479–80 (1977); *Craftmatic Sec. Litig. v. Kraftsow*, 890 F.2d 628, 640 (3d Cir. 1989); *In re Winn-Dixie Stores, Inc. Sec. Litig.*, 531 F. Supp. 2d 1334, 1347 (M.D. Fla. 2007); *Cutsforth v. Renschler*, 235 F. Supp. 2d 1216, 1242-44 (M.D. Fla. 2002); *In re Donna Karan Int'l Sec. Litig.*, 1998 WL 637547, at *9 (E.D.N.Y. Aug. 14, 1998).

95. Additionally, there was a significant risk that Lead Plaintiff would be unable to prove its allegation that Defendants made misleading and materially false statements regarding Equifax's data security standards and practices and failure to disclose purported internal mismanagement of these standards and

practices. Defendants argued, and would have continued to argue, that, as a matter of law, Defendants' purported internal mismanagement and failure to disclose such mismanagement does not constitute securities fraud. Moreover, there were no admissions by Equifax, or findings of fact by a governmental regulator, that the Company's cybersecurity was in violation of applicable regulatory or industry standards. Thus, there was a real risk that Defendants could have convinced a jury that Equifax's alleged misstatements regarding its data security standard and practices were inactionable.

96. Finally, Defendants argued, and would have continued to argue, that Defendant Smith's August 2017 statements at a business school breakfast and the statements on Equifax webpages do not satisfy the "in connection with" the purchase or sale of securities element needed to support a Section 10(b) claim. Defendants asserted that these alleged false and misleading statements were not material or directed at Equifax investors. Defendants argued that these statements therefore could not form the basis of Lead Plaintiff's claims under the fraud-on-the-market theory.

D. The Risks of Proving Scienter

97. Even if Lead Plaintiff were able to establish a material misrepresentation, it faced significant hurdles in proving scienter—gross

recklessness or intent to defraud. Proving scienter in this case would have been particularly difficult for a number of reasons.

98. First, Lead Plaintiff faced a significant hurdle in establishing that Equifax's senior management, including Defendant Smith, had direct knowledge of Equifax's cybersecurity deficiencies. Throughout the litigation, Defendants have strenuously denied that Equifax's senior management were aware of the Company's alleged cybersecurity failures until shortly before the end of the Class Period. Thus, Lead Plaintiff faced a significant risk in proving that either Defendant Smith or another senior officer of Equifax acted with an intent to mislead investors. If Smith's scienter could not be established throughout the Class Period, and if Plaintiff was unable to establish Equifax's scienter through another corporate officer, its claims against the Company would also fail for failing to prove Equifax's corporate scienter.

99. Furthermore, the difficulty of proving Defendant Smith's participation in the alleged fraud is underscored by the fact that despite Plaintiff's discovery efforts in the case and investigations by multiple prosecutors, regulators, Congress, and other private parties (in both the United States and Europe), Defendants would argue that no evidence directly linking Defendant Smith to the alleged fraud has been uncovered to date.

100. In addition, the Company would present evidence that it invested millions of dollars in cybersecurity and had in place a reasonable overall cybersecurity program, asserting that such efforts make clear that there was no intent, or reckless disregard, to mislead investors about Equifax's actual data security practices.

E. The Risks of Establishing Loss Causation and Damages

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

102. For example, Defendants have argued and would continue to argue that the Class Period should start later (if at all), in March 2017, and end earlier, on September 7, 2017. According to Defendants, the Class Period should start in

March 2017 (rather than in February 2016) when Defendants are alleged to have received a report from an outside consulting firm (Mandiant) making certain observations regarding aspects of Equifax's cybersecurity program. Defendants also claim that the Class Period should end on September 7, 2017, the date of Equifax's initial disclosure of the Data Breach, not September 15, 2017, because the alleged corrective disclosures made after the initial disclosure of the Data Breach did not disclose anything new to the market that had not already been previously revealed on September 7, 2017. Either argument, if successful, would materially reduce the Class's damages.

103. In addition, in attempting to establish its full amount of estimated damages, Lead Plaintiff would have to prove that losses caused by the following five separate disclosures related to the data breach, caused statistically significant price declines in Equifax common stock, when removing the effects of (a) broader industry and market factors, and (b) Equifax-specific news that did not reveal anything about the Defendants' alleged fraud:

Trading Day	Disclosure	Residual Decline Per Common Share⁶
9/8/2017	Equifax announces that it had suffered data breach affecting information of approximately 143 American consumers	\$9.67
9/11/2017	News of state and federal government investigations	\$4.45
9/13/2017	News of the vulnerability exploited in the Equifax's Argentina facility breaks; coalition of 40 states joined together to probe Equifax's handling of the data breach	\$6.78
9/14/2017	Equifax discloses that vulnerability in the Apache Struts framework led to data breach	\$0.60
9/15/2017 (prior to 12:20 pm ET)	Equifax announces retirement of Chief Information Officer David Webb and Chief Security Officer Susan Mauldin; Equifax announces nearly 400,000 UK citizens may have been impacted by data breach	\$0.96

104. Similar to their arguments that the Class Period should end on September 7, 2017, Defendants would have argued that the alleged fraud was fully

⁶ Based on Lead Plaintiff' financial expert's analysis of likely maximum provable

disclosed no later than September 7, 2017; that all of the subsequent disclosures price drops could not be linked to disclosures of non-confirmatory information revealing any alleged “fraud” or deficiencies in Equifax’s cybersecurity. Thus, there is a risk that the Court would cut back the Class Period to include at most only one of Plaintiff’s five corrective disclosures, and that all of the stock-price declines after September 8, 2017 are therefore unrecoverable. *See In re Omnicom Group, Inc. Securities Litigation*, 597 F.3d 501 (2d Cir. 2010). If accepted by the Court on summary judgment or by a jury at trial, this argument would have drastically reduced the Class’s recoverable damages. Indeed, if the initial disclosures by the Company on September 7, 2017 were found to have fully revealed the fraud, the vast majority of Lead Plaintiff’s asserted damages would have been eliminated. This is reflected in the per-share inflation amounts set-forth above for the dates after September 8, 2017, which total far more than the decline on September 8. Lead Plaintiff would have argued that each of the later disclosures revealed material new information to the market concerning either the details or the severity of the fraud and caused recoverable damages, but there was

damages, as reflected in the proposed Plan of Allocation.

a significant risk that Lead Plaintiff's arguments would not prevail with respect to some or all of the later corrective disclosures.

105. In addition, Defendants would argue that the full amount of the share price declines on all of the corrective disclosures dates was not recoverable, because certain of the negative information on each date was unrelated to the alleged fraud. For example, Defendants argued that a significant portion of the declines in Equifax's stock price on the corrective disclosure dates, in particular on September 8 and September 11, reflect investors' reaction to the expected cost and impact of the data breach itself rather than the revelation of the Company's undisclosed cybersecurity deficiencies. Defendants would also argue that the decline on September 14 was unrelated to news that the data breach involved an unpatched weakness in the Apache Struts software it used, as that information had been previously disclosed and was not "new" news. Finally, Defendants would argue that the decline on September 15 occurred prior to the announcement of certain executive departures at the Company, and thus could not have caused the price drop on that date (in addition to arguing that such departures did not reveal anything about the alleged fraud). These arguments, if accepted, would have significantly reduced damages.

106. Similarly, Defendants have argued that the data breach was the materialization of a publicly-disclosed risk that Equifax's systems could be breached, and that Lead Plaintiff and members of the Settlement Class would not be entitled to recover the full decline in Equifax's stock price upon the announcement that the data breach had occurred. This argument was substantially based on the decision in *In re BP p.l.c. Securities Litigation*, MDL No. 10-md-2185, 2014 WL 2112823, at *12 (S.D. Tex. May 20, 2014), and could have resulted in all of the class's damages being wiped out if the Court or a jury concluded that Plaintiff could not establish that there was any way of establishing class-wide damages attributable to the "risk" of a data breach being misrepresented.

107. Defendants would also have made other arguments at summary judgment or trial that would have presented serious risks of substantially reducing any recoverable damages. Among other things, Defendants would have challenged Lead Plaintiff's damages analysis on the ground that the analysis did not disaggregate common stock price declines caused by news concerning the alleged fraud from declines caused by other news about Equifax on the relevant days. While Lead Plaintiff would have argued that the residual declines on the relevant days were caused entirely by the revelation of the alleged fraud, there

would have been a substantial risk that the Court or a jury would have accepted Defendants' position, reducing any recoverable damages.

108. Finally, loss causation and damages would have been the subjects of complex analyses by competing experts for Lead Plaintiff and Defendants with the burden of proof on Lead Plaintiff, and there would have been a substantial risk that the Court or a jury would find Defendants' expert's criticisms of Lead Plaintiff's expert's analyses persuasive.

F. The Risks of Certifying the Class and Maintaining Class Certification

109. At the time the Settlement was reached, the Parties had fully briefed the motion for class certification. In their opposition to class certification, Defendants raised various challenges to certification of the Class. In particular, Defendants argued that that this Action was similar to *In re BP p.l.c. Securities Litigation*, where the Court found that the Lead Plaintiff tendered a damages model that awarded damages to the pre-explosion purchasers based on stock drops after the explosion and therefore overcompensated the class in the face of a known risk. Defendants also argued that Plaintiff would be unable to put forth a damages model that measured damages on a class-wide basis. Lead Plaintiff vigorously opposed these arguments. However, even assuming Union successfully obtained certification, there was a risk of an interlocutory Rule 23(f) appeal or

decertification at a later stage in the proceedings based on further evidence on summary judgment or at trial.

G. The Risk of Appeal

110. Even if 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 Plaintiff 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.

111. The risk that even a successful trial verdict could be overturned on a post-trial motion or appeal is real in securities-fraud class actions. *See, e.g., Glickenhau & 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 19, 2009) (granting summary judgment to defendants after eight years of litigation), *aff'd*, 627 F.3d 376 (9th Cir. 2010); *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) (vacating \$100 million jury verdict on post-trial motions).

* * *

112. Based on all the factors summarized above, Lead Plaintiff and Lead Counsel respectfully submit that it was in the best interest of the Settlement Class to accept the immediate and substantial benefit conferred by the \$149 million Settlement, instead of incurring the significant risk that the Settlement Class would recover a lesser amount, or nothing at all, after several additional years of arduous litigation. Indeed, the Parties were deeply divided on several key factual issues central to the litigation, and there was no guarantee that Lead Plaintiff's positions on these issues would prevail at either class certification, summary judgment, or trial. If Defendants had succeeded on any of these substantial defenses, Lead Plaintiff and the Settlement Class would have recovered nothing at all or, at best, would likely have recovered far less than the Settlement Amount.

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

113. The \$149 million Settlement represents an excellent recovery for the Settlement Class. It is also a very favorable result when it is considered in relation to the range of potential recoveries that might be recovered if Lead Plaintiff prevailed at trial, which was far from certain for the reasons noted above. Lead

Plaintiff's expert estimates, after giving effect to certain of Defendants' arguments, that the maximum potential damages that could be realistically established at trial were approximately \$588 million.⁷ However, proving the damages reflected in this estimate assumes that Lead Plaintiff would have prevailed on all their merits arguments about falsity, materiality, and scienter, and that all or most aspects of the case would be sustained and proven at trial. Even so, this estimate would be subject to substantial risk at trial, as it would be subject to a "battle of the experts." As noted above, at trial, the damages estimate could have been substantially reduced based on arguments about which alleged corrective disclosures, if any, caused recoverable damages and whether the artificial inflation, if any, of Equifax's common stock share price was constant throughout the Class Period, among other things.

114. However, assuming that the estimated likely maximum damages were proven at trial, based on this estimate, the \$149 million Settlement represents approximately 25% of likely maximum recoverable damages (before reductions for any award of attorneys' fees or reimbursement of Litigation Expenses). In

⁷ As noted in Lead Plaintiff's Preliminary Approval Motion, the per-share inflation amounts used to determine the \$588 million likely maximum recoverable

light of the substantial risks of establishing liability and damages presented here, this recovery represents an excellent outcome for members of the Settlement Class.

115. 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 Settlement Class to accept the immediate and substantial benefit conferred by the Settlement, instead of incurring the significant risk that the Settlement Class might recover a lesser amount, or nothing at all, after additional protracted and arduous litigation.

VI. LEAD PLAINTIFF'S COMPLIANCE WITH THE COURT'S PRELIMINARY APPROVAL ORDER REQUIRING ISSUANCE OF NOTICE

116. 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 Litigation Expenses (the "Notice") and the Proof of Claim and Release Form ("Claim Form") be disseminated to the Settlement Class. The Preliminary Approval Order also set a June 5, 2020 deadline for Settlement Class Members to submit

aggregate damages amount are the same as those used in the proposed Plan of

objections to the Settlement, the Plan of Allocation, or the Fee and Expense Application or to request exclusion from the Settlement Class and set a final approval hearing date of June 26, 2020.

117. In accordance with the Preliminary Approval Order, Lead Counsel instructed JND Legal Administration (“JND”), the Court-approved Claims Administrator, to disseminate copies of the Notice and 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 Settlement Class Members’ rights to participate in the Settlement, to object to the Settlement, the Plan of Allocation, or the Fee and Expense Application, or to exclude themselves from the Settlement Class. The Notice also informs Settlement Class Members of Lead Counsel’s intent to apply for an award of attorneys’ fees in an amount not to exceed 20% of the Settlement Fund and for payment of Plaintiff’s Counsel’s Litigation Expenses in an amount not to exceed \$1,000,000, including reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class. To disseminate the Notice, JND obtained information from Equifax and

Allocation (discussed in Section VII below).

from banks, brokers, and other nominees regarding the names and addresses of potential Settlement Class Members. See Declaration of Luiggy Segura 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 (the “Segura Decl.”), attached as Exhibit 2, at ¶¶ 3-8.

118. On March 24, 2020, JND mailed 7,987 copies of the Notice and Claim Form (together, the “Notice Packet”) to potential Settlement Class Members and nominees by first-class mail. See Segura Decl. ¶¶ 3-4. Through May 20, 2020, JND disseminated 183,870 Notice Packets. *Id.* ¶ 7.

119. On April 2, 2020, in accordance with the Preliminary Approval Order, JND caused the Summary Notice to be published in the *Wall Street Journal* and to be transmitted over the *PR Newswire*. See *id.* ¶ 8.

120. Lead Counsel also caused JND to establish a dedicated settlement website, www.EquifaxSecuritiesLitigation.com, to provide potential Settlement Class Members with information concerning the Settlement and access to downloadable copies of the Notice and Claim Form, as well as copies of the Stipulation, Preliminary Approval Order, and Complaint. See *id.* ¶ 10. Copies of the Notice and Claim Form are also available on Lead Counsel’s website, www.blbglaw.com.

121. As noted above, the deadline for Settlement Class Members to file objections to the Settlement, the Plan of Allocation, and/or the Fee and Expense Application, or to request exclusion from the Settlement Class, is June 5, 2020. To date, two requests for exclusion have been received. *See Segura Decl.* ¶ 11. In addition, to date, one objection to the Settlement has been received, and Lead Counsel is currently unaware of any objections to the Plan of Allocation or the Fee and Expense Application. Lead Plaintiff will file reply papers in support of final approval of the Settlement on June 19, 2020, after the deadline for submitting requests for exclusion and objections has passed, and will address all requests for exclusion and objections received.

VII. PROPOSED ALLOCATION OF THE PROCEEDS OF THE SETTLEMENT

122. In accordance with the Preliminary Approval Order, and as provided in the Notice, all Settlement Class Members who want to participate in the distribution of the Net Settlement Fund (*i.e.*, the Settlement Fund less (i) any Taxes, (ii) any Notice and Administration Costs, (iii) any Litigation Expenses awarded by the Court, (iv) any attorneys' fees awarded by the Court, and (v) any other costs or fees approved by the Court) must submit valid Claim Forms with all required information postmarked no later than July 22, 2020. As provided in the

Notice, the Net Settlement Fund will be distributed among Settlement Class Members according to the plan of allocation approved by the Court.

123. Lead Plaintiff's damages expert developed the proposed Plan of Allocation in consultation with Lead Counsel. Lead Counsel believes that the Plan of Allocation provides a fair and reasonable method to equitably allocate the Net Settlement Fund among Settlement Class Members who suffered losses as a result of the conduct alleged in the Complaint.

124. The Plan of Allocation is included in the mailed Notice. *See* Notice, attached as Exhibit A to the Segura Decl., at pp. 12-16. As described in the Notice, calculations under the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after trial or estimates of the amounts that will be paid to Authorized Claimants under the Settlement. Instead, the calculations under the Plan are only a method to weigh the claims of Settlement Class Members against one another for the purposes of making an equitable allocation of the Net Settlement Fund.

125. In developing the Plan of Allocation, Lead Plaintiff's damages expert calculated the estimated amount of alleged artificial inflation in the per share closing prices of Equifax common stock that was allegedly proximately caused by

Defendants' alleged materially false and misleading statements and omissions. In calculating the estimated artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiff's damages expert considered price changes in Equifax common stock in reaction to certain public announcements allegedly revealing the truth concerning Defendants' alleged misrepresentations and omissions, adjusting for price changes that were attributable to market or industry forces, other negative information unrelated to Lead Plaintiff's allegations, and to account for the strength of Lead Plaintiff's claims, including potential difficulties in proving loss causation. *See* Notice ¶ 57.

126. Under the Plan of Allocation, a "Recognized Loss Amount" will be calculated for each purchase or acquisition of publicly-traded Equifax 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 shares of publicly-traded Equifax common stock were purchased or otherwise acquired, and at what price; and (b) whether the Equifax common stock shares were sold or held through the end of the Class Period or the 90-day look-back period under the PSLRA, and if the shares were sold, when and for what amounts. *Id.* ¶¶ 59-61.

127. Claimants who purchased and sold all their shares of publicly-traded Equifax common stock before the first corrective disclosure, or who purchased and sold all their shares between two consecutive dates on which artificial inflation was allegedly removed from the price of Equifax common stock (that is, they did not hold the shares over a date where 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

128. Under the Plan of Allocation, the sum of a Claimant's Recognized Loss Amounts for all their purchases of publicly-traded Equifax common stock during the Class Period is the Claimant's "Recognized Claim," and the Net Settlement Fund will be allocated *pro rata* to Authorized Claimants based on the relative size of their Recognized Claims. *Id.* ¶¶ 62, 71-72. Once the Claims Administrator has processed all submitted claims it will make the *pro rata* distributions to eligible Class Members, until additional re-distributions are no longer cost effective. *Id.* ¶ 74. At such time, any remaining balance will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) approved by the Court. *Id.*

129. In sum, the Plan of Allocation was designed to fairly and rationally allocate the proceeds of the Net Settlement Fund among Settlement Class

Members based on the losses they suffered on transactions in publicly-traded Equifax common stock that were attributable to the conduct alleged in the Complaint. Accordingly, Lead Counsel respectfully submits that the Plan of Allocation is fair and reasonable and should be approved by the Court.

130. As noted above, through May 20, 2020, 183,870 copies of the Notice, which contains the Plan of Allocation and advises Settlement Class Members of their right to object to the proposed Plan of Allocation, have been sent to potential Settlement Class Members. *See* Segura Decl. ¶ 7. To date, no objections to the proposed Plan of Allocation have been received.

VIII. THE FEE AND EXPENSE APPLICATION

131. In addition to seeking final approval of the Settlement and Plan of Allocation, Lead Counsel is applying to the Court, on behalf of Plaintiff's Counsel, for an award of attorneys' fees in the amount of 20% of the Settlement Fund, net of Court-approved Litigation Expenses (the "Fee Application"). Lead Counsel also requests payment for expenses that Plaintiff's Counsel incurred in connection with the prosecution Action from the Settlement Fund in the amount of \$659,925.13 and reimbursement to Lead Plaintiff Union in the amount of \$121,375.00 for costs and expenses that it incurred directly related to its

representation of the Settlement Class, in accordance with the PSLRA, 15 U.S.C. § 78u-4(a)(4) (collectively, the “Expense Application”).

132. The legal authorities supporting the requested fee and expenses are discussed in Lead Counsel’s Fee Memorandum. The primary factual bases for the requested fee and expenses are summarized below.

A. The Fee Application

133. For the efforts of Plaintiff’s Counsel on behalf of the Settlement Class, Lead Counsel is applying for a fee award to be paid from the Settlement Fund on a percentage basis. As discussed 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 Settlement Class’s interest 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 Eleventh Circuit Court of Appeals for cases of this nature.

134. 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 20% fee award is less than the 25% benchmark for attorneys' fees in the Eleventh Circuit for common-fund cases such as this, and given the facts and circumstances of this case, is well within the range of percentages awarded in securities class actions in this Circuit and elsewhere in comparable settlements.

1. Lead Plaintiff Has Authorized and Supports the Fee Application

135. Lead Plaintiff Union is a sophisticated institutional investor that closely supervised, monitored, and actively participated in the prosecution and settlement of the Action. *See* Riechwald Decl. ¶¶ 3-9. Lead Plaintiff has evaluated the Fee Application and fully supports the fee requested, which is consistent with the fee agreement entered into by Union and Lead Counsel at the outset of the litigation. *Id.* at ¶¶ 11-13. After the agreement to settle the Action was reached, Lead Plaintiff reviewed the proposed fee and believes it is fair and reasonable in light of the outstanding result obtained for the Settlement Class, the excellent work performed by Plaintiff's Counsel, and the risks undertaken by counsel. *Id.* at ¶ 11. 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

136. As defined above, Plaintiff's Counsel are the Court-appointed Lead Counsel BLB&G and Bondurant Mixson & Elmore LLP ("BME"), local counsel for Lead Plaintiff and the Class.

137. 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, news articles, social media posts, and other publicly available sources of information concerning Equifax; (ii) drafting the detailed 186-page Consolidated Complaint asserting violations of the Exchange Act against Defendants; (iii) successfully moving to modify the PSLRA discovery stay; (iv) successfully defeating Defendants' joint motion to dismiss the Complaint, in large part, through briefing and oral argument; (v) successfully opposing Defendant Equifax's motion for clarification on the Court's motion to dismiss order and Defendants' joint motion to certify questions related to the Court's order for interlocutory review pursuant to 28 U.S.C. 1292(b); (vi) successfully moving to modify the PSLRA discovery stay; (vii) preparing and filing Lead Plaintiff's motion for class certification, which included the submission an expert report on market efficiency

and the availability of class-wide damages methodologies, defending the depositions of Lead Plaintiff's representatives and expert, deposing Defendants' expert, and the submission of a rebuttal expert report; (viii) undertaking substantial fact discovery efforts, including producing over 28,150 pages of documents from Lead Plaintiff, drafting and serving extensive discovery requests on Defendants and document subpoenas upon several dozen relevant nonparties, responding to document requests served by Defendants, serving and responding to interrogatories and litigating discovery disputes, and reviewing and analyzing over 1 million pages of documents produced by Defendants and third parties; (ix) consulting extensively throughout the litigation with experts regarding loss-causation, damages, and cybersecurity issues; (x) engaging in extensive, arm's-length settlement negotiations to achieve the Settlement, including an all-day, in person mediation session; and (xi) drafting and negotiating the Settlement Stipulation and related settlement documentation.

138. Throughout the litigation, I maintained control of and monitored the work performed by other lawyers at BLB&G on this case. Specifically, most of the major tasks in the case—drafting sections of each pleading, discovery motion, or discovery request or response, negotiating particular discovery issues with Defendants or third parties—were handled primarily by me with the assistance of

one of the other lawyers on the team. I personally handled presentations to the Court at several status conferences and hearings, client communications, strategy meetings, and was involved in all aspects of the settlement process. More junior attorneys and paralegals worked on matters appropriate to their skill and experience level. Throughout the litigation, Lead Counsel maintained an appropriate level of staffing that avoided unnecessary duplication of effort and ensured the efficient prosecution of the Action.

139. Attached hereto as Exhibits 3A and 3B, respectively, are my declaration on behalf of BLB&G and the declaration of H. Lamar Mixson on behalf of Bondurant Mixson & Elmore LLP, 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, delineated by category. 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. In addition, each of the Fee and Expense Declarations includes summary descriptions of the principal tasks performed by each attorney and principal support staff involved in this Action. The Fee and Expense Declarations were prepared from

contemporaneous daily time records regularly maintained and prepared by the respective firms, which are available at the request of the Court. The first page of Exhibit 3 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.

140. As set forth in Exhibit 3, Plaintiff's Counsel expended a total of 42,231.25 hours in the investigation, prosecution, and resolution of this Action through May 15, 2020. The resulting lodestar is \$18,633,444.50. The vast majority of the total lodestar—97%—was incurred by Lead Counsel. Lead Counsel has and will continue to invest substantial time and effort in this case after the May 15, 2020 cut-off imposed for their lodestar submissions on this application.

141. If the Court awards Plaintiff's Counsel's Litigation Expenses, the requested fee of 20% of the Settlement Fund, net of expenses, represents \$29,643,739.97 (plus interest accrued at the same rate as the Settlement Fund), and therefore represents a multiplier of approximately 1.59 of Plaintiff's Counsel's lodestar. As discussed in further detail in the Fee Memorandum, the requested multiplier is well 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

142. As demonstrated by the firm résumé attached as Exhibit 3A-3 hereto, 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 cases of this kind, and is consistently ranked among the top plaintiffs' firms in the country. Further, BLB&G has taken complex cases like this to trial, and it is among the few firms with experience doing so on behalf of plaintiffs in securities class actions. I believe that this willingness and ability to take cases to trial added valuable leverage during the settlement negotiations.

4. The Standing and Caliber of Defendants' Counsel

143. 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 Equifax, Gamble, Ploder, and Dodge were represented by King & Spalding LLP, one of the country's most prestigious and experienced defense firms, which vigorously represented its clients. Defendant Smith was defended by similarly prestigious and experienced firms, Quinn Emanuel Urquhart & Sullivan LLP and Troutman Sanders LLP. In the face of this experienced, formidable, and

well-financed opposition from some of the nation's top defense firms, Lead Counsel was nonetheless able to persuade Defendants to settle the case on terms that are highly favorable to the Settlement Class.

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

144. The prosecution of these claims was undertaken entirely on a contingent-fee basis, and the considerable risks assumed by Lead Counsel in bringing this Action to a successful conclusion are described above. Those risks are relevant to the Court's evaluation of an award of attorneys' fees. Here, the risks assumed by Lead Counsel, and the time and expenses incurred by Lead Counsel without any payment, were extensive.

145. 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 like 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

received no compensation during the course of the Action and have incurred nearly \$650,000 in expenses in prosecuting the Action for the benefit of the Settlement Class.

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

147. Lead Counsel knows from experience that the commencement and prosecution of a class action do 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.

148. 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.

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

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

150. As stated above, through May 20, 2020, more than 183,000 Notice Packets had been mailed to potential Settlement Class Members advising them that Lead Counsel would apply for an award of attorneys' fees in an amount not to exceed 20% of the Settlement Fund. *See Segura Decl.* ¶ 7. In addition, the Court-approved Summary Notice was published in the *Wall Street Journal* and transmitted over the *PR Newswire*. *Id.* ¶ 8. To date, no objections to the request for attorneys' fees have been received. Should any objections be submitted, they will be addressed in Lead Counsel's reply papers to be filed on June 19, 2020, after the deadline for submitting objections has passed.

151. 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 outstanding 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 20% of the Settlement Fund, net of expenses, resulting in a lodestar multiplier of approximately 1.59, is fair and reasonable, and is supported by the fee awards that courts have granted in other comparable cases.

B. The Litigation-Expense Application

152. Lead Counsel also seeks payment from the Settlement Fund of \$659,925.13 in litigation expenses that were reasonably incurred by Plaintiff's Counsel in commencing, litigating, and settling the claims asserted in the Action.

153. From the outset of the Action, Plaintiff's Counsel have been cognizant of the fact that they might not recover any of their expenses, and, further, if there were to be reimbursement of expenses, it would not occur until the Action was successfully resolved, often a period lasting several years. Plaintiff's Counsel also understood that, even assuming that the case was ultimately successful, reimbursement of expenses would not necessarily compensate them for the lost use of funds advanced by them to prosecute the Action, and any

attorneys' fee percentage awarded to Plaintiff's Counsel would be net of any awarded expenses. Consequently, counsel were motivated to, and did, take significant steps to minimize expenses whenever practicable without jeopardizing the vigorous and efficient prosecution of the case

154. As shown in Exhibit 3 hereto, Plaintiff's Counsel have incurred a total of \$659,925.13 in Litigation Expenses in prosecuting the Action. The expenses are summarized in Exhibit 4, which identifies each category of expense, *e.g.*, expert fees, costs for maintaining the document database, online research, mediation fees, travel costs, and photocopying expenses, and the amount incurred for each category. These expense items are incurred separately by Plaintiff's Counsel, and these charges are not duplicated in counsel's hourly rates.

155. Of the total amount of Plaintiffs' Counsel's expenses, \$339,483.36, or approximately 51%, was incurred for the retention of experts. As noted above, Lead Counsel consulted with experts in the fields of loss causation and damages during its investigation and the preparation of the Complaint, and consulted further with one of those experts during the settlement negotiations with Defendants and the development of the proposed Plan of Allocation. Lead Counsel also retained cybersecurity experts, who provided consulting services

with respect to Equifax's statements regarding cybersecurity and the Data Breach and Lead Plaintiff's allegations regarding the same.

156. Another large component of the Litigation Expenses for which payment is sought consists of discovery/document management costs, which amount to \$137,968.67, or approximately 21% of the total expenses.

157. Another significant expenditure in this Action was for online legal and factual research, which was necessary to prepare the Complaint, research the law pertaining to the claims asserted in the Action, oppose Defendants' motions to dismiss, motion for clarification, and motion for interlocutory appeal pursuant to 28 U.S.C. § 1292(b), as well as to draft the motion to partially lift the PSLRA discovery stay and to litigate discovery disputes, including briefing a motion to compel. The charges for online research amounted to \$57,456.79, or approximately 9% of the total amount of expenses.

158. Also, Lead Plaintiff's share of the mediation costs paid to Phillips ADR for the services of Judge Phillips were \$45,182.00, or approximately 7% of the total expenses.

159. The other expenses for which Lead Counsel seek payment are the types of expenses that are necessarily incurred in litigation and routinely passed on to clients billed by the hour. These expenses include, among others, court fees,

costs of out-of-town travel, service of process expenses, copying costs, telephone charges, and postage and delivery expenses.

160. All of the Litigation Expenses incurred by Plaintiff's Counsel were reasonable and necessary to the successful litigation of the Action and have been approved by Lead Plaintiff. *See* Riechwald Decl. ¶ 12.

161. Additionally, Lead Plaintiff Union seeks reimbursement of the reasonable costs and expenses that it incurred directly in connection with its representation of the Settlement Class. Such payments are expressly authorized and anticipated by the PSLRA, as more fully discussed in the Fee Memorandum. Lead Plaintiff seeks reimbursement of \$121,375.00 for the time expended in connection with the Action by Dr. Carsten Fischer, General Counsel of Union, and Jochen Riechwald, Assistant General Counsel of Union, among other Union employees. Among other things, Dr. Fischer and Mr. Riechwald spent a substantial amount of time communicating with Lead Counsel; reviewing and commenting on pleadings and motion papers filed in the Action; gathering and producing documents in response to discovery requests; preparing for, traveling to, and attending their depositions in the Action, and consulting with Lead Counsel regarding the settlement negotiations. *See* Riechwald Decl. ¶ 6.

162. The Notice informed potential Class Members that Lead Counsel would be seeking payment of Litigation Expenses in an amount not to exceed \$1,000,000, which might include an application for the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class. Notice ¶¶ 5, 77. The total amount requested, \$781,300.13, which includes \$659,925.13 for the litigation expenses of Plaintiff's Counsel and \$121,385.00 for costs and expenses incurred by Lead Plaintiff, is significantly below the \$1,000,000 that Class Members were advised could be sought. To date, no objection has been raised as to the maximum amount of expenses set forth in the Notice.

163. The expenses incurred by Plaintiff's Counsel and Lead Plaintiff were reasonable and necessary to represent the Settlement Class and achieve the Settlement. Accordingly, Lead Counsel respectfully submits that the Litigation Expenses should be paid in full from the Settlement Fund.

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

Exhibit 1: Declaration of Jochen Riechwald, Assistant General Counsel of Union Asset Management AG, in Support of (I) Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation; and (II) Lead Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses

- Exhibit 2: Declaration of Luiggy Segura 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 3: Summary of Plaintiff's Counsel's Lodestar and Expenses
- Exhibit 3A: 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 3B: Declaration of H. Lamar Mixson in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses, Filed on Behalf of Bondurant, Mixson & Elmore LLP
- Exhibit 4: Breakdown of Plaintiff's Counsel's Expenses by Category
- Exhibit 5: Cornerstone Research, *Securities Class Action Settlements 2019 Review and Analysis* (2020)
- Exhibit 6: Cornerstone Research, *Securities Class Action Filings 2019 Year In Review* (2020)

IX. CONCLUSION

165. For all the reasons discussed 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 20% of the Settlement Fund, net of expenses, should be approved as fair and reasonable, and the requests for payment of Plaintiff's Counsel's expenses in the amount of \$659,925.13 and reimbursement

of Lead Plaintiff's costs and expenses in the amount of \$121,375.00 should also be approved.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief, this 22nd day of May, 2020.

/s/ James A. Harrod

James A. Harrod

EXHIBIT 1

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**IN RE EQUIFAX INC. SECURITIES
LITIGATION**

Consolidated Case No.
1:17-cv-03463-TWT

**DECLARATION OF JOCHEN RIECHWALD,
ASSISTANT GENERAL COUNSEL OF UNION ASSET MANAGEMENT
HOLDING AG, IN SUPPORT OF (I) LEAD PLAINTIFF’S MOTION FOR
FINAL APPROVAL OF SETTLEMENT AND PLAN OF ALLOCATION
AND (II) LEAD COUNSEL’S MOTION FOR AN AWARD OF
ATTORNEYS’ FEES AND LITIGATION EXPENSES**

JOCHEN RIECHWALD, declares as follows:

1. I am the Assistant General Counsel of Union Asset Management Holding AG (“Union AG” or “Lead Plaintiff”), the Court-appointed Lead Plaintiff in the above-captioned action (the “Action”).¹ I submit this declaration in support of: (a) Lead Plaintiff’s motion for final approval of the proposed settlement of the Action for \$149 million (the “Settlement”) and approval of the proposed Plan of Allocation; (b) Lead Counsel’s motion for an award of attorneys’ fees and payment of expenses to Plaintiff’s Counsel; and (c) Union AG’s request to recover the reasonable costs and expenses incurred in connection with the prosecution and

¹ Unless otherwise defined, all capitalized terms used herein shall have the meaning set forth in the Stipulation and Agreement of Settlement dated February 12, 2020 (ECF No. 159-2).

settlement of this litigation. I have personal knowledge of the matters stated herein and, if called upon, I could and would competently testify thereto.

I. Background

A. Union AG

2. Union AG is the parent holding company of the Union Investment Group. The Union Investment Group, based in Frankfurt-am-Main, Germany, was founded in 1956, and is one of Germany's leading asset managers for retail and institutional clients with more than €359 billion assets under management as of September 30, 2019. On February 21, 2018, the Court appointed Union AG to serve as the Lead Plaintiff for the Action and Bernstein Litowitz Berger & Grossmann LLP ("BLB&G") as Lead Counsel.

3. Union AG has monitored the prosecution and settlement of this Action through the active and continuous involvement of myself, as well as Dr. Carsten Fischer, Union AG's General Counsel. We have had regular communications with BLB&G concerning the prosecution and settlement of this case. We have communicated with Lead Counsel throughout the litigation, including in connection with each material event in the case and when important decisions needed to be made. When necessary, we briefed other representatives of Union AG on the status of the Action.

4. Based on its active participation in the prosecution of this Action, Union AG has been able to capably oversee the prosecution of this case as well as

the ultimate settlement of the Action. Union AG was able to directly observe the substantial efforts undertaken by Lead Counsel to obtain an excellent proposed recovery for the Settlement Class, notwithstanding the meaningful and multiple risks Lead Plaintiff faced in this litigation.

5. Union AG, consistent with its strong interest in the outcome of this litigation and the exercise of its fiduciary duties to the Settlement Class, worked diligently to ensure that the recovery in this Action was maximized to the greatest extent possible in light of the risks and circumstances of the case.

B. Union AG’s Extensive Participation in the Prosecution and Settlement of this Action

6. Throughout the course of the litigation, Union AG engaged in frequent discussions with BLB&G concerning case developments and strategy, and received frequent status reports from BLB&G. Among other things, in its role as Lead Plaintiff, Union AG has:

- a. Analyzed the merits of the potential case prior to seeking appointment as Lead Plaintiff in this Action, including evaluating: (a) the potential alleged wrongdoing and securities violations against Equifax and the other defendants; and (b) the critical legal and procedural issues involved in prosecuting the Action;
- b. Reviewed and commented on pleadings filed in the Action, including the Consolidated Class Action Complaint for Violations of the Federal Securities Laws (the “Complaint”);

c. Reviewed and commented on briefs filed in the Action, including the documents filed in support of and in opposition to Defendants' motion to dismiss the Complaint and Lead Plaintiff's motion for class certification;

d. Consulted with BLB&G regarding counsel's review and assessment of the more than one million pages of document discovery obtained from Defendants and third parties; and

e. Engaged in extensive efforts concerning Union's production of documents in response to Defendants' discovery requests. Those efforts included identifying all Union investment management and other personnel involved in managing Union's investments in Equifax, liaising with our IT staff and vendors to search for and collect those documents, and transmitting the materials to Lead Counsel.

7. In addition, in connection with Lead Plaintiff's class certification motion, Dr. Fischer and I were deposed by Defendants' counsel in New York. We spent a substantial amount of time preparing for, traveling to, and appearing at those depositions.

8. Union AG was also actively involved with BLB&G in the settlement negotiations, which led to the \$149 million Settlement that the parties ultimately reached. Union AG was advised of the settlement negotiations and the mediation process, conferred on numerous occasions with BLB&G regarding the parties'

respective positions, and evaluated and approved the proposed Settlement.

9. Union AG has reviewed the briefs and other documents related to the Settlement, including those that are presently being submitted in support of (a) final approval of the Settlement and approval of the proposed Plan of Allocation; and (b) approval of Lead Counsel's application for an award of attorneys' fees and expenses.

II. Union AG Strongly Endorses Approval of the Settlement and the Plan of Allocation

10. Based on Union AG's oversight of the prosecution and negotiations for the proposed settlement of this Action, Union AG strongly endorses the Settlement and believes it provides an excellent recovery for the Settlement Class, especially when measured against the substantial risks of establishing liability and damages. Union AG also strongly endorses the proposed Plan of Allocation, and believes that it represents a fair and reasonable method for valuing claims submitted by Settlement Class Members, and for distributing the Net Settlement Fund to Settlement Class Members who submit valid and timely proof of claim forms.

III. Union AG Fully Supports Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses

11. Union AG further believes that Lead Counsel's requested fee of 20% of the Settlement Fund, net of Litigation Expenses awarded, for all Plaintiff's Counsel is fair and reasonable in light of the work counsel performed on behalf of Union AG and the Settlement Class. The fee percentage requested is consistent

with the retainer agreement that Union AG entered into with Lead Counsel prior to the start of the litigation. Union AG takes seriously its role as a Lead Plaintiff to ensure that the attorneys' fees are fair in light of the result achieved for the Settlement Class and reasonably compensate Plaintiff's Counsel for the work involved and the substantial risks they undertook in litigating the Action. As noted, prior to retaining Lead Counsel to act on behalf of the Union AG and the proposed class in this matter, Union AG negotiated a retainer agreement with Lead Counsel and particularly negotiated the fee percentage. Following the agreement to settle the Action, we have again reviewed the proposed fee and believe it is fair and reasonable in light of the outstanding result obtained for the Settlement Class, the excellent work performed by Plaintiff's Counsel, and the risks undertaken by counsel.

12. Union AG further believes Plaintiff's Counsel's litigation expenses are reasonable and represent costs and expenses necessary for the prosecution and resolution of this securities class action. As a result, Union AG has approved the request for payment of expenses submitted by Plaintiff's Counsel.

13. Based on the foregoing, and consistent with its obligation to the Settlement Class to obtain the best result at the most efficient cost, Union AG fully supports Lead Counsel's motion for attorneys' fees and expenses.

**IV. Union AG's Request for Reimbursement
of Costs and Expenses**

14. Union AG understands that reimbursement of a lead plaintiff's reasonable costs and expenses is authorized under the PSLRA. For this reason, in connection with Lead Counsel's request for payment of Litigation Expenses, Union AG seeks reimbursement for the time that it dedicated to the representation of the Settlement Class in the Action.

15. One of my responsibilities as Assistant General Counsel of Union AG is to monitor outside litigation matters, including Union AG's activities in securities class actions where (as here) it has been appointed lead plaintiff. In addition to me, the following lawyers of Union AG also participated in the prosecution and settlement of this Action: Dr. Carsten Fischer, (General Counsel), and Julia Luther (Senior Legal Counsel). Two members of our information technology group also spent significant time assisting Union in its document collection efforts: Werner Stöhr and Thomas Nelius.

16. The time that we devoted to the representation of the Settlement Class in this Action was time that we otherwise would have expected to spend on other work for Union AG and, thus, represented a cost to Union AG. Union AG seeks reimbursement in the amount of \$121,375.00 for the time of the following personnel:

Personnel	Hours²	Hourly Rate³	Total
Dr. Carsten Fischer	75	\$500	\$37,500.00
Jochen Riechwald	150	\$425	\$63,750.00
Julia Luther	25	\$325	\$8,125.00
Werner Stöhr	30	\$200	\$6,000.00
Thomas Nelius	30	\$200	\$6,000.00
TOTAL	310		\$121,375.00

V. Conclusion

17. In conclusion, Union AG was closely involved with BLB&G's prosecution and settlement of this Action, strongly endorses the proposed Settlement as fair, reasonable, and adequate, and believes that it represents an excellent recovery for the Settlement Class in light of the risks of continued litigation. We have reviewed and endorse the proposed Plan of Allocation as fair and reasonable for the Settlement Class. Union AG further respectfully requests that the Court approve Lead Counsel's motion for an award of attorneys' fees and expenses for Plaintiff's Counsel pursuant to the agreement we established with Lead Counsel at the outset of this Action. And finally, Union AG requests reimbursement for its costs and expenses under the PSLRA as set forth above.

² While Union AG devoted a significant amount of time to this Action, its request for reimbursement of costs is based on a very conservative estimate of the number of hours we spent on this litigation.

³ The hourly rates used for purposes of this request are based on comparable rates for lawyers of similar experience working in the Frankfurt, Germany market. For example, prior to joining Union, Dr. Fischer was a lawyer at Dechert, where his hourly rate was €590. Similarly, I was a lawyer at Willkie Farr & Gallagher prior to joining Union, where my last hourly rate was €420; and, prior to joining Union, Ms. Luther was a lawyer at Bird & Bird, where her hourly rate was €300.

Accordingly, Union AG respectfully requests that the Court approve (i) Lead Plaintiff's motion for final approval of the proposed Settlement and Plan of Allocation; and (ii) Lead Counsel's motion for attorneys' fees and Litigation Expenses.

I declare under penalty of perjury under the laws of the United State of America that the foregoing is true and correct to the best of my knowledge, information, and belief, this 22nd day of May, 2020.

/s/ Jochen Riechwald

JOCHEN RIECHWALD

EXHIBIT 2

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**IN RE EQUIFAX INC.
SECURITIES LITIGATION**

Consolidated Case No.
1:17-cv-03463-TWT

**DECLARATION OF LUIGGY SEGURA 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, Luiggy Segura, hereby declare under penalty of perjury as follows:

1. I am the Director of Securities Class Actions at JND Legal Administration (“JND”). Pursuant to the Court’s February 25, 2020 Order Preliminarily Approving Settlement and Authorizing Dissemination of Notice of Settlement (ECF No. 163) (the “Preliminary Approval Order”), Lead Counsel was authorized to retain JND 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 stated in

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated February 12, 2020 (ECF No. 159-2) (the “Stipulation”).

this declaration and, if called as a witness, could and would testify competently thereto.

MAILING OF THE NOTICE AND CLAIM FORM

2. Pursuant to the Preliminary Approval Order, JND mailed 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 Litigation Expenses (the "Notice") and the Proof of Claim and Release Form (the "Claim Form" and, collectively with the Notice, the "Notice Packet") to potential Settlement Class Members. A copy of the Notice Packet is attached hereto as Exhibit A.

3. On March 4, 2020, JND received a data file provided by Defendants' Counsel containing the names and addresses of 2,768 potential Settlement Class Members. JND also researched filings with the U.S. Securities and Exchange Commission (SEC) on Form 13-F to identify additional institutions or entities who may have held Equifax common stock during the Class Period. Based on this research, an additional 1,125 address records were added to the list of potential Settlement Class Members. On March 24, 2020, JND caused Notice Packets to be sent by first-class mail to these 3,893 potential Settlement Class Members.

4. As in most class actions of this nature, the large majority of potential Settlement 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. JND maintains a proprietary database with names and addresses of the largest and most common banks, brokers, and other nominees (the “JND Broker Database”). At the time of the initial mailing, the JND Broker Database contained 4,094 mailing records. On March 24, 2020, JND caused Notice Packets to be sent by first-class mail to the 4,094 mailing records contained in the JND Broker Database.

5. The Notice directed those who purchased or otherwise acquired publicly-traded Equifax Common Stock during the Class Period for the beneficial interest of a person or organization other than themselves to either (i) within seven (7) calendar days of receipt of the Notice, request from JND sufficient copies of the Notice Packet to forward to all such beneficial owners and within seven (7) calendar days of receipt those Notice Packets forward them to all such beneficial owners, or (ii) within seven (7) calendar days of receipt of the Notice, provide to JND the names and addresses of all such beneficial owners. *See* Notice ¶ 92.

6. Through May 20, 2020, JND mailed an additional 82,713 Notice Packets to potential members of the Settlement Class whose names and addresses were received from individuals, entities, or nominees requesting that Notice Packets be mailed to such persons and mailed another 93,170 Notice Packets to nominees who requested Notice Packets to forward to their customers. Each of the requests

was responded to in a timely manner, and JND will continue to timely respond to any additional requests received.

7. Through May 20, 2020 a total of 183,870 Notice Packets have been mailed to potential Settlement Class Members and their nominees. In addition, JND has re-mailed 19 Notice Packets to persons whose original mailings were returned by the U.S. Postal Service (“USPS”) as undeliverable and for whom updated addresses were provided to JND by the USPS.

PUBLICATION OF THE SUMMARY NOTICE

8. Pursuant to the Preliminary Approval Order, JND caused the Summary Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys’ Fees and Litigation Expenses (the “Summary Notice”) to be published in the *Wall Street Journal* and released via *PR Newswire* on April 2, 2020. Copies of proof of publication of the Summary Notice in the *Wall Street Journal* and over *PR Newswire* are attached hereto as Exhibits B and C, respectively.

TELEPHONE HELPLINE

9. On or around March 24, 2020, JND established a case-specific, toll-free telephone helpline, 1-844-975-1781, with an interactive voice response system and live operators, to accommodate Settlement 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. JND continues to maintain the telephone helpline and will update the interactive voice response system as necessary throughout the administration of the Settlement.

SETTLEMENT WEBSITE

10. Pursuant to the Preliminary Approval Order, JND established and is maintaining the Settlement website for this Action, www.EquifaxSecuritiesLitigation.com. The Settlement website includes information regarding the proposed Settlement, including the exclusion, objection, and claim-filing deadlines and the date and time of the Court's Settlement Fairness Hearing. In addition, copies of the Notice, Claim Form, Stipulation, Preliminary Approval Order, and Complaint and are available on the Settlement website for downloading. The Settlement website was operational beginning on March 24, 2020 and is accessible 24 hours a day, 7 days a week.

REPORT ON REQUESTS FOR EXCLUSION RECEIVED TO DATE

11. The Notice informed potential members of the Settlement Class that requests for exclusion from the Settlement Class are to be sent to the Claims Administrator, such that they are received no later than June 5, 2020. The Notice also sets forth the information that must be included in each request for exclusion. Through May 20, 2020, JND received two (2) requests for exclusion from the

Settlement Class. JND will submit a supplemental declaration after the June 5, 2020 deadline for requesting exclusion that will address all requests for exclusion received.

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

Executed on May 21, 2020.



Luiggy Segura

EXHIBIT A

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE EQUIFAX INC.
SECURITIES LITIGATION

Consolidated Case No.
1:17-cv-03463-TWT

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

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

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”) pending in the United States District Court for the Northern District of Georgia, Atlanta Division (the “Court”), if, during the period from February 25, 2016 through September 15, 2017, inclusive (the “Class Period”), you purchased or otherwise acquired publicly-traded Equifax Inc. (“Equifax” or the “Company”) common stock and were damaged thereby.¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff Union Asset Management Holding AG (“Lead Plaintiff”), on behalf of itself and the Settlement Class (as defined in ¶ 27 below), has reached a proposed settlement of the Action for \$149,000,000 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 Settlement 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, the Office of the Clerk of the Court, Defendants, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 93 below).

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Defendants Equifax and Robert F. Smith (“Smith”) violated the federal securities laws by making false and misleading statements regarding Equifax’s business. A more detailed description of the Action is set forth in ¶¶ 11-26 below. As noted below, Defendants have denied and continue to deny all claims and allegations of wrongdoing asserted against them in the Action. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in ¶ 27 below.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated February 12, 2020 (the “Stipulation”), which is available at www.EquifaxSecuritiesLitigation.com.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of itself and the Settlement Class, has agreed to settle the Action in exchange for \$149,000,000 in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys’ fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court. The proposed plan of allocation (the “Plan of Allocation”) is set forth in ¶¶ 55-76 below. The Plan of Allocation will determine how the Net Settlement Fund shall be allocated among members of the Settlement 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 publicly-traded Equifax common stock purchased during the Class Period that may have been affected by the conduct at issue in the Action, and assuming that all Settlement 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 \$2.08 per affected share of Equifax common stock. Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased/acquired or sold their Equifax common stock, and the total number and value of valid Claim Forms submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* ¶¶ 55-76 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 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 damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys’ Fees and Expenses Sought:** Plaintiff’s Counsel have been prosecuting the Action on a wholly contingent basis since its inception in 2017, have not received any payment of attorneys’ fees for their representation of the Settlement Class, and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP, will apply to the Court for an award of attorneys’ fees for Plaintiff’s Counsel in an amount not to exceed 20% of the Settlement Fund. In addition, Lead Counsel will apply for payment of Litigation Expenses incurred in connection with the institution, prosecution, and resolution of the Action in an amount not to exceed \$1,000,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class, pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”). Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. The estimated average cost for such fees and expenses, if the Court approves Lead Counsel’s fee and expense application, is \$0.43 per affected share of Equifax common stock.

6. **Identification of Attorneys’ Representative:** Lead Plaintiff and the Settlement Class are represented by James A. Harrod, Esq. 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 Settlement Class without the risks or 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 that they have committed any act or omission giving rise to liability under the federal securities laws, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN JULY 22, 2020.	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiff's Claims (defined in ¶ 37 below) that you have against Defendants and the other Defendants' Releasees (defined in ¶ 38 below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JUNE 5, 2020.	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants' Releasees concerning the Released Plaintiff's Claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JUNE 5, 2020.	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for an award of attorneys' fees and Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.
GO TO A HEARING ON JUNE 26, 2020 AT 9:30 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JUNE 5, 2020.	Filing a written objection and notice of intention to appear by June 5, 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 Litigation Expenses. 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.
DO NOTHING.	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

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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 publicly-traded Equifax common stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have 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 lawsuit may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Lead 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 Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and the motion by Lead Counsel for an award of attorneys’ fees and payment of Litigation Expenses (the “Settlement Fairness Hearing”). See ¶¶ 82-83 below for details about the Settlement Fairness Hearing, including the date and location of the hearing.

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

WHAT IS THIS CASE ABOUT?

11. In this Action, Lead Plaintiff alleges that Defendants made a series of misleading statements during the Class Period (from February 25, 2016 through September 15, 2017, inclusive) regarding Equifax's cybersecurity efforts and compliance with applicable cybersecurity standards. Lead Plaintiff further alleges that Equifax's September 7, 2017 announcement of a cyberattack involving personally identifiable information of approximately 143 million U.S. consumers (the "Data Breach") and subsequent disclosures revealed to investors that the Company's cybersecurity protections were inadequate.

12. Beginning in September 2017, certain related class actions (*Kuhns v. Equifax Inc., et al.*, Case No. 1:17-cv-03463-WSD; *Brock v. Equifax Inc., et al.*, Case No. 1:17-cv-04510-WSD; and *Groover v. Equifax Inc., et al.*, Case No. 1:17-cv-04511-WSD) were filed in or transferred to the United States District Court for the Northern District of Georgia, Atlanta Division (the "Court") alleging violations of the federal securities laws. The actions were initially assigned to the Honorable William S. Duffey, Jr. The *Kuhns* and *Groover* actions were subsequently reassigned to the Honorable Thomas W. Thrash, Jr., and the *Brock* action was voluntarily dismissed.

13. By Order dated January 10, 2018, the Court consolidated the *Kuhns* and *Groover* actions and ordered that all future filings in the consolidated action be made in Case No. 1:17-cv-03463-TWT, under the caption "*In re Equifax Inc. Securities Litigation.*"

14. By Order dated February 21, 2018, the Court appointed Union Asset Management Holding AG as Lead Plaintiff and approved Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel.

15. On April 23, 2018, Lead Plaintiff filed its Consolidated Class Action Complaint for Violations of the Federal Securities Laws (the "Complaint") asserting claims against defendants Equifax, Smith, John W. Gamble ("Gamble"), Rodolfo O. Ploder ("Ploder"), and Jeffrey L. Dodge ("Dodge") under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and against defendants Smith, Gamble, Ploder, and Dodge under Section 20(a) of the Exchange Act. Among other things, the Complaint alleged that defendants made materially false and misleading statements about Equifax's cybersecurity, including about Equifax's efforts to safeguard highly sensitive personal information that is at the core of its business and Equifax's compliance with applicable data protection laws and cybersecurity best practices. The Complaint further alleged that the price of Equifax common stock was artificially inflated as a result of defendants' allegedly false and misleading statements and declined when the truth was revealed.

16. On June 7, 2018, defendants filed a joint motion to dismiss the Complaint. On July 23, 2018, Lead Plaintiff filed its memorandum of law in opposition to the motion to dismiss, and, on August 23, 2018, defendants filed their reply papers.

17. On December 11, 2018, the Court heard oral argument on defendants' motion to dismiss the Complaint.

18. On January 28, 2019, the Court entered its Opinion and Order denying in part and granting in part defendants' motion to dismiss the Complaint. Specifically, the Court denied the motion with respect to defendants Equifax and Smith (collectively, "Defendants") and granted the motion with respect to defendants Gamble, Ploder, and Dodge (collectively, "Former Defendants"). The Court also held that the Complaint failed to state a claim for relief with respect to certain statements challenged in the Complaint.

19. On March 28, 2019, Defendants Equifax and Smith each filed their Answer and Defenses to the Complaint. Among other things, Defendants' Answers denied Lead Plaintiff's allegations of wrongdoing and asserted various defenses to the claims pled against them.

20. On March 29, 2019, Lead Plaintiff filed its motion for class certification and appointment of class representative and class counsel, which was accompanied by a report from Lead Plaintiff's expert on market efficiency and common damages methodologies. On August 12, 2019, Defendants filed their opposition to Lead Plaintiff's class certification motion, which was accompanied by a report from Defendants' expert in response to Lead Plaintiff's expert report. On October 11, 2019, Lead Plaintiff filed its reply papers.

21. In connection with Lead Plaintiff's March 29, 2019 class certification motion, Lead Plaintiff produced over 2,500 documents, totaling more than 28,000 pages, to Defendants. Defendants' Counsel deposed, and Lead Counsel defended, the deposition of two representatives from Lead Plaintiff, as well as Lead Plaintiff's expert. Lead Counsel deposed Defendants' expert.

22. Discovery in the Action commenced in April 2019. Defendants and third parties produced more than 171,000 documents, totaling more than 1 million pages, to Lead Plaintiff. In addition, the Parties met and conferred and exchanged numerous letters concerning disputed discovery issues over several months. Lead Plaintiff made a number of applications to the Court regarding disputed discovery issues, some of which remained pending at the time of the Settlement.

23. The Parties began exploring the possibility of a settlement in the spring of 2019. The Parties agreed to engage in private mediation and retained retired United States District Court Judge Layn R. Phillips to act as mediator in the Action (the "Mediator"). On May 29, 2019, counsel for the Parties participated in a full-day mediation session before the Mediator. In advance of that session, the Parties exchanged and submitted detailed opening and reply mediation statements to the Mediator, together with numerous supporting exhibits, which addressed both liability and damages issues. The session ended without any agreement being reached.

24. Following the May 29, 2019 mediation, the Parties engaged in additional settlement negotiations under the supervision and guidance of the Mediator. After several months of such negotiations, the Parties then reached an agreement in principle to settle the Action pursuant to a Mediator's recommendation that was memorialized in a term sheet executed on November 16, 2019 (the "Term Sheet"). The Term Sheet set forth, among other things, the Parties' agreement to settle and release all claims against Defendants in the Action in return for a cash payment of \$149,000,000 for the benefit of the Settlement Class, subject to certain terms and conditions and the execution of a customary "long form" stipulation and agreement of settlement and related papers.

25. On February 12, 2020, the Parties entered into the Stipulation, which sets forth the terms and conditions of the Settlement. The Stipulation is available at www.EquifaxSecuritiesLitigation.com.

26. On February 25, 2020, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement 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 SETTLEMENT CLASS?**

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

all persons and entities who purchased or otherwise acquired publicly-traded Equifax common stock during the period from February 25, 2016 through September 15, 2017, inclusive (the “Class Period”), and who were damaged thereby (the “Settlement Class”).

Excluded from the Settlement Class are: (i) the Defendants and Former Defendants; (ii) any current or former Officers or directors of Equifax who served in such capacities during the Class Period; (iii) the Immediate Family Members of Defendant Smith, the Former Defendants, or any current or former Officer or director of Equifax who served in such capacities during the Class Period; (iv) any entity that any Defendant or Former Defendant owns or controls, or owned or controlled during the Class Period; (v) any affiliates, parents, or subsidiaries of Equifax; and (vi) the legal representatives, heirs, successors, and assigns of any such excluded persons and entities. Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself,” on page 17 below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO A PAYMENT FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO RECEIVE A PAYMENT FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN JULY 22, 2020.

WHAT ARE LEAD PLAINTIFF’S REASONS FOR THE SETTLEMENT?

28. 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 against Defendants through class certification, summary judgment, trial, and appeals, as well as the very substantial risks they would face in establishing liability and damages. For example, Lead Plaintiff would have faced substantial challenges in proving that Equifax’s statements about its cybersecurity efforts were false. Among other defenses, Defendants would have made credible arguments that the Company was expending significant effort and money on cyber-defenses, which made their statements regarding cybersecurity true. In addition, Defendants would have argued that Lead Plaintiff would be unable to show that the alleged misstatements were made “in connection with” the purchase or sale of Equifax securities, as required to support a claim under Section 10(b) of the Exchange Act. Moreover, Lead Plaintiff would have faced challenges in proving that Defendants made the alleged false statements with the intent to mislead investors or were severely reckless in making the statements. For example, Defendants would contend that the absence of proof of Defendants’ knowledge that their public statements were misleading, when combined with Defendants’ argument that the Company would be able to show that it prioritized and invested

significantly in cybersecurity and had in place a reasonable overall cybersecurity program, do not establish the requisite scienter to support a securities fraud claim.

29. Lead Plaintiff would have also faced significant hurdles in proving “loss causation”—that the alleged misstatements were the cause of investors’ losses—and in proving damages with respect to at least some of the alleged corrective disclosures. For example, Defendants have argued that all or at least a significant portion of the declines in Equifax’s stock on each of the alleged corrective disclosure dates reflect investors’ reaction to the expected cost and impact of the Data Breach itself, rather than the revelation of alleged undisclosed cybersecurity deficiencies. Defendants also would have argued that any Class Period certified by the Court should begin no earlier than March 2017—more than one year after the start of the alleged Class Period—when Defendants received a report from an outside consulting firm making certain observations regarding aspects of Equifax’s cybersecurity program. Defendants would have further argued any Class Period certified by the Court should end no later than September 7, 2017—the date of Equifax’s public announcement of the Data Breach—on the grounds that by that date, all information relevant to the Data Breach had been fully disclosed to the market. If Defendants’ arguments for shortening the Class Period were successful, the result may have been to substantially reduce both the potential aggregate recovery and the number of investors eligible to share in any recovery. Defendants also advanced credible arguments that the Action should not be certified as a class action. Thus, there were significant risks attendant to the continued prosecution of the Action.

30. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$149,000,000 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.

31. Defendants have denied the claims asserted against them in the Action and deny that the Settlement 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?

32. 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 Settlement Class would recover anything from Defendants. Also, if Defendants were successful in defeating class certification, narrowing the Class Period, or proving any of their defenses, either at summary judgment, at trial, or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

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

33. As a Settlement 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.

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

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

36. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such only, will have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged any or all of the Released Plaintiff’s Claims (as defined in ¶ 37 below) against Defendants and the other Defendants’ Releasees (as defined in ¶ 38 below), and will forever be barred and enjoined from prosecuting any or all of the Released Plaintiff’s Claims against any of the Defendants’ Releasees.

37. “Released Plaintiff’s Claims” means all claims (including Unknown Claims, as defined in ¶ 39 below), debts, disputes, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, sums of money due, judgments, suits, amounts, matters, issues and charges of any kind whatsoever (including, but not limited to, any claims for interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, amounts, or liabilities whatsoever), whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, foreseen or unforeseen, whether individual or class in nature, whether arising under federal or state statutory or common law or any other law, rule, or regulation, whether foreign or domestic, that Lead Plaintiff or any other member of the Settlement Class: (i) (A) asserted in any of the complaints filed in the Action; or (B) could have asserted in the Action or in any other action or in any other forum that arise out of, are based upon, are related to, or are in consequence of any of the facts, allegations, transactions, matters, events, disclosures, non-disclosures, occurrences, representations, statements, acts or omissions, or failures to act that were involved, set forth, or referred to in any of the complaints filed in the Action, or that otherwise would have been barred by res judicata had the Action been fully litigated to a final judgment; and (ii) relate to the purchase or sale of publicly-traded Equifax common stock during the Class Period. Released Plaintiff’s Claims do not include, settle, or release (i) any claims relating to the enforcement of the Settlement; (ii) any claims asserted on behalf of the Company in any derivative action, including, without limitation, the claims asserted in *In re Equifax Inc. Derivative Litigation*, Case No. 1:18-cv-00317-TWT (N.D. Ga.), or any cases consolidated into that action; and (iii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

38. “Defendants’ Releasees” means Defendants, Former Defendants, and their current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns,

assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, reinsurers, and attorneys.

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

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Lead Plaintiff and Defendants acknowledge, and each of the other Settlement Class Members and each of the Former Defendants shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

40. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants and Former Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such only, will have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged any or all of the Released Defendants’ Claims (as defined in ¶ 41 below) against Lead Plaintiff and the other Plaintiff’s Releasees (as defined in ¶ 42 below), and will forever be barred and enjoined from prosecuting any or all of the Released Defendants’ Claims against any of the Plaintiff’s Releasees.

41. “Released Defendants’ Claims” means all claims (including Unknown Claims), debts, disputes, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, sums of money due, judgments, suits, amounts, matters, issues and charges of any kind whatsoever (including, but not limited to, any claims for interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, amounts, or liabilities whatsoever), whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, foreseen or unforeseen, whether arising under federal or state statutory or common law or any other law, rule, or regulation, whether foreign or domestic, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action. Released Defendants’ Claims do not include, settle, or release (i) any claims relating to the enforcement of the Settlement; and (ii) any claims against any person or entity who or which submits a request for exclusion that is accepted by the Court.

42. “Plaintiff’s Releasees” means Lead Plaintiff, all other plaintiffs in the Action, and all other Settlement Class Members, and their respective current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, reinsurers, and attorneys.

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

43. To be eligible for a payment from the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than July 22, 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.EquifaxSecuritiesLitigation.com. You may also request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-844-975-1781 or by emailing the Claims Administrator at info@EquifaxSecuritiesLitigation.com. Please retain all records of your ownership of and transactions in Equifax common stock, as they will be needed to document your Claim. The Parties and Claims Administrator do not have information about your transactions in Equifax common stock.

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

HOW MUCH WILL MY PAYMENT BE?

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

46. Pursuant to the Settlement, Defendants have agreed to pay or caused to be paid a total of \$149,000,000 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 the Effective Date occurs, the "Net Settlement Fund" (that is, the Settlement Fund less (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys' fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

47. The Net Settlement Fund 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.

48. 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 Fund, or the plan of allocation.

49. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

50. Unless the Court otherwise orders, any Settlement Class Member who or which fails to submit a Claim Form **postmarked on or before July 22, 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 Settlement Class and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiff's Claims (as defined in ¶ 37 above) against the Defendants' Releasees (as defined in ¶ 38 above) and will be barred and enjoined from prosecuting any of the Released Plaintiff's Claims

against any of the Defendants' Releasees whether or not such Settlement Class Member submits a Claim Form.

51. Participants in, and beneficiaries of, an Equifax employee benefit plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in Equifax 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 Equifax common stock during the Class Period may be made by the plan's trustees.

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

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

54. Only Settlement Class Members, *i.e.*, persons and entities who purchased or otherwise acquired publicly-traded Equifax common stock during the Class Period and were damaged as a result of such purchases or acquisitions, will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible for a payment and should not submit Claim Forms. The only security that is included in the Settlement is publicly-traded Equifax common stock.

PROPOSED PLAN OF ALLOCATION

55. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Settlement Class Members who had 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, nor indicative of, the amounts that Settlement 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 Fund.

56. In developing the Plan of Allocation, Lead Plaintiff's damages expert calculated the estimated amounts of artificial inflation in the per share closing price of publicly-traded Equifax common stock which allegedly was proximately caused by Defendants' alleged materially false and misleading statements and omissions.

57. In calculating the estimated artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiff's damages expert considered price changes in publicly-traded Equifax common stock in reaction to certain public announcements allegedly revealing the truth concerning Defendants' alleged misrepresentations and omissions. These inflation amounts were adjusted for price changes that were attributable to market or industry forces, other negative information unrelated to Lead Plaintiff's allegations, and to account for the strength of the claims, including potential difficulties in proving loss causation. The estimated artificial inflation in publicly-traded Equifax common stock is stated in Table A attached to the end of this Notice.

58. In order to have recoverable damages, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of Equifax common stock. In this case, Lead Plaintiff alleges that Defendants made false statements and omitted material facts during the Class Period (*i.e.*, from February 25, 2016 through September 15, 2017, inclusive), which had the effect of

artificially inflating the price of publicly-traded Equifax common stock. Lead Plaintiff further alleges that corrective information was released to the market during the Class Period which partially removed the artificial inflation from the price of publicly-traded Equifax common stock on: September 8, 2017, September 11, 2017, September 13, 2017, September 14, 2017, and September 15, 2017.²

59. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the price of publicly-traded Equifax common stock at the time of purchase or acquisition and at the time of sale or the difference between the actual purchase price and sale price. Accordingly, in order to have a Recognized Loss Amount under the Plan of Allocation, a Settlement Class Member who or which purchased or otherwise acquired publicly-traded Equifax common stock prior to the first corrective disclosure, which occurred after the close of the financial markets on September 7, 2017, must have held his, her, or its shares of Equifax common stock through at least September 8, 2017. A Settlement Class Member who or which purchased or otherwise acquired publicly-traded Equifax common stock from September 8, 2017 through September 15, 2017, must have held those shares through at least one of the later dates where new corrective information was released to the market and partially removed the artificial inflation from the price of Equifax common stock.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

60. Based on the formula stated below, a “Recognized Loss Amount” will be calculated for each purchase or acquisition of publicly-traded Equifax 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, that number will be zero.

61. For each share of publicly-traded Equifax common stock purchased or otherwise acquired during the period from February 25, 2016 through the close of trading on September 15, 2017, and:

- (i) Sold before September 8, 2017, the Recognized Loss Amount will be \$0.00.
- (ii) Sold from September 8, 2017 through and including September 15, 2017 (prior to 12:20 PM Eastern time), the Recognized Loss Amount will be ***the lesser of:*** (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A minus the amount of artificial inflation per share on the date of sale as stated in Table A; or (ii) the purchase/acquisition price minus the sale price.
- (iii) Sold from September 15, 2017 (at or after 12:20 PM Eastern time) through the close of trading on December 13, 2017, the Recognized Loss Amount will be ***the least of:*** (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in

² For purposes of this Plan of Allocation, the Claims Administrator will assume that any shares purchased/acquired or sold on September 15, 2017 at any price less than \$92.21 per share occurred after the allegedly corrective information was absorbed by the market, and that any shares purchased/acquired or sold on September 15, 2017 at any price equal to or greater than \$92.21 per share occurred before the allegedly corrective information was absorbed by the market. If a Claimant provides documentation with the time stamp for the trade, any trade made prior to 12:20 PM Eastern time will be considered as having occurred before the information was disclosed to the market, and any trade at or after 12:20 PM Eastern time will be considered to have occurred after the information was disclosed to the market.

Table A; (ii) the purchase/acquisition price minus the average closing price between September 15, 2017 and the date of sale as stated in Table B attached at the end of this Notice; or (iii) the purchase/acquisition price minus the sale price.

- (iv) Held as of the close of trading on December 13, 2017, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A; or (ii) the purchase/acquisition price minus \$109.25.³

ADDITIONAL PROVISIONS

62. **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 under ¶ 61 above.

63. **FIFO Matching:** If a Settlement Class Member made more than one purchase/acquisition or sale of Equifax 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 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.

64. **Purchase/Sale Prices:** For the purposes of calculations in ¶ 61 above, "purchase/acquisition price" means the actual price paid, excluding any fees, commissions, and taxes, and "sale price" means the actual amount received, not deducting any fees, commissions, and taxes.

65. **"Purchase/Acquisition/Sale" Dates:** Purchases or acquisitions and sales of Equifax common stock will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance, or operation of law of Equifax common stock during the Class Period will not be deemed a purchase, acquisition, or sale of Equifax common stock for the calculation of a Claimant's Recognized Loss Amount, nor will the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition/sale of Equifax common stock unless (i) the donor or decedent purchased or otherwise acquired or sold such Equifax 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, on behalf of the decedent, or by anyone else with respect to such shares of Equifax common stock.

66. **Short Sales:** The date of covering a "short sale" is deemed to be the date of purchase or acquisition of the Equifax common stock. The date of a "short sale" is deemed to be the date of sale

³ Pursuant to Section 21D(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." Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing price of Equifax common stock during the "90-day look-back period," September 15, 2017 through and including December 13, 2017. The mean (average) closing price for Equifax common stock during this 90-day look-back period was \$109.25.

of the Equifax 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.

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

68. **Common Stock Purchased/Sold Through the Exercise of Options:** Option contracts are not securities eligible to participate in the Settlement. With respect to Equifax common stock purchased or sold through the exercise of an option, the purchase/sale date of the security is the exercise date of the option and the purchase/sale price is the exercise price of the option.

69. **Market Gains and Losses:** The Claims Administrator will determine if the Claimant had a “Market Gain” or a “Market Loss” with respect to his, her, or its overall transactions in Equifax common stock during the Class Period. For purposes of making this calculation, the Claims Administrator will determine the difference between (i) the Claimant’s Total Purchase Amount⁴ and (ii) the sum of the Claimant’s Total Sales Proceeds⁵ and the Claimant’s Holding Value.⁶ 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.

70. If a Claimant had a Market Gain with respect to his, her, or its overall transactions in publicly-traded Equifax common stock during the Class Period, the value of the Claimant’s Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall Market Loss with respect to his, her, or its overall transactions in publicly-traded Equifax common stock during the Class Period but that Market Loss was less than the Claimant’s Recognized Claim calculated pursuant to ¶¶ 61-62 above, then the Claimant’s Recognized Claim will be limited to the amount of the Market Loss.

71. **Determination of Distribution Amount:** If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant will receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share will be the Authorized Claimant’s Recognized Claim divided by the total amount of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

⁴ The “Total Purchase Amount” is the total amount the Claimant paid (excluding any fees, commissions, and taxes) for all shares of publicly-traded Equifax common stock purchased/acquired during the Class Period.

⁵ The Claims Administrator will match any sales of publicly-traded Equifax common stock during the Class Period first against the Claimant’s opening position in Equifax 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, commissions, and taxes) for sales of the remaining shares of publicly-traded Equifax common stock sold during the Class Period is the “Total Sales Proceeds.”

⁶ The Claims Administrator will ascribe a “Holding Value” of \$92.98 to each share of publicly-traded Equifax common stock purchased/acquired during the Class Period that was still held as of the close of trading on September 15, 2017.

72. If the Net Settlement Fund exceeds the sum total amount of Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund will be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

73. If an Authorized Claimant's Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

74. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator, no less than nine (9) 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 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 in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Lead Counsel and approved by the Court.

75. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Plaintiff's Counsel, Lead Plaintiff's damages or consulting experts, Defendants, Defendants' Counsel, or any of the other Plaintiff's Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiff, Defendants, and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

76. The Plan of Allocation stated herein is the plan that is being proposed to the Court for its approval by Lead Plaintiff after consultation with its damages expert. 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 Settlement website, www.EquifaxSecuritiesLitigation.com.

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

77. Plaintiff's Counsel have not received any payment for their services in pursuing claims asserted in the Action on behalf of the Settlement Class, nor have Plaintiff's 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 Plaintiff's Counsel in an amount not to exceed 20% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for payment of Litigation

Expenses incurred by Plaintiff's Counsel in an amount not to exceed \$1,000,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class, pursuant to the PSLRA. The Court will determine the amount of any award of attorneys' fees or Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

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

78. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to Equifax Securities Litigation, EXCLUSIONS, c/o JND Legal Administration, P.O. Box 91319, Seattle, WA 98111, that is accepted by the Court. The Request for Exclusion must be **received no later than June 5, 2020**. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must: (i) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (ii) state that such person or entity "requests exclusion from the Settlement Class in *In re Equifax Inc. Securities Litigation*, Case No. 1:17-cv-03463-TWT"; (iii) state the number of shares of publicly-traded Equifax common stock that the person or entity requesting exclusion (A) owned as of the opening of trading on February 25, 2016 and (B) purchased/acquired and/or sold during the Class Period (*i.e.*, from February 25, 2016 through September 15, 2017, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion that does not provide all the information called for in this paragraph and is not received within the time stated above will be invalid and will not be allowed. Lead Counsel may request that the person or entity requesting exclusion submit additional transaction information or documentation sufficient to prove his, her, or its holdings and trading in Equifax common stock.

79. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiff's Claim against any of the Defendants' Releasees.

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

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

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

82. **Settlement Class Members do not need to attend the Settlement Fairness Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Fairness Hearing.** Please Note: The date and time of the

Settlement Fairness Hearing may change without further written notice to the Settlement Class. You should monitor the Court's docket and the Settlement website, www.EquifaxSecuritiesLitigation.com, before making plans to attend the Settlement Fairness Hearing. You may also confirm the date and time of the Settlement Fairness Hearing by contacting Lead Counsel.

83. The Settlement Fairness Hearing will be held on **June 26, 2020 at 9:30 a.m.**, before the Honorable Thomas W. Thrash, Jr. at the United States District Court for the Northern District of Georgia, Courtroom 2108 of the Richard B. Russell Federal Building and United States Courthouse, 75 Ted Turner Drive, SW, Atlanta, GA 30303, to determine, among other things, (i) whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Settlement 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 Settlement Class, Lead Plaintiff should be certified as Class Representative for the Settlement Class, and Lead Counsel should be appointed as Class Counsel for the Settlement Class; (iii) whether the Action should be dismissed with prejudice against Defendants and the Releases specified and described in the Stipulation (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 application for an award of attorneys' fees and Litigation 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 Settlement Class; approve the Settlement, the Plan of Allocation, and Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses; and/or consider any other matter related to the Settlement at or after the Settlement Fairness Hearing without further notice to the members of the Settlement Class.

84. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for attorneys' fees and Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, electronically with the Court or by letter mailed to the Clerk's Office at the United States District Court for the Northern District of Georgia, Atlanta Division, at the address set forth below **on or before June 5, 2020**. You must also serve the papers on Lead Counsel and on Equifax's Counsel at the addresses set forth below so that the papers are **received on or before June 5, 2020**.

CLERK'S OFFICE	
United States District Court Northern District of Georgia, Atlanta Division Clerk's Office Richard B. Russell Federal Building and United States Courthouse 75 Ted Turner Drive, SW Atlanta, GA 30303	
LEAD COUNSEL	EQUIFAX'S COUNSEL
Bernstein Litowitz Berger & Grossmann LLP James A. Harrod, Esq. 1251 Avenue of the Americas, 44th Floor New York, NY 10020	King & Spalding LLP Michael R. Smith, Esq. B. Warren Pope, Esq. 1180 Peachtree Street Atlanta, GA 30309

85. To object, you must send a letter stating that you object to the Settlement. Your objection must include:

- (1) The name of this proceeding, *In re Equifax Inc. Securities Litigation*, Case No. 1:17-cv-03463-TWT, or similar identifying words such as “Equifax Securities Litigation”;
- (2) Your full name, current address, and telephone number;
- (3) Your personal signature (your attorney’s signature is not enough);
- (4) A statement providing the specific reasons for your objection, including a detailed statement of the specific legal and factual basis for each and every objection and whether your objection applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class;
- (5) Documents sufficient to prove membership in the Settlement Class, including documents showing the number of shares of publicly-traded Equifax common stock that you: (A) owned as of the opening of trading on February 25, 2016 and (B) purchased/acquired and/or sold during the Class Period (*i.e.*, from February 25, 2016 through September 15, 2017, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale. Documentation establishing membership in the Settlement Class must 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;
- (6) A statement identifying by case name, case number, and court, all class action settlements to which you have objected in the previous five (5) years;
- (7) A statement as to whether you intend to appear at the Settlement Fairness Hearing, either in person or through a lawyer, and four dates between June 5, 2020 and June 19, 2020 during which you are available to be deposed by counsel for the Parties; and
- (8) If you want to present evidence at the Settlement Fairness Hearing, a detailed description of any and all evidence you may offer at the hearing, including copies of any and all exhibits that you may introduce into evidence at the hearing, and the identify of any witnesses that you may call to testify at the hearing.

If you are represented by a lawyer, your written objection must also include:

- (9) Your lawyer’s name, address, and telephone number; and
- (10) A statement indicating whether your lawyer will appear at the Settlement Fairness Hearing to present your objection on your behalf.

Additionally, if you are represented by a lawyer, and your lawyer intends to seek compensation for his or her services from anyone other than you, your written objection letter must include:

- (11) The identity of all lawyers that represent you, including any former or current lawyer who may be entitled to compensation for any reason related to the objection;

- (12) A statement identifying all instances in which your lawyer or your lawyer's law firm objected to a class action settlement in the previous five (5) years, providing the case name, case number, and court;
- (13) A statement identifying all agreements or contracts that relate to the objection or the process of objecting—whether written or oral—between you, your lawyer, and/or any other person or entity;
- (14) A description of your lawyer's legal background and prior experience in connection with class action litigation; and
- (15) A statement regarding whether your lawyer's compensation will be calculated on the basis of a lodestar, contingency, or other method; an estimate of the amount of fees to be sought; the factual and legal justification for any fees to be sought; the number of hours already spent by your lawyer and an estimate of the hours to be spent in the future; and the lawyer's hourly rate.

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

87. You may file a written objection without having to appear at the Settlement Fairness Hearing. You may not, however, appear at the Settlement 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.

88. If you wish to be heard orally at the Settlement Fairness Hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses, assuming you timely file and serve a written objection as described above, you must also file a notice of appearance electronically with the Court or by letter mailed to the Clerk's Office and serve it on Lead Counsel and on Equifax's Counsel at the addresses set forth in ¶ 84 above so that it is **received on or before June 5, 2020**. Objectors and/or their counsel may be heard orally at the discretion of the Court.

89. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Equifax's Counsel at the addresses set forth in ¶ 84 above so that the notice is **received on or before June 5, 2020**.

90. The Settlement Fairness Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Fairness Hearing, you should confirm the date and time with Lead Counsel.

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

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

92. If you purchased or otherwise acquired shares of publicly-traded Equifax common stock during the period from February 25, 2016 through September 15, 2017, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either: (i) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, provide a list of the names, mailing addresses, and, if available, email addresses, of all such beneficial owners to Equifax Securities Litigation, c/o JND Legal Administration, P.O. Box 91319, Seattle, WA 98111. 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.EquifaxSecuritiesLitigation.com, by calling the Claims Administrator toll free at 1-844-975-1781, or by emailing the Claims Administrator at info@EquifaxSecuritiesLitigation.com.

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

93. 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 are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Northern District of Georgia, Atlanta Division, Richard B. Russell Federal Building and United States Courthouse, 75 Ted Turner Drive, SW, Atlanta, GA 30303. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the Settlement website, www.EquifaxSecuritiesLitigation.com.

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

Equifax Securities Litigation
c/o JND Legal Administration
PO Box 91319
Seattle, WA 98111
1-844-975-1781
info@EquifaxSecuritiesLitigation.com
www.EquifaxSecuritiesLitigation.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: March 24, 2020

By Order of the Court
United States District Court
Northern District of Georgia, Atlanta Division

TABLE A**Estimated Artificial Inflation with Respect to Transactions in Publicly-Traded Equifax Common Stock from February 25, 2016 through September 15, 2017**

Transaction Date Range	Artificial Inflation Per Share
February 25, 2016 – September 7, 2017	\$22.46
September 8, 2017 – September 10, 2017	\$12.79
September 11, 2017 – September 12, 2017	\$8.34
September 13, 2017	\$1.56
September 14, 2017 – September 15, 2017 (prior to 12:20 PM Eastern time)	\$0.96
September 15, 2017 (at or after 12:20 PM Eastern time)	\$0.00

TABLE B**90-Day Look-Back Table for Publicly-Traded Equifax Common Stock
(Average Closing Price: September 15, 2017 – December 13, 2017)**

Date	Average Closing Price Between 9/15/2017 and Date Shown	Date	Average Closing Price Between 9/15/2017 and Date Shown
9/15/2017	\$92.98	10/31/2017	\$106.99
9/18/2017	\$93.68	11/1/2017	\$107.07
9/19/2017	\$94.08	11/2/2017	\$107.12
9/20/2017	\$94.56	11/3/2017	\$107.17
9/21/2017	\$95.30	11/6/2017	\$107.19
9/22/2017	\$96.92	11/7/2017	\$107.19
9/25/2017	\$98.09	11/8/2017	\$107.19
9/26/2017	\$99.08	11/9/2017	\$107.24
9/27/2017	\$99.90	11/10/2017	\$107.28
9/28/2017	\$100.55	11/13/2017	\$107.31
9/29/2017	\$101.04	11/14/2017	\$107.36
10/2/2017	\$101.61	11/15/2017	\$107.42
10/3/2017	\$102.29	11/16/2017	\$107.47
10/4/2017	\$102.98	11/17/2017	\$107.56
10/5/2017	\$103.64	11/20/2017	\$107.63
10/6/2017	\$104.12	11/21/2017	\$107.69
10/9/2017	\$104.60	11/22/2017	\$107.73
10/10/2017	\$105.10	11/24/2017	\$107.78
10/11/2017	\$105.38	11/27/2017	\$107.83
10/12/2017	\$105.55	11/28/2017	\$107.91
10/13/2017	\$105.74	11/29/2017	\$108.00
10/16/2017	\$105.88	11/30/2017	\$108.12
10/17/2017	\$105.99	12/1/2017	\$108.20
10/18/2017	\$106.19	12/4/2017	\$108.30
10/19/2017	\$106.36	12/5/2017	\$108.40
10/20/2017	\$106.50	12/6/2017	\$108.53
10/23/2017	\$106.60	12/7/2017	\$108.67
10/24/2017	\$106.68	12/8/2017	\$108.81
10/25/2017	\$106.71	12/11/2017	\$108.97
10/26/2017	\$106.79	12/12/2017	\$109.12
10/27/2017	\$106.87	12/13/2017	\$109.25
10/30/2017	\$106.94		

PROOF OF CLAIM AND RELEASE

To be potentially eligible to receive a share of the Net Settlement Fund 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 July 22, 2020.***

**Mail to: Equifax Securities Litigation
c/o JND Legal Administration
P.O. Box 91319
Seattle, WA 98111**

Failure to submit your Claim Form by the date specified will subject your claim to rejection and may preclude you 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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- 02** PART I – CLAIMANT INFORMATION
- 03** PART II – GENERAL INSTRUCTIONS
- 06** PART III – SCHEDULE OF TRANSACTIONS IN EQUIFAX COMMON STOCK
(NYSE: EFX, CUSIP: 294429105)
- 08** PART IV – RELEASE OF CLAIMS AND SIGNATURE

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 First Name

Beneficial Owner's Last Name

Joint Beneficial Owner's First Name (if applicable)

Joint Beneficial Owner's Last Name (if applicable)

If this claim is submitted for an IRA, and if you would like any check that you MAY be eligible to receive 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 (e.g., executor, administrator, trustee, c/o, etc.), if different from Beneficial Owner

Last 4 digits of Taxpayer Identification Number (for claimants which are not natural persons)

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Street Address 1

Street Address 2

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 an Award of Attorneys' Fees and Litigation Expenses (the "Notice") that accompanies this Claim Form, including the Plan of Allocation of the Net Settlement Fund set forth in the Notice. The Notice describes the proposed Settlement, how Settlement Class Members are affected by the Settlement, and the manner in which the Net Settlement Fund will be distributed if the Settlement and Plan of Allocation are approved by the Court. The Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, you will be certifying that you have read and that you understand the Notice, including the terms of the releases described therein and provided for herein.

2. 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 SETTLEMENT CLASS MEMBER** (see the definition of the Settlement Class on page 7 of the Notice, which sets forth who is included in and who is excluded from the Settlement Class), **OR IF YOU, OR SOMEONE ACTING ON YOUR BEHALF, SUBMITTED A REQUEST FOR EXCLUSION FROM THE SETTLEMENT CLASS, DO NOT SUBMIT A CLAIM FORM. YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT IF YOU ARE NOT A SETTLEMENT CLASS MEMBER.** **THUS, IF YOU ARE EXCLUDED FROM THE SETTLEMENT CLASS, ANY CLAIM FORM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED.**

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 Fund will be governed by the Plan of Allocation set forth in the Notice, if it is approved by the Court, or by such other plan of allocation as the Court approves.**

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, Equifax common stock. On this schedule, provide all of the requested information with respect to your holdings, purchases, acquisitions, and sales of Equifax 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 publicly-traded Equifax common stock purchased or otherwise acquired during the period from February 25, 2016 through September 15, 2017 (prior to 12:20 PM Eastern time) is eligible under the Settlement. However, sales of Equifax common stock during the period from September 15, 2017 (at or after 12:20 PM Eastern time) through and including the close of trading on December 13, 2017, will be used for purposes of calculating your claim under the Plan of Allocation. Therefore, in order for the Claims Administrator to be able to balance your claim, the requested purchase/acquisition information during this period must also be provided.

6. You are required to submit genuine and sufficient documentation for all of your transactions in and holdings of Equifax common stock set forth in the Schedule of Transactions in Part III of this Claim Form. Documentation may consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from your broker containing the transactional and holding information found in a broker confirmation slip or account statement. The Parties and the Claims Administrator do not independently have information about your investments in Equifax 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. For shares of Equifax common stock purchased or sold on September 15, 2017, the calculation of Recognized Loss Amounts under the Plan of Allocation will depend on the time of day that the transaction occurred. If the documentation that you submit with your Claim Form does not state the time of day of the transaction on September 15, 2017, the following assumptions will be made: (a) for shares purchased/acquired or sold at any price equal to or greater than \$92.21 per share, it will be assumed that the trade occurred prior to 12:20 PM Eastern time and (b) for shares purchased/acquired or sold at any price less than \$92.21 per share, it will be assumed that the trade occurred at or after 12:20 PM Eastern time.

8. Use Part I of this Claim Form entitled "CLAIMANT INFORMATION" to identify the beneficial owner(s) of Equifax common stock. The complete name(s) of the beneficial owner(s) must be entered. If you held the Equifax common stock in your own name, you were the beneficial owner as well as the record owner. If, however, your shares of Equifax common stock were registered in the name of a third party, such as a nominee or brokerage firm, you were the beneficial owner of these shares, 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 each of their names must be included in Part I of this Claim Form.

9. **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 on one Claim Form, 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).

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

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

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

- (a) own(ed) the Equifax common stock you have listed in the Claim Form; or
- (b) are expressly authorized to act on behalf of the owner thereof.

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

13. 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.

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

15. 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, JND Legal Administration, at the above address, by email at info@EquifaxSecuritiesLitigation.com, or by toll-free phone at 1-844-975-1781, or you can visit the Settlement website, www.EquifaxSecuritiesLitigation.com, where copies of the Claim Form and Notice are available for downloading.

16. 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.EquifaxSecuritiesLitigation.com or you may email the Claims Administrator's electronic filing department at FAXSecurities@JNDLA.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 ¶ 9 above) and the **complete** name of the beneficial owner of the securities must be entered where called for (see ¶ 8 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 of your submission, you should contact the electronic filing department at FAXSecurities@JNDLA.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 OF YOUR SUBMISSION. IF YOU DO NOT RECEIVE AN ACKNOWLEDGEMENT POSTCARD WITHIN 60 DAYS, CONTACT THE CLAIMS ADMINISTRATOR TOLL FREE AT 1-844-975-1781 OR BY EMAIL AT INFO@EQUIFAXSECURITIESLITIGATION.COM.

PART III – SCHEDULE OF TRANSACTIONS IN EQUIFAX COMMON STOCK

The only eligible security is Equifax Inc. (“Equifax”) common stock (NYSE: EFX, CUSIP: 294429105). Do not include information regarding securities other than Equifax common stock. Please include proper documentation with your Claim Form as described in detail in Part II – General Instructions, ¶ 6 above.

1. HOLDINGS AS OF FEBRUARY 25, 2016 – State the total number of shares of Equifax common stock held as of the opening of trading on February 25, 2016. (Must be documented.) If none, write “zero” or “0.”	<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div>	Confirm Proof of Position Enclosed <input type="checkbox"/>		
2. PURCHASES/ACQUISITIONS FROM FEBRUARY 25, 2016 THROUGH SEPTEMBER 15, 2017 – Separately list each and every purchase or acquisition (including free receipts) of Equifax common stock from after the opening of trading on February 25, 2016 through and including the close of trading on September 15, 2017. (Must be documented.)				
Date of Purchase/ Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/ Acquired	Purchase/ Acquisition Price Per Share	Total Purchase/ Acquisition Price (excluding any fees, commissions, and taxes)	Confirm Proof of Purchase/ Acquisition Enclosed
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
3. PURCHASES/ACQUISITIONS FROM SEPTEMBER 16, 2017 THROUGH DECEMBER 13, 2017 – State the total number of shares of Equifax common stock purchased or acquired (including free receipts) from September 16, 2017 through and including the close of trading on December 13, 2017. If none, write “zero” or “0.” ¹				
<div style="border: 1px solid black; width: 150px; height: 20px; margin: 0 auto;"></div>				

¹ **Please note:** Information requested with respect to your purchases and acquisitions of Equifax common stock from September 16, 2017 through and including the close of trading on December 13, 2017 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.

4. SALES FROM FEBRUARY 25, 2016 THROUGH DECEMBER 13, 2017 – Separately list each and every sale or disposition (including free deliveries) of Equifax common stock from after the opening of trading on February 25, 2016 through and including the close of trading on December 13, 2017. (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
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
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/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>

5. HOLDINGS AS OF DECEMBER 13, 2017 – State the total number of shares of Equifax common stock held as of the close of trading on December 13, 2017. (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 ON EACH ADDITIONAL PAGE. IF YOU DO ATTACH EXTRA SCHEDULES, CHECK THIS BOX.

PART IV - RELEASE OF CLAIMS AND SIGNATURE

YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON PAGE 9 OF THIS CLAIM FORM.

I (we) hereby acknowledge that, pursuant to the terms set forth in the Stipulation, without further action by anyone, upon the Effective Date of the Settlement, 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 only, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged any or all of the Released Plaintiff's Claims against Defendants and the other Defendants' Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiff's Claims against any of the Defendants' Releasees.

CERTIFICATION

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

1. that I (we) have read and understand the contents of the Notice and this Claim Form, including the releases provided for in the Settlement and the terms of the Plan of Allocation;
2. that the claimant(s) is a (are) Settlement Class Member(s), as defined in the Notice, and is (are) not excluded by definition from the Settlement Class as set forth in the Notice;
3. that the claimant(s) did **not** submit a request for exclusion from the Settlement Class;
4. that I (we) own(ed) the Equifax 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 Equifax common stock and knows (know) of no other person having done so on the claimant's (claimants') behalf;
6. that the claimant(s) submit(s) to the jurisdiction of the Court with respect to the claimant's (claimants') claim and for purposes of enforcing the releases set forth herein;
7. that I (we) agree to furnish such additional information with respect to this Claim Form as Lead Counsel, the Claims Administrator, or the Court may require;
8. that the claimant(s) waive(s) the right to trial by jury, to the extent it exists, 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.**

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

Signature of claimant

Date

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 General Instructions, ¶ 10, 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.



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 of 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 1-844-975-1781.**

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@EquifaxSecuritiesLitigation.com, or by toll-free phone at 1-844-975-1781, or you may visit www.EquifaxSecuritiesLitigation.com. DO NOT call Equifax 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 JULY 22, 2020, ADDRESSED AS FOLLOWS:

**Equifax Securities Litigation
c/o JND Legal Administration
P.O. Box 91319
Seattle, WA 98111**

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if a **postmark date on or before July 22, 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.

EXHIBIT B

BUSINESS NEWS

Opposition Builds for PG&E Deal

By REBECCA SMITH AND KATHERINE BLUNT

A look at how PG&E entered and intends to exit bankruptcy.

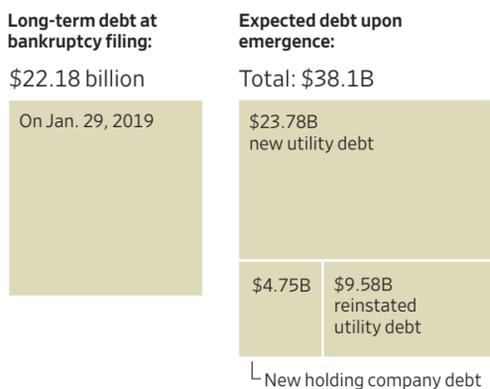
Victims of wildfires caused by PG&E Corp. are seeking to upend its deal to exit bankruptcy.

Two members of the claimants' committee that represents fire victims in the giant California utility's chapter 11 case resigned last month and said they would campaign to defeat the exit plan. They cited concerns that it pays victims half a \$13.5 billion settlement in PG&E shares, exposing them to greater risks than other creditors.

At least two-thirds of the roughly 70,000 people and businesses who filed claims against PG&E have to approve the exit plan. If the dissenters are able to influence enough of them, it could create a serious roadblock for the company, which cleared a major hurdle on its path to get out of bankruptcy last month by securing the support of California Gov. Gavin Newsom.

If fire victims reject their settlement, PG&E would have to reopen negotiations with them or ask U.S. Bankruptcy Judge Dennis Montali to approve the plan without their backing as the fairest possible compensation for fire victims. Judge Montali has signaled that he would be disinclined to approve the plan without fire victims' support.

"The only way for fire victims to get a fair deal is to vote no," said Kirk Trostle, one of the committee members who



Source: the company

resigned. He lost his home in the 2018 Camp Fire that destroyed the town of Paradise, Calif. "We're going to have a strong movement begin to take shape."

PG&E noted that the settlement is still supported by the committee of fire victims. It declined to answer more specific questions about how the exit plan compensates other claimants compared with fire victims.

"Throughout this process, our focus has remained on getting victims paid fairly and as soon as possible," the company said in a statement.

The surfacing tensions underscore the fragile compromises PG&E has brokered with stakeholders in its complex bankruptcy to settle billions of dollars in claims from wildfires sparked by its electrical equipment.

State fire investigators have found PG&E sparked fires in 2017 and 2018 that collectively killed more than 100 people and destroyed roughly 15,700 homes. Last week, the company disclosed that it would plead guilty to felony manslaughter charges for starting the Camp Fire, which killed 85 people.

As it seeks to exit chapter 11 later this year, PG&E has cut numerous settlement deals with different claimants, including hedge funds that bought the company's bonds, shares and fire insurers' claims in hopes of scoring a financial windfall from the bankruptcy.

The result is a proposed exit plan that has PG&E leaving bankruptcy with more debt than it had going in, and special financial protections for some of those creditors, while



leaving fire victims exposed to the risk that their part of the money could shrink if the company's shares lose value.

Fire victims are the only major class of claimants that PG&E is proposing to compensate with common shares. The company has agreed to resolve claims from 2017 and 2018 wildfires for more than \$25 billion, but the other major settlements—with California governments and insurance companies—would be paid all in cash.

Mike Danko, an attorney representing more than 6,600 fire victims, said he expects most of his clients will vote in support of the plan, but that momentum is building among the opposition, raising the prospect of a protracted renegotiation process that could exacerbate PG&E's financial trou-

bles. "A 'no' vote sort of means thermonuclear meltdown," he said. "There is no Plan B."

PG&E is racing to secure court approval of its plan by June 30 to meet a deadline to qualify for a state wildfire fund. It is preparing to distribute disclosure statements and ballots to more than 250,000 creditors, who have until May 15 to vote.

PG&E appears certain to emerge from bankruptcy more indebted than ever—as much as \$38 billion in debt versus \$22 billion when it filed for protection 14 months ago. Normally, companies use chapter 11 to pare their debts, but in this case, PG&E bondholders negotiated a deal to exchange unsecured debt for bonds secured by company assets, giving them protection in the event the company goes bankrupt again.

The debt-skewed capital structure proposed under the plan would be unusual for any regulated utility, let alone one that serves 1 in 20 Americans. The structure means the company will have a relatively small financial cushion in the event its equipment sparks more destructive wildfires.

Mr. Newsom had earlier expressed concern about PG&E's debt levels coming out of bankruptcy. But faced with the coronavirus crisis, he dropped opposition to PG&E's reorganization plan on March 20, striking a deal in which PG&E agreed to put itself up for sale if it cannot obtain court approval of its exit plan by June 30.

Delivery Apps Face Restaurant Pushback

By PREETIKA RANA AND HEATHER HADDON

Restaurants' increasing dependence on companies like DoorDash Inc. and Uber Technologies Inc.'s Eats during the coronavirus pandemic has inflamed their frustrations with the delivery services and prompted some eateries to strike back.

For years, smaller restaurants have bristled at the commissions food-delivery apps charge, up to 30% in some cases, an amount particularly painful these days, as many dining rooms have been emptied by the pandemic. In response, some restaurants are looking to decrease their reliance on delivery giants by siding with smaller firms that offer more favorable rates, encouraging customers to do pickup orders and training staff to double as drivers.

The delivery companies, which also include Grubhub Inc. and Postmates Inc., say they have offered discounts to customers to encourage more orders during the crisis. However, the pandemic comes as many of the bigger delivery companies are facing pressure from investors to deliver profits.

Restaurant chains typically have stronger negotiating power. For example, McDonald's Corp. lowered the commission it pays Uber Eats down to about 15% of each order. That is a luxury small restaurants don't have, especially without in-store dining, which helped restaurants offset thin margins on deliveries.

"We're bleeding," said Richard Hoban, co-owner of Verdine, a Houston-based vegan restaurant that pays Uber Eats and DoorDash a 30% commission on each order.

Verdine's sales in the week through March 21—the first week after major U.S. cities imposed lockdowns—plunged 65% compared with a typical week. To-go orders accounted for most of the sales volume. The restaurant earned just about enough to pay employees but couldn't cover rent and other costs after accounting for app commissions, Mr. Hoban said. Before the pandemic, to-go sales accounted for just 8% of weekly sales.

Verdine severed ties with DoorDash—which it said brought the restaurant fewer orders than Uber Eats—and launched a social-media campaign to promote Favor Delivery, a lesser-known local app that waived commissions for restaurants.

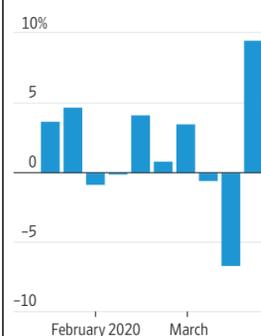
"We'll remember the way they treated us long after this is over," said Mr. Hoban, who said he plans to stick with Favor Delivery, a subsidiary of Texas-based H-E-B LP.

Representatives for DoorDash, Uber Eats, Postmates, and Grubhub declined to comment on the restaurants' specific complaints, instead pointing to a list of measures they have taken, aimed at driving more orders for small restaurant partners.

In the first week after several major cities started ordering people to stay home, U.S. consumers spent 10% more on orders via DoorDash, Uber Eats, Grubhub and Postmates compared with the previous week, according to credit and debit transactions, among other things, analyzed by market research firm Edison Trends.

Delivered

U.S. spending on select delivery services, change from a week earlier



Note: Delivery services include DoorDash, Uber Eats, Grubhub and Postmates. Dates shown are the end of the week. Source: Edison Trends analysis of more than 370,000 online transactions



CVS warned the epidemic would harm results. A store in New York.

Virus Hurts Business Winners

Continued from page B1

He takes a late-afternoon ferry over to the island, situated between two forks at the eastern end of Long Island, and takes on some of the deliveries.

Last week wasn't like most days. As city dwellers flocked to summer homes seeking refuge and space, four UPS cars traversed the island daily, delivering food and essentials from retailers like Costco Inc. and Target Corp., as well as items like trampolines and home gyms to help fill the days.

"It's nothing like I've ever seen in my career," the 40-year-old Mr. Carew said.

FedEx and UPS workers could face layoffs if the flow of packages slows further. Teamsters leaders have told UPS workers that there could be job losses during the economic slump. Some of the FedEx Ground division's contractors have laid off delivery drivers.

"We are flexing resources to meet changing demands on a daily basis across the air, freight and ground parts of our network," a FedEx spokesman said.

A FedEx spokeswoman said the impact from the pandemic affects each contractor differently, depending on the location, government restrictions and types of businesses served. The majority handle both commercial and residential customers, which allows them to adjust their operations based on how the flow changes.

Procter & Gamble can't make toilet paper fast enough, and demand for many of the company's other products—from Dawn dish soap to Bounty paper towels—is surging.

Investors are taking note. Shares of P&G have fallen 13% since Feb. 20, when markets began to tumble, while the S&P 500 has dropped twice as much in the same time. Shares of P&G rivals Colgate Palmolive and Kimberly-Clark Corp. also have performed far better than the overall market.

"It's nice, but a lot of it is just pantry loading," SunTrust

analyst Bill Chappell said, referring to the phenomenon of consumers stocking up on items, only to halt purchases down the road. Analysts anticipate makers of household staples will see a sharp decline in sales of items that have been quickly selling out in recent weeks.

Toilet-paper sales doubled in the four-week period that ended March 21, compared with the same time a year ago, according to Nielsen. Sales of paper towels and dish soap rose 80%, while multipurpose cleaners are up 150%, and bath and shower soap sales doubled.

P&G could take a hit should the economy remain in a prolonged recession, as the company's products tend to be on the pricier side. Company executives said they have prepared for such a scenario by ensuring they have lower-priced offerings across all categories.

P&G could take a hit should the economy remain in a prolonged recession.

Big drugstore chains are seeing store traffic and online sales surge. The companies sell staples and medications, have pharmacists on site, and remain among the few businesses allowed to operate even under the strictest lockdowns. The nation's largest pharmacy chains have agreed to set up coronavirus testing sites in their parking lots to be run by health officials.

Yet CVS Health Corp., the largest U.S. drugstore chain by revenue and stores, warned investors that the epidemic would hurt results. Much of that pain comes by way of the company's Aetna insurance business as medical costs rise without any bump in premiums paid by customers, the company said.

At its stores, CVS said costs have increased as more employees work from home with pay, and the company pays cash bonuses and offers other worker-support programs. Walgreens Boots Alliance Inc. is offering paid time off, bonuses and other programs for employees. Unlike CVS, Walgreens doesn't own an insurer or a pharmacy-benefit manager.

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CLASS ACTION

LEGAL NOTICE

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE EQUIFAX INC. SECURITIES LITIGATION

Consolidated Case No. 1:17-cv-03463-TWT

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

TO: all persons and entities who purchased or otherwise acquired publicly-traded Equifax Inc. ("Equifax") common stock during the period from February 25, 2016 through September 15, 2017, inclusive (the "Class Period"), and who were damaged thereby (the "Settlement Class"):

PLEASE READ THIS NOTICE CAREFULLY.

YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of Georgia, Atlanta Division (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, Union Asset Management Holding AG, on behalf of itself and the Settlement Class, has reached a proposed settlement of the Action for \$149,000,000 in cash (the "Settlement"). If approved, the Settlement will resolve all claims in the Action.

A hearing will be held on June 26, 2020 at 9:30 a.m., before the Honorable Thomas W. Thrash, Jr. at the United States District Court for the Northern District of Georgia, Atlanta Division, Courtroom 2108 of the Richard B. Russell Federal Building and United States Courthouse, 75 Ted Turner Drive, SW, Atlanta, GA 30303, 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 Settlement Class, Lead Plaintiff should be certified as Class Representative for the Settlement Class, and Lead Counsel should be appointed as Class Counsel for the Settlement Class; (iii) whether the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in the Stipulation and Agreement of Settlement dated February 12, 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 application for an award of attorneys' fees and expenses should be approved.

If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Net Settlement Fund. If you have not yet received the Notice and Claim Form, you may obtain copies of these documents by contacting the Claims Administrator at: Equifax Securities Litigation, c/o JND Legal Administration, P.O. Box 91319, Seattle, WA 98111, 1-844-975-1781, info@EquifaxSecuritiesLitigation.com. Copies of the Notice and Claim Form can also be downloaded from the Settlement website, www.EquifaxSecuritiesLitigation.com.

If you are a member of the Settlement Class, in order to be eligible to receive a payment from the Settlement, you must submit a Claim Form postmarked no later than July 22, 2020. If you are a Settlement 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 Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion such that it is received no later than June 5, 2020, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to receive a payment from the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for attorneys' fees and expenses must be filed with the Court and delivered to Lead Counsel and Equifax's Counsel such that they are received no later than June 5, 2020, in accordance with the instructions set forth in the Notice.

Please do not contact the Court, the Office of the Clerk of the Court, 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:
Equifax Securities Litigation
c/o JND Legal Administration
P.O. Box 91319
Seattle, WA 98111
1-844-975-1781
info@EquifaxSecuritiesLitigation.com
www.EquifaxSecuritiesLitigation.com

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

By Order of the Court

Certain persons and entities are excluded from the Settlement 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 an Award of Attorneys' Fees and Litigation Expenses (the "Notice"), available at www.EquifaxSecuritiesLitigation.com.

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EXHIBIT C

Notice of Pendency and Proposed Settlement of Class Action Involving Persons and Entities Who Purchased or Otherwise Acquired Publicly-Traded Equifax Inc. Common Stock from February 25, 2016 through September 15, 2017

NEWS PROVIDED BY
JND Legal Administration →
Apr 02, 2020, 09:21 ET

SEATTLE, April 2, 2020 /PRNewswire/ --

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**IN RE EQUIFAX INC. SECURITIES LITIGATION
Consolidated Case No. 1:17-cv-03463-TWT**

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

This notice is for all persons and entities who purchased or otherwise acquired publicly-traded Equifax Inc. ("Equifax") common stock during the period from February 25, 2016 through September 15, 2017, inclusive (the "Class Period"), and who were damaged thereby (the

"Settlement Class"). Certain persons and entities are excluded from the Settlement 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 an Award of Attorneys' Fees and Litigation Expenses (the "Notice"), available at www.EquifaxSecuritiesLitigation.com.

PLEASE READ THIS NOTICE CAREFULLY. Your rights will be affected by a class action lawsuit pending in this court.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of Georgia, Atlanta Division (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, Union Asset Management Holding AG, on behalf of itself and the Settlement Class, has reached a proposed settlement of the Action for \$149,000,000 in cash (the "Settlement"). If approved, the Settlement will resolve all claims in the Action.

A hearing will be held on **June 26, 2020 at 9:30 a.m.**, before the Honorable Thomas W. Thrash, Jr. at the United States District Court for the Northern District of Georgia, Atlanta Division, Courtroom 2108 of the Richard B. Russell Federal Building and United States Courthouse, 75 Ted Turner Drive, SW, Atlanta, GA 30303, 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 Settlement Class, Lead Plaintiff should be certified as Class Representative for the Settlement Class, and Lead Counsel should be appointed as Class Counsel for the Settlement Class; (iii) whether the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in the Stipulation and Agreement of Settlement dated February 12, 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 application for an award of attorneys' fees and expenses should be approved.

If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Net Settlement Fund. If you have not yet received the Notice and Claim Form, you may obtain copies of these

Case 1:17-cv-03463-TWT Document 176-2 Filed 05/23/20 Page 47 of 48
documents by contacting the Claims Administrator at: Equifax Securities Litigation, c/o JND Legal Administration, P.O. Box 91319, Seattle, WA 98111, 1-844-975-1781, info@EquifaxSecuritiesLitigation.com. Copies of the Notice and Claim Form can also be downloaded from the Settlement website, www.EquifaxSecuritiesLitigation.com.

If you are a member of the Settlement Class, in order to be eligible to receive a payment from the Settlement, you must submit a Claim Form **postmarked no later than July 22, 2020**. If you are a Settlement 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 Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion such that it is **received no later than June 5, 2020**, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to receive a payment from the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for attorneys' fees and expenses must be filed with the Court and delivered to Lead Counsel and Equifax's Counsel such that they are **received no later than June 5, 2020**, in accordance with the instructions set forth in the Notice.

Please do not contact the Court, the Office of the Clerk of the Court, 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:

Equifax Securities Litigation
c/o JND Legal Administration
P.O. Box 91319
Seattle, WA 98111

info@EquifaxSecuritiesLitigation.com

www.EquifaxSecuritiesLitigation.com

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

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

By Order of the Court

SOURCE JND Legal Administration

Related Links

<http://www.EquifaxSecuritiesLitigation.com>

EXHIBIT 3

EXHIBIT 3

In re Equifax Inc. Securities Litigation
Consolidated Case No. 1:17-cv-03463-TWT (N.D. Ga.)

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

Ex.	FIRM	HOURS	LODESTAR	EXPENSES
3A	Bernstein Litowitz Berger & Grossmann LLP	41,088.75	\$18,105,647.50	\$650,127.21
3B	Bondurant Mixson & Elmore LLP	1,142.50	\$527,797.00	\$9,797.92
	TOTAL:	42,231.25	\$18,633,444.50	\$659,925.13

EXHIBIT 3A

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**IN RE EQUIFAX INC. SECURITIES
LITIGATION**

Consolidated Case No.
1:17-cv-03463-TWT

**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 of 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

¹ Unless otherwise defined in this Declaration, all capitalized terms have the meanings set out in the Stipulation and Agreement of Settlement, dated February 12, 2020 (ECF No. 159-2).

2. My firm, as Lead Counsel of record in the Action and counsel for Lead Plaintiff Union Asset Management AG, 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 Class Action Settlement and Plan of Allocation and (II) Lead Counsel's Motion for Award of Attorneys' Fees and Litigation Expenses, filed herewith.

3. The schedule 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 who devoted ten or more hours to the Action from its inception through and including May 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 May 15, 2020, is 41,088.75 hours. The total lodestar for my firm for that period is \$18,105,647.50. 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 were involved 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." All attorneys and employees of the firm listed in the attached schedule work (or worked) at BLB&G's offices at 1251 Avenue of the Americas in New York, New York. 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 \$650,127.21 in expenses incurred in connection with the prosecution of this Action from its inception through and including May 15, 2020.

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

(a) **Online Legal Research** (\$31,892.31) and **Online Factual Research** (\$25,531.71). The charges reflected are for out-of-pocket payments to the vendors such as Westlaw, Lexis/Nexis, ALM Media, Thomson Reuters, 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) **Experts** (\$339,483.36). Lead Counsel retained Steven P. Feinstein, Ph.D., C.F.A., of Crowninshield Financial Research, Inc., to provide expert advice on market efficiency, damages, and loss causation issues. Lead Counsel consulted with Dr. Feinstein throughout the litigation of the Action, including throughout the settlement negotiations. In addition, Lead Counsel worked with Dr. Feinstein to prepare opening and rebuttal expert reports on market efficiency and class-wide damages methodology that were filed in support of Lead Plaintiff's class certification motion. Lead Counsel also worked with Dr. Feinstein and his team in developing the proposed Plan of Allocation. Lead Counsel also consulted with Chad Coffman of Global Economics Group LLC to provide expert advice on damages and loss causation issues in connection with the investigation and preparation of the Complaint. In addition, Lead Counsel retained cybersecurity experts who provided consulting services concerning Equifax's cybersecurity, the Data Breach, Lead Plaintiff' allegations, and cybersecurity best practices and regulatory standards.

(c) **Discovery/Document Management** (\$137,968.67). Lead Counsel retained an outside document management vendor to maintain the document

database that was used to process, organize and review the more than 1 million pages of documents produced by Defendants and third parties in this Action.

(d) **Mediation** (\$39,437.00). This represents Lead Plaintiff's share of fees paid to Phillips ADRs for the services of the mediator, the Hon. Layn R. Phillips (USDJ, Ret.). Judge Phillips conducted the mediation session in June 2019 and participated in follow up negotiation efforts that lead to the settlement of the Action.

(e) **Internal Copying & Printing** (\$6,482.80). Our firm charges \$0.10 per page for in-house copying and for printing of documents.

(f) **Out-of-Town Travel** (\$21,626.87). In connection with the prosecution of this case, the firm has paid for travel expenses for its attorneys to attend court hearings, oral argument, depositions, and the mediation. The expenses reflected in Exhibit 2 are the expenses actually incurred by my firm or reflect "caps" on travel costs based on the following criteria: (i) airfare is capped at coach rates; (ii) hotel charges per night are capped at \$350 for "high cost" locations and \$250 for "lower cost" locations, as categorized by IRS guidelines (the relevant cities and how they are categorized are reflected on Exhibit 3); and (iii) meals while traveling are capped at \$20 per person for breakfast, \$25 per person for lunch, and \$50 per person for dinner.

(g) **Working Meals** (\$5,674.03). 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.

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 my firm and the attorneys still 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: May 22, 2020

/s/ James A. Harrod

James A. Harrod

EXHIBIT 1*In re Equifax Inc. Securities Litigation*

Consolidated Case No. 1:17-cv-03463-TWT (N.D. Ga.)

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

Inception through and including May 15, 2020

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Max Berger	179.75	\$1,300	\$233,675.00
James A. Harrod	1,885.50	\$950	\$1,791,225.00
Avi Josefson	36.00	\$950	\$34,200.00
Mark Lebovitch	29.75	\$1,000	\$29,750.00
Gerald Silk	100.50	\$1,100	\$110,550.00
Senior Counsel			
Abe Alexander	1,995.25	\$800	\$1,596,200.00
Scott Foglietta	131.75	\$800	\$105,400.00
John Mills	201.75	\$750	\$151,312.50
Of Counsel			
Kurt Hunciker	45.00	\$775	\$34,875.00
Associates			
James Fee	582.00	\$475	\$276,450.00
Brenna Nelinson	846.25	\$500	\$423,125.00
Staff Attorneys			
Caitlin Adorni	1,904.25	\$350	\$666,487.50
Erik Aldeborgh	207.75	\$395	\$82,061.25
Jim Briggs	588.50	\$375	\$220,687.50
Girolamo Brunetto	110.25	\$395	\$43,548.75
Joseph Ferrone	375.50	\$395	\$148,322.50
Reena Garg	604.25	\$375	\$226,593.75

NAME	HOURS	HOURLY RATE	LODESTAR
Lisa George	925.25	\$395	\$365,473.75
Tracey Grant	1,706.25	\$395	\$673,968.75
Bridget Hamill	1,526.50	\$395	\$602,967.50
Jasper Hayes-Klein	1,404.75	\$375	\$526,781.25
Brandon James	1,198.50	\$350	\$419,475.00
Erick Ladson	1,809.50	\$395	\$714,752.50
Brett Leopold	1,851.50	\$395	\$731,342.50
Thomas Milazzo	1,509.50	\$395	\$596,252.50
Miguel Molina	1,259.50	\$350	\$440,825.00
Priscilla Pellecchia	517.50	\$375	\$194,062.50
Kirstin Peterson	1,340.50	\$395	\$529,497.50
Esinam Quarco	1,789.75	\$395	\$706,951.25
Joseph Ranieri	1,565.25	\$375	\$586,968.75
Lakshmi Shiwnandan	1,608.75	\$395	\$635,456.25
Emily Strickland	1,745.25	\$375	\$654,468.75
Tracilyn Tasch	1,472.00	\$350	\$515,200.00
Nedra Thompson	1,820.00	\$375	\$682,500.00
Catherine Truesaw	615.75	\$395	\$243,221.25
Allan Turisse	437.25	\$395	\$172,713.75
Vincent Le Voci	652.25	\$395	\$257,638.75
Samuel Watkins	1,471.75	\$395	\$581,341.25
Kendall Wostl	466.00	\$395	\$184,070.00
Financial Analysts			
Vincent Alfano	45.00	\$350	\$15,750.00
Nick DeFilippis	21.00	\$600	\$12,600.00
Sharon Safran	12.75	\$335	\$4,271.25
Tanjila Sultana	60.25	\$375	\$22,593.75
Adam Weinschel	64.50	\$525	\$33,862.50
Investigators			
Chris Altiery	176.50	\$255	\$45,007.50
Amy Bitkower	72.75	\$550	\$40,012.50
Jenna Goldin	333.00	\$375	\$124,875.00

NAME	HOURS	HOURLY RATE	LODESTAR
Joelle (Sfeir) Landino	110.50	\$375	\$41,437.50
Litigation Support			
Paul Charlotin	11.25	\$350	\$3,937.50
Roberto Santamarina	105.75	\$375	\$39,656.25
Managing Clerk			
Mahiri Buffong	42.25	\$350	\$14,787.50
Errol Hall	34.50	\$310	\$10,695.00
Paralegals			
Jesse Axman	41.00	\$255	\$10,455.00
Yvette Badillo	20.00	\$300	\$6,000.00
Matthew Gluck	704.50	\$350	\$246,575.00
Michelle Leung	20.75	\$350	\$7,262.50
Matthew Mahady	44.50	\$350	\$15,575.00
Desiree Morris	80.00	\$350	\$28,000.00
Nyema Taylor	553.25	\$335	\$185,338.75
Gary Weston	17.50	\$375	\$6,562.50
TOTAL LODESTAR:	41,088.75		\$18,105,647.50

EXHIBIT 2

In re Equifax Inc. Securities Litigation
Consolidated Case No. 1:17-cv-03463-TWT (N.D. Ga.)

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

SUMMARY DESCRIPTIONS OF WORK PERFORMED

Inception through and including May 15, 2020

PARTNERS

Max W. Berger (179.75 hours): Mr. Berger, Managing Partner and Founder of BLB&G, was actively involved in developing litigation strategy and was directly engaged with both Judge Phillips and counsel for Equifax in all aspects of the mediation and settlement process.

James A. Harrod (1,885.50 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 prosecution of the case following the appointment of BLB&G as Lead Counsel.

Initially, I handled our efforts regarding the consolidation, assignment and coordination of this Action with the related consumer MDL and our efforts to modify the PSLRA stay of discovery, as well as appearing before the Court at multiple status conferences concerning those matters.

I was involved in drafting and editing the Complaint as well as the drafting of our briefing in opposition to Defendants' motions to dismiss the Complaint. I prepared for and presented oral argument in opposition to Defendants' motions to dismiss. I also supervised, drafted and edited Plaintiff's opposition to Defendants' motions for clarification and for interlocutory appeal.

I was involved in supervising and managing both offensive and defensive discovery efforts, in drafting Plaintiff's various discovery motions, and presenting argument before Your Honor concerning those matters. I personally led or participated in numerous meet-and-confers concerning discovery. I supervised Plaintiff's analysis

and review of documents produced in the litigation. I also engaged with representatives of Union regarding their responses to discovery served by Defendants, including coordinating the collection and production of their documents and supervising our review of the documents to be produced to Defendants.

I supervised Plaintiff's efforts at class certification, including drafting and editing our opening and reply briefs, working with our expert, preparing Union AG's representatives for their depositions and defending them, as well as deposing Defendants' expert.

I was responsible for strategy related to 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, including concerning class certification, damages, loss causation and cybersecurity. I had administrative responsibility for managing the litigation expenses and staffing of the case.

I participated in the settlement negotiations and mediation process, including preparing written materials in support of Plaintiff's settlement positions and in response to similar materials provided by Defendants. I supervised preparation of the formal settlement documents, including Plaintiff's Motion for Preliminary Approval and the submissions submitted herewith. I presented argument to the Court in support of preliminary approval and will argue Plaintiff's final-approval motion at the upcoming hearing.

Avi Josefson (36.00 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 Union AG as Lead Plaintiff and BLB&G as Lead Counsel.

Mark Lebovitch (29.75 hours): Mr. Lebovitch is a BLB&G Partner and leader of the firm's Department of Governance. Mr. Lebovitch was principally involved with the initial evaluation of the case and discussions with Union AG concerning its motion to be appointed Lead Plaintiff. Mr. Lebovitch was also an active participant in providing strategic advice and updates to Union AG throughout the litigation, including in connection with their discovery efforts and depositions, as well as all aspects of the settlement process.

Gerald Silk (100.50 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 Union AG as Lead Plaintiff and BLB&G as Lead Counsel. Mr. Silk also actively participated in major strategic and tactical decisions throughout the litigation, in particular concerning the settlement negotiations with Defendants.

SENIOR COUNSEL

Abe Alexander (1,995.25 hours): Mr. Alexander, Senior Counsel at BLB&G, was significantly involved in all aspects of the case following the appointment of BLB&G as Lead Counsel.

Mr. Alexander had significant responsibility for the investigation of the claims asserted and drafting of the Complaint, including a review of public information and the identification and consultations with Plaintiff's cybersecurity experts. Mr. Alexander also had significant responsibility for researching and drafting the opposition to Defendants' joint motion to dismiss and assisted and supported me in connection with oral argument. Mr. Alexander was also involved in preparing the briefing in opposition to Defendant Equifax's motion for clarification on the Court's January 28, 2019 order on the motion to dismiss as well as Defendant's joint motion for an interlocutory appeal of the Court's motion on the motion to dismiss pursuant to 28 U.S.C. § 1292(b).

In connection with discovery Mr. Alexander also researched and drafted Plaintiff's motion for a modification of the PSLRA discovery. Mr. Alexander was also involved in discovery efforts, which included, among other things, supervising the staff attorney team on the case, drafting discovery requests to Defendants, participating in meet-and-confers, and drafting letter motions to the Court, as well as preparing for depositions. Mr. Alexander also worked on researching and drafting the motion for class certification, including liaising with Plaintiff's damages expert as he drafted his report and rebuttal report.

Mr. Alexander also performed work on the Settlement, including reviewing the Settlement Notice and proposed plan of allocation as well as the briefing in support of the motion for preliminary approval.

Scott Foglietta (131.75 hours): Mr. Foglietta, Senior Counsel at BLB&G, was significantly involved in all aspects of the initial evaluation of the case and in advising Union AG concerning, and preparing their submissions in support of, their motion for appointment as Lead Plaintiff.

John Mills (201.75 hours): Mr. Mills is a Senior Counsel in the Firm's Settlement Department. Mr. Mills's primary role at the Firm is to manage and implement class-action settlements. Mr. Mills had responsibility for drafting, editing, and coordinating all settlement documentation, including the Stipulation and Plaintiff's submissions seeking both preliminary and final approval of the Settlement. Mr. Mills was also responsible for coordinating with the claims administrator regarding dissemination of notice to the Settlement Class.

OF COUNSEL

Kurt Hunciker (45 hours): Mr. Hunciker, who was Of Counsel to the Firm, was involved in the research and drafting of Plaintiff's opposition to Defendants' joint motion for an interlocutory appeal of the Court's motion on the motion to dismiss pursuant to 28 U.S.C. § 1292(b).

ASSOCIATES

James Fee (582.00 hours): Mr. Fee, an Associate at BLB&G, joined the case team at the commencement of the discovery phase. Mr. Fee was principally responsible for drafting document requests and subpoenas to third parties for the production of documents and handling the meet-and-confer process with both Defendants and certain third-parties. Mr. Fee also drafted discovery correspondence and worked closely with staff attorneys to prepare for meetings to discuss key documents identified, compiled deposition preparation kits, and identified designations on Defendants' privilege logs to challenge. Mr. Fee worked on researching and drafting the various discovery motions and the reply in further support of class certification. Mr. Fee also assisted in the supervision of staff attorneys who were analyzing discovery. In addition, Mr. Fee assisted Mr. Harrod during depositions of both Plaintiff's and Defendants' damages experts. Finally, Mr. Fee performed work on the Settlement, including reviewing the Settlement Notice and proposed plan of allocation as well as the briefing in support of the motion for preliminary approval.

Brenna Nelinson (846.25 hours): Ms. Nelinson, an Associate at BLB&G, was significantly involved in all aspects of the case following the appointment of BLB&G as Lead Counsel, including the investigation of the claims asserted and drafting of the Consolidated Complaint and researching and drafting the opposition to Defendants' joint motion to dismiss. Ms. Nelinson also researched and drafted Plaintiff's motion for a modification of the PSLRA discovery stay. Ms. Nelinson was involved in preparing the briefing in opposition to Defendant Equifax's motion for clarification on the Court's January 28, 2019 order on the motion to dismiss as well as Defendant's joint motion for an interlocutory appeal of the Court's motion on the motion to dismiss pursuant to 28 U.S.C. § 1292(b).

Ms. Nelinson led several of Plaintiff's discovery efforts, which included, among other things, drafting discovery requests to Defendants and third parties, participating in meet-and-confers, and drafting letter motions to the Court, as well as preparing for depositions.

Ms. Nelinson also worked on researching and drafting the motion for class certification and the reply brief in support thereof.

STAFF ATTORNEYS

Caitlin Adorni (1,904.25 hours). Ms. Adorni reviewed and analyzed materials produced in discovery, assisted in the drafting of Plaintiff's Requests for Admission, reviewed regulatory and Congressional investigation reports, and prepared memoranda analyzing documents related to Equifax's data encryption. In connection with Plaintiff's deposition efforts, Ms. Adorni analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of several fact witnesses, including Graeme Payne, Joe Sanders, Stephen Cosby, and Andrew Cooper.

Erik Aldeborgh (207.75 hours). Mr. Aldeborgh reviewed and analyzed materials produced in discovery. In connection with Plaintiff's deposition efforts, Mr. Aldeborgh analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including David Webb.

Jim Briggs (588.50 hours). Mr. Briggs conducted research on factual issues in connection with Lead Plaintiff's investigation in connection with the Complaint, including analyzing regulatory and Congressional investigation reports and reports

by securities analysts covering Equifax. During the discovery phase, Mr. Briggs reviewed and analyzed materials produced by Defendants, and led efforts to develop and refine the list of Lead Plaintiff's proposed deponents. Mr. Briggs also coordinated with Plaintiff's cybersecurity experts regarding technical questions arising from Plaintiff's analysis of discovery materials. In further connection with Plaintiff's deposition efforts, Mr. Briggs analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of several fact witnesses, including Francis Finley and Shea Geisler.

Girolamo Brunetto (110.25 hours). Mr. Brunetto worked closely with Mr. Mills on various tasks related to the Settlement. Mr. Brunetto assisted in the drafting of the Stipulation and its exhibits and performed legal research in support of Lead Plaintiff's motion for preliminary approval. In addition, Mr. Brunetto drafted requests for proposals sent to the claims administration firms who were asked to submit bids for such services in this case, and analyzed the bids received from responsive claims administrators.

Joseph Ferrone (375.50 hours). Mr. Ferrone reviewed and analyzed materials produced in discovery and assisted in the drafting of internal memoranda focusing on Equifax's data encryption efforts and practices, based on both discovery materials and publicly available information.

Reena Garg (604.25 hours). Ms. Garg reviewed and analyzed materials produced in discovery, and provided research assistance in connection with certain memoranda concerning Equifax's cybersecurity.

Lisa George (925.25 hours). Ms. George reviewed and analyzed materials produced in discovery by Equifax, prepared memoranda reflecting analysis of documents concerning Equifax's data encryption, and reviewed documents produced by non-party Ernst & Young. In connection with Plaintiff's deposition efforts, Ms. George analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Amanda Le.

Tracey Grant (1,706.25 hours). Ms. Grant reviewed and analyzed materials produced in discovery by Equifax, assisted in the identification of potential privilege designation challenges, prepared memoranda reflecting research and analysis of (a) documents related to Equifax's use of Apache Struts and (b) its warehousing of personally identifiable information ("PII"). Ms. Grant assisted in preparing Lead

Plaintiff's motion to compel directed at Mandiant. Ms. Grant also reviewed and analyzed documents produced by non-parties Deloitte and KPMG. In connection with Plaintiff's deposition efforts, Ms. George assisted in compiling a list of potential witnesses, analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Stephen Cosby.

Bridget Hamill (1,526.50 hours). Ms. Hamill reviewed and analyzed materials produced in discovery by Equifax, assisted in the drafting of Plaintiff's Requests for Admission, assisted in the identification of potential privilege designation challenges, prepared memoranda reflecting research and analysis into Equifax's cybersecurity compliance, and assisted in preparing Lead Plaintiff's motion to compel directed at Mandiant. In connection with Plaintiff's deposition efforts, Ms. Hamill analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Graeme Payne, Jeffrey Dodge, Guy DiFruscia and Matt Modica.

Jasper Hayes-Klein (1,404.75 hours). Mr. Hayes-Klein reviewed and analyzed materials produced in discovery by Equifax, prepared memoranda reflecting research and analysis into Equifax's security reviews, and translated German language documents. In connection with Plaintiff's deposition efforts, Mr. Hayes-Klein analyzed and reviewed documents concerning potential deponents, including Justin Borland.

Brandon James (1,198.50 hours). Ms. James reviewed and analyzed materials produced in discovery by Equifax, prepared memoranda reflecting research and analysis into documents related to Equifax's network monitoring and internal controls, and assessed potential deponents. Mr. James also reviewed and analyzed documents produced by non-parties Intel/McAfee and PwC.

Erick Ladson (1,809.50 hours). Mr. Ladson reviewed and analyzed materials produced in discovery by Equifax, prepared memoranda reflecting research and analysis into documents related to Equifax's patch management procedures, and assessed potential deponents. Mr. Ladson also contributed to a factual "issue timeline" concerning Equifax's cybersecurity deficiencies. In connection with Plaintiff's deposition efforts, Mr. Ladson analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Graeme Payne, Stephen Cosby, and John Kelley.

Brett Leopold (1,851.50 hours). Mr. Leopold reviewed and analyzed materials produced in discovery by Equifax, assisted with drafting Plaintiff's Requests for Admission, assisted with drafting third party document subpoenas, prepared memoranda reflecting research and analysis of documents related to Equifax's authentication measures and data encryption, and reviewed regulatory and Congressional investigation reports. In connection with Plaintiff's deposition efforts, Mr. Leopold analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Shea Giesler and Francis Finley.

Thomas Milazzo (1,509.50 hours). Mr. Milazzo reviewed and analyzed materials produced in discovery by Equifax and prepared memoranda reflecting research and analysis into Equifax's outdated security systems and software and Equifax's internal controls. In connection with Plaintiff's deposition efforts, Mr. Milazzo analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of several fact witnesses.

Miguel Molina (1,259.50 hours). Mr. Molina reviewed and analyzed materials produced in discovery by Equifax and prepared memoranda reflecting research and analysis into documents related to Equifax's outdated security systems and software. In connection with Plaintiff's deposition efforts, Mr. Molina analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of several fact witnesses.

Priscilla Pellecchia (517.50 hours). Ms. Pellecchia reviewed and analyzed materials produced in discovery by Equifax and prepared memoranda reflecting research and analysis into documents related to Equifax's patch management procedures.

Kirstin Peterson (1,340.50 hours). Ms. Peterson reviewed and analyzed materials produced in discovery by Equifax, prepared memoranda reflecting research and analysis into documents related to Equifax's patch management procedures, and translated German language documents. Ms. Peterson also reviewed and analyzed documents produced by non-parties, including Ernst & Young. In connection with Plaintiff's deposition efforts, Ms. Peterson analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Chris Blalock, Francis Finley, and Susan Mauldin.

Esinam Quarco (1,789.75 hours). Ms. Quarco reviewed and analyzed materials produced in discovery by Equifax, prepared memoranda reflecting research and analysis into documents related to Equifax's partitioning and segmentation, and assisted in identification of potential privilege designation challenges. Ms. Quarco also reviewed and analyzed documents produced by non-parties, including Rapid7. In connection with Plaintiff's deposition efforts, Ms. Quarco analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Joe Sanders, Stephen Cosby, and Francis Finley.

Joseph Ranieri (1,565.25 hours). Mr. Ranieri reviewed and analyzed materials produced in discovery by Equifax, reviewed regulatory and Congressional investigation reports, prepared memoranda reflecting research and analysis related to Equifax's outdated security systems and software, and assisted in identification of potential privilege designation challenges. Mr. Ranieri also reviewed and analyzed documents produced by non-parties, including Oracle. In connection with Plaintiff's deposition efforts, Mr. Ranieri analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Andy Cooper, Sandra Winters, and Susan Lam.

Lakshmi Shiwnandan (1,608.75 hours). Ms. Shiwnandan reviewed and analyzed materials produced in discovery by Equifax and prepared memoranda reflecting research and analysis into Equifax's internal controls and encryption of data. In connection with Plaintiff's deposition efforts, Ms. Shiwnandan analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Jeffrey Gamble, Andy Cooper, and Francis Finley.

Emily Strickland (1,745.25 hours). Ms. Strickland served as the team lead for the staff attorneys assigned to this matter. Ms. Strickland managed incoming productions from Defendants and non-parties, batched them for the team to review, and led weekly meetings to highlight the team's analysis and findings. Ms. Strickland also oversaw the drafting and revision to the various team issue memos and other work product. Ms. Strickland oversaw the team's review and assisted in identification of potential privilege designation challenges. In connection with Plaintiff's deposition efforts, Ms. Strickland reviewed and approved deposition kits for fact witnesses including Joe Sanders, Graeme Payne, and Stephen Cosby. Ms. Strickland also assisted with compiling documents in connection with Plaintiff's deposition of Defendants' damages expert René Stulz.

Tracilyn Tasch (1,472.00 hours). Ms. Tasch reviewed and analyzed materials produced in discovery by Equifax and prepared memoranda reflecting research and analysis into documents related to Equifax's compliance with laws, regulations, and industry best practices. Ms. Tasch also reviewed and analyzed documents produced by non-parties, including KPMG. In connection with Plaintiff's deposition efforts, Ms. Tasch analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Susan Mauldin and Chris Blalock.

Nedra Thompson (1,820.00 hours). Ms. Thompson reviewed and analyzed materials produced in discovery by Equifax and prepared memoranda reflecting research and analysis into documents related to Equifax's data breach plan, networking monitoring, and Apache Struts. In connection with Plaintiff's deposition efforts, Ms. Thompson analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Jeffrey Dodge and Matt Modica.

Catherine Truesaw (615.75 hours). Ms. Truesaw reviewed and analyzed materials produced in discovery by Equifax and prepared memoranda reflecting research and analysis into documents related to Equifax's internal controls.

Allan Turisse (437.25 hours). Mr. Turisse reviewed and analyzed materials produced in discovery by Equifax. In connection with Plaintiff's deposition efforts, Mr. Turisse analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Shea Giesler, Francis Finley, and Graeme Payne.

Vincent Le Voci (652.25 hours). Mr. Le Voci reviewed and analyzed materials produced in discovery by Equifax and prepared memoranda reflecting research and analysis into documents related to Equifax's data breach plan and network monitoring capabilities. Mr. Le Voci assisted in identification of potential privilege designation challenges. In connection with Plaintiff's deposition efforts, Mr. Le Voci assessed potential deponents.

Samuel Watkins (1,471.75 hours). Mr. Watkins reviewed and analyzed materials produced in discovery by Equifax, including Freedom of Information Act productions, and prepared memoranda reflecting research and analysis into documents related to Equifax's security reviews. In connection with Plaintiff's

deposition efforts, Mr. Watkins analyzed and reviewed documents concerning, and assisted in the preparations for, the depositions of fact witnesses, including Matt Modica and Francis Finley.

Kendall Wostl (466.00 hours). Ms. Wostl reviewed and analyzed materials produced in discovery by Equifax and prepared memoranda reflecting research and analysis into documents related to Equifax's encryption of data.

FINANCIAL ANALYSTS

Nick DeFilippis (21.00 hours), **Adam Weinschel** (64.50 hours), **Vincent Alfano** (45.00 hours), **Sharon Safran** (12.75 hours), and **Tanjila Sultana** (60.25 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, Ms. Safran, a former Financial Analyst at BLB&G, and Ms. Tanjila, 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 (72.75 hours), **Chris Altiery** (176.50 hours), **Jenna Goldin** (333.00 hours), and **Joelle (Sfeir) Landino** (110.50 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, and Ms. (Sfeir) Landino, a Senior Investigator at BLB&G, conducted an investigation into the claims asserted in the Complaint by interviewing former employees and other knowledgeable individuals for relevant information and leads related to the Data Breach.

The investigators, particularly Mr. Altiery, compiled an extensive list of former employees and other individuals likely to have knowledge of the claims at the heart of this action. Ms. Goldin and Ms. Landino, 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.

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

Gary Weston (17.50 hours): Mr. Weston is the Director of Paralegals at BLB&G. Mr. Weston supervised the work of the paralegals on the case (identified below) in preparing various documents for submission to the Court, monitoring the news and related case dockets to keep the case team apprised of relevant developments as news related to the alleged fraud was unfolding, and maintaining physical and electronic case materials (including discovery materials). Mr. Weston also managed the request for proposals for court reporting services.

Jesse Axman (41.00 hours), **Yvette Badillo** (20.00 hours), **Matthew Gluck** (704.50 hours), **Michelle Leung** (20.75 hours), **Matthew Mahady** (44.50 hours), **Desiree Morris** (80.00 hours), and **Nyema Taylor** (553.25 hours): Mr. Axman, Ms. Badillo, Mr. Gluck, Ms. Leung, Mr. Mahady, Ms. Morris, and Ms. Taylor are all current or former members of the Firm’s Paralegal Department. Mr. Mahady is a Senior Case Manager; Mr. Gluck, Ms. Leung, and Ms. Morris are Case Managers; Mr. Axman, Ms. Badillo, and Ms. Taylor are former Paralegals. Under the supervision of Mr. Weston, 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 as news related to the fraud was unfolding, and maintaining physical and electronic case materials (including discovery materials). After the appointment of BLB&G as Lead Counsel, Mr. Gluck and Ms. Taylor were the paralegals principally responsible for this case at the Firm.

Paul Charlotin (11.25 hours) and **Robert Santamarina** (105.75 hours): Mr. Charlotin and Mr. Santamarina are members 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 (42.25 hours) and **Errol Hall** (34.50 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, as well as supervising these filings for conformity with local rules, procedures, and electronic-filing requirements.

EXHIBIT 3

In re Equifax Inc. Securities Litigation
 Consolidated Case No. 1:17-cv-03463-TWT (N.D. Ga.)

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

Inception through and including May 15, 2020

CATEGORY	AMOUNT
Court Fees	\$227.00
Service of Process	\$9,802.85
Online Legal Research	\$31,892.31
Online Factual Research	\$25,531.71
Investigators	\$917.81
Telephone	\$151.44
Postage & Express Mail	\$1,286.70
Hand Delivery Charges	\$25.00
Local Transportation	\$3,658.11
Internal Copying/Printing	\$6,482.80
Outside Copying	\$21,608.92
Out of Town Travel*	\$21,626.87
Working Meals	\$5,674.03
Court Reporting & Transcripts	\$4,265.75
Special Publications	\$86.88
Experts	\$339,483.36
Mediation	\$39,437.00
Discovery/Document Management	\$137,968.67
TOTAL EXPENSES:	\$650,127.21

* This includes hotels in the “lower-cost” cities of Atlanta and Los Angeles, capped at \$250 per night.

EXHIBIT 4

In re Equifax Inc. Securities Litigation
Consolidated Case No. 1:17-cv-03463-TWT (N.D. Ga.)

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

FIRM BIOGRAPHY

A decorative graphic consisting of several overlapping squares in shades of blue, orange, and green, arranged in a stepped pattern.

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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 WORLD COM, INC. SECURITIES LITIGATION

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

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

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

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

IN RE CLARENT CORPORATION SECURITIES LITIGATION

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

“It was the best tried case I’ve witnessed in my years on the bench . . .”

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

“These trial lawyers are some of the best I’ve ever seen.”

LANDRY’S RESTAURANTS, INC. SHAREHOLDER LITIGATION

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

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

MCCALL V. SCOTT (COLUMBIA/HCA DERIVATIVE LITIGATION)

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

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

RECENT ACTIONS & SIGNIFICANT RECOVERIES

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

SECURITIES CLASS ACTIONS

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

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

HIGHLIGHTS: \$6.19 billion securities fraud class action recovery – the second largest in history; unprecedented recoveries from Director Defendants.

CASE SUMMARY: Investors suffered massive losses in the wake of the financial fraud and subsequent bankruptcy of former telecom giant WorldCom, Inc. This litigation alleged that WorldCom and others disseminated false and misleading statements to the investing public regarding its earnings and financial condition in violation of the federal securities and other laws. It further alleged a nefarious relationship between Citigroup subsidiary Salomon Smith Barney and WorldCom, carried out primarily by Salomon employees involved in providing investment banking services to WorldCom, and by WorldCom’s former CEO and CFO. As Court-appointed Co-Lead Counsel representing Lead Plaintiff the **New York State Common Retirement Fund**, we obtained unprecedented settlements totaling more than \$6 billion from the Investment Bank Defendants who underwrote WorldCom bonds, including a \$2.575 billion cash settlement to settle all claims against the Citigroup Defendants. On the eve of trial, the 13 remaining “Underwriter Defendants,” including J.P. Morgan Chase, Deutsche Bank and Bank of America, agreed to pay settlements totaling nearly \$3.5 billion to resolve all claims against them. Additionally, the day before trial was scheduled to begin, all of the former WorldCom Director Defendants had agreed to pay over \$60 million to settle the claims against them. An unprecedented first for outside directors, \$24.75 million of that amount came out of the pockets of the individuals – 20% of their collective net worth. *The Wall Street Journal*, in its coverage, profiled the settlement as literally having “shaken Wall Street, the audit profession and corporate boardrooms.” After four weeks of trial, Arthur Andersen, WorldCom’s former auditor, settled for \$65 million. Subsequent settlements were reached with the former executives of WorldCom, and then with Andersen, bringing the total obtained for the Class to over \$6.19 billion.

CASE: *IN RE CENDANT CORPORATION SECURITIES LITIGATION*

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

HIGHLIGHTS: \$3.3 billion securities fraud class action recovery – the third largest in history; significant corporate governance reforms obtained.

CASE SUMMARY: The firm was Co-Lead Counsel in this class action against Cendant Corporation, its officers and directors and Ernst & Young (E&Y), its auditors, for their role in disseminating materially false and misleading financial statements concerning the company’s revenues, earnings and expenses for its 1997 fiscal year. As a result of company-wide accounting irregularities, Cendant restated its financial results for its 1995, 1996 and 1997 fiscal years and all fiscal quarters therein. Cendant agreed to settle the action for \$2.8 billion to adopt some of the most extensive corporate governance changes in history. E&Y settled for \$335 million. These settlements remain the largest sums ever recovered from a public company and a public accounting firm through securities class action litigation. BLB&G represented Lead Plaintiffs **CalPERS** – the **California Public Employees’ Retirement System**, the **New York State Common Retirement Fund** and the **New York City Pension Funds**, the three largest public pension funds in America, in this action.



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

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

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

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

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

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

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

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

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

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

HIGHLIGHTS: \$1.06 billion recovery for the class.

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



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

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

HIGHLIGHTS: \$1.05 billion recovery for the class.

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

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

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

HIGHLIGHTS: \$735 million in total recoveries.

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

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

CASE: *HEALTHSOUTH CORPORATION BONDHOLDER LITIGATION*

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

HIGHLIGHTS: \$804.5 million in total recoveries.

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

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

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

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

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

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

COURT: United States District Court for the District of Arizona

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CASE: *BEAR STEARNS MORTGAGE PASS-THROUGH LITIGATION*

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

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

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

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

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

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

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

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

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

HIGHLIGHTS: \$410 million settlement.

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

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

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

HIGHLIGHTS: Over \$407 million in total recoveries.

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

CORPORATE GOVERNANCE AND SHAREHOLDERS' RIGHTS

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

COURT: Delaware Court of Chancery

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

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

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

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

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

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

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

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

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

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

CASE: **CAREMARK MERGER LITIGATION**

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

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

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

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

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

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

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

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

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

COURT: Delaware Court of Chancery

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

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

CASE: *IN RE DELPHI FINANCIAL GROUP SHAREHOLDER LITIGATION*

COURT: Delaware Court of Chancery – New Castle County

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

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

CASE: *QUALCOMM BOOKS & RECORDS LITIGATION*

COURT: Delaware Court of Chancery – New Castle County

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

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

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

COURT: Delaware Court of Chancery – Kent County

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

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

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

COURT: Delaware Court of Chancery – New Castle County

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

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

CASE: *IN RE DOLLAR GENERAL CORPORATION SHAREHOLDER LITIGATION*

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

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

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



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

COURT: Delaware Court of Chancery – New Castle County

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

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

EMPLOYMENT DISCRIMINATION AND CIVIL RIGHTS

CASE: *ROBERTS V. TEXACO, INC.*

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

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

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

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

COURT: Multiple jurisdictions

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

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

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

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

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

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

CLIENTS AND FEES

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

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

IN THE PUBLIC INTEREST

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

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

FIRM SPONSORSHIP OF HER JUSTICE

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

THE PAUL M. BERNSTEIN MEMORIAL SCHOLARSHIP

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

FIRM SPONSORSHIP OF CITY YEAR NEW YORK

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

MAX W. BERGER PRE-LAW PROGRAM

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

NEW YORK SAYS THANK YOU FOUNDATION

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

OUR ATTORNEYS

MEMBERS

MAX W. BERGER, the firm’s senior founding partner, supervises BLB&G’s litigation practice and prosecutes class and individual actions on behalf of the firm’s clients. Described by sources quoted in leading industry publication *Chambers USA* as “the smartest, most strategic plaintiffs’ lawyer [they have] ever encountered,” Max has secured some of the largest recoveries ever achieved in securities fraud lawsuits.

Max has litigated many of the firm’s most high-profile and significant cases, and has negotiated 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). He has prosecuted seminal cases establishing precedents which have increased market integrity and transparency, held corporate wrongdoers accountable, and improved corporate business practices in groundbreaking ways.

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*. Previously, Max’s role in the WorldCom case generated extensive media coverage including feature articles in *BusinessWeek* and *The American Lawyer*. For his outstanding efforts on behalf of WorldCom investors, *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 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 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. A member of the Dean’s Council to Columbia Law School, he 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 May 2006, he was presented with the Distinguished Alumnus Award for his contributions to Baruch College, and 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 currently a member of the New York State, New York City and American Bar Associations, and is a member of the Federal Bar Council. He is also a member of the American Law Institute and an Advisor to its Restatement Third: Economic Torts project. In addition, Max is a member of the Board of Trustees of The Supreme Court Historical Society.

In 1997, Max was honored for his outstanding contribution to the public interest by Trial Lawyers for Public Justice, where he was a “Trial Lawyer of the Year” Finalist for his work in *Roberts, et al. v. Texaco*, the celebrated race discrimination case, on behalf of Texaco’s African-American employees.

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. 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 recently 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 by *Chambers USA*, 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 as a New York *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 “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).

He 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.

MARK LEBOVITCH heads the firm’s corporate governance litigation practice, focusing on derivative suits and transactional litigation. Working with his institutional investor clients, he fights to hold management accountable, pursuing meaningful and novel challenges to alleged corporate governance-related misconduct and anti-shareholder practices. His cases have created key legal precedents while helping recoup billions of dollars for investors and improving corporate governance practices in numerous industries.

Most recently, Mark led the *Allergan Proxy Violation Litigation*, alleging an unprecedented insider trading scheme by billionaire hedge fund manager Bill Ackman, Ackman’s Pershing Square Capital Management fund and Valeant Pharmaceuticals International, Inc. After a ferocious three-year legal battle over this attempt to circumvent the spirit of the U.S. securities laws, defendants accepted a \$250 million settlement for Allergan investors. In 2017, before the birth of the #metoo movement, he 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. The case resulted in one of the largest financial recoveries – \$90 million – ever obtained in a pure corporate board oversight dispute; and the creation of an independent council of experts - named the “Fox News Workplace Professionalism and Inclusion Council” — which is expected to serve as a model for public companies in all industries.

Other select current and past representations include:

- *In re DISH Corp. Shareholder Litigation*: derivative suit challenging misappropriation and front-running by a controlling shareholder, costing investors over \$800 million;
- *Insys Derivative Litigation*: challenging a board-approved illegal marketing scheme that actively encouraged off-label marketing of a deadly opioid fentanyl drug;
- *In re TIBCO Software Stockholder Litigation*: pursued novel and precedent-setting merger agreement reformation claims and received 33% of potential damages shortly before trial;

- *In re Freeport-McMoRan Derivative Litigation*: settled for a cash recovery of nearly \$154 million, plus corporate governance reforms;
- *In re Jefferies, Inc. Stockholder Litigation*: settled for a \$75 million net payment paid entirely to a class of former Jefferies investor through a first-of-its-kind dividend;
- *Safeway Appraisal Litigation*: provided clients with a nearly 30% increase in value above the negotiated merger consideration;
- *In re News Corp. Shareholder Derivative Litigation*: settled for a \$139 million cash recovery, and an unprecedented package of corporate governance and oversight enhancements;
- *In re El Paso Corp. Shareholder Litigation*: resulted in a \$110 million post-closing settlement and a ruling that materially improved the way M&A financial advisors address conflicts of interest;
- *In re Delphi Financial Group Shareholder Litigation*: challenged the controlling shareholder's unlawful demand for an additional \$55 million in connection with the sale of the company, resulting in the recovery of \$49 million;
- *In re Pfizer Derivative Litigation*: resulted in a \$75 million payment and creation of a new Healthcare Law Regulatory Committee, which sets an improved standard for regulatory compliance oversight by a public company board of directors; and
- *In re ACS Shareholder Litigation*: settled on the eve of trial for a \$69 million cash payment to ACS shareholders.

Mark pioneered challenges to the improper but widespread practice of using "Proxy Put" provisions in corporate debt agreements, obtaining pro-shareholder rulings in cases like *In re Amylin Shareholders Litigation*, *In re SandRidge Energy, Inc. Shareholder Litigation*, and *In re Healthways, Inc. Shareholder Litigation*, which have caused the industry to materially change its use of such provisions. He also prosecutes securities litigations, and in that capacity, was the lead litigation attorney in *In re Merrill Lynch Bondholders Litigation*, which settled for \$150 million; and a member of the team prosecuting *In re Bank of America Securities Litigation*, which settled for \$2.425 billion. Currently, he is the lead attorney prosecuting *In re Allergan Proxy Securities Litigation*.

Mark has received national recognition for his work in securities and M&A litigation. *The National Law Journal* named Mark, as a "Plaintiffs' Lawyers Trailblazer," recognizing him among the top practitioners in the nation. He was selected 2016 national "Plaintiff Attorney of the Year" by *Benchmark Litigation* and is regularly honored as a New York "Litigation Star" by *Benchmark* in its exclusive annual list of top practitioners. Named a leading lawyer in M&A litigation by *Best Lawyers*®, Mark was selected as its 2016 M&A Litigation "Lawyer of the Year" for New York City. He is one of *Lawdragon's* "500 Leading Lawyers in America," a New York *Super Lawyer*, and is recognized by *Chambers USA* and *Legal 500* as one of an elite group of notable practitioners in securities and M&A litigation. In 2013, *Law360* named him as one of its five "Rising Stars" nationally in the area of securities litigation – the only plaintiff-side attorney so selected, and in 2018 honored him as a "Titan of the Plaintiffs Bar." In 2012, *The Deal* magazine prominently profiled Mark as one of the top three lawyers nationally representing shareholder plaintiffs in M&A litigation in its feature article, "The Troika Atop the M&A Plaintiffs' Bar."

Mark serves as an Adviser on the prestigious American Law Institute's Restatement of the Law, Corporate Governance project. He is also a member of the Board of Advisors for both the Institute for Law and Economics and the NYU Institute for Corporate Governance and Finance, and is an author and a frequent speaker and commentator at industry events on a wide range of corporate governance and securities related issues. His publications include "Of Babies and Bathwater: Detering Frivolous Stockholder Suits Without Closing the Courthouse Doors to Legitimate Claims" (*Delaware Journal of Corporate Law*, Vol. 40, 2015), "Making Order Out of Chaos: A Proposal To Improve Organization and Coordination in Multi-Jurisdictional Merger-Related Litigation" (*ABA Journal*), "Novel Issues' or a Return to Core Principles? Analyzing the

Common Link Between the Delaware Chancery Court’s Recent Rulings in Option Backdating and Transactional Cases” (*NYU Journal of Law & Business*, Volume 4, Number 2), “Calling a Duck a Duck: Determining the Validity of Deal Protection Provisions in Merger of Equals Transactions” (2001 *Columbia Business Law Review* 1) and “Practical Refinement” (*The Daily Deal*, January 2002), each of which discussed evolving developments in the law of directors’ fiduciary duties.

Mark clerked for Vice Chancellor Stephen P. Lamb on the Court of Chancery of the State of Delaware, and was a litigation associate at Skadden, Arps, Slate, Meagher & Flom in New York, where he represented clients in a variety of corporate governance, commercial and federal securities matters.

EDUCATION: Binghamton University – State University of New York, B.A., *cum laude*, 1996. New York University School of Law, J.D., *cum laude*, 1999.

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.

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, he is a frequent speaker to public pension fund organizations and trustees concerning fiduciary duties, emerging issues in securities litigation and the financial markets.

Jim is recognized as a “Litigation Star” by *Benchmark Litigation*, and as a New York *Super Lawyer* 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.

Of Counsel

KURT HUNCIKER was formerly of counsel to the firm. Mr. Hunciker's practice was concentrated in complex business and securities litigation. Prior to joining BLB&G, Mr. Hunciker represented clients in a number of class actions and other actions brought under the federal securities laws and the Racketeer Influenced and Corrupt Organizations Act. He has also represented clients in actions brought under intellectual property laws, federal antitrust laws, and the common law governing business relationships.

Mr. Hunciker served as a member of the trial team for the *In re WorldCom, Inc. Securities Litigation* and, more recently, teams that prosecuted various litigations arising from the financial crisis, including *In re Citigroup, Inc. Bond Litigation*, *In re Wachovia Preferred Securities and Bond/Notes Litigation*, *In re MBIA Inc. Securities Litigation* and, *In re Ambac Financial Group, Inc. Securities Litigation*. Mr. Hunciker also was a member of the team that prosecuted the *In re Schering-Plough Corp./Enhance Securities Litigation* and *In re Merck & Co., Inc. Vytorin/Zetia Securities Litigation*.

EDUCATION: Stanford University, B.A.; Phi Beta Kappa. Harvard Law School, J.D., Founding Editor of the *Harvard Environmental Law Review*.

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

SENIOR COUNSEL

ABE ALEXANDER practices out of the New York office, where he focuses on securities fraud, corporate governance and shareholder rights litigation.

As a principal member of the trial team prosecuting *In re Merck Vioxx Securities Litigation*, Abe helped recover over \$1.06 billion on behalf of injured investors. The case, which asserted claims arising out of the Defendants' alleged misrepresentations concerning the safety profile of Merck's pain-killer, VIOXX, was settled shortly before trial and after more than 10 years of litigation, during which time plaintiffs achieved a unanimous and groundbreaking victory for investors at the U.S. Supreme Court. The settlement is the largest securities recovery ever achieved against a pharmaceutical company and among the 15 largest recoveries of all time.

Abe was also a principal member of the trial team that prosecuted *In re Schering-Plough Corp./ENHANCE Securities Litigation* and *In re Merck & Co., Inc. Vytorin/Zetia Securities Litigation*, which settled on the eve of trial for a combined \$688 million. This \$688 million settlement represents the second largest securities class action recovery against a pharmaceutical company in history and is among the largest securities class action settlements of any kind.

Abe has also obtained several additional significant recoveries on behalf of investors in pharmaceutical and life sciences companies, including a \$142 million recovery in *Medina v. Clovis Oncology, Inc.*, a securities fraud class action arising from Defendants' alleged misstatements about the efficacy and safety of its most important drug, and a \$55 million recovery in *In re HeartWare International, Inc. Securities Litigation*, a case arising from Defendants' alleged misstatements about the device-maker's compliance with FDA regulations and the performance of its key heart pump in clinical and bench testing.

As lead associate on the firm's trial team, Abe helped achieve a \$150 million settlement of investors' claims against JPMorgan Chase arising from alleged misrepresentations concerning the trading activities of the so-called "London Whale." Abe also played a key role in obtaining a substantial recovery on behalf of investors in *In re Penn West Petroleum Ltd. Securities Litigation*. He is currently prosecuting *In re Cognizant Technology Solutions Corp. Securities Litigation*; *In re Equifax, Inc. Securities Litigation*; *In re Akorn, Inc. Securities Litigation*; *In re Adeptus Health, Inc. Securities Litigation*; and *City of Sunrise Firefighters' Pension Fund v. Oracle Corp.*, among others.

Prior to joining the firm, Abe represented institutional clients in a number of high-profile securities, corporate governance, and antitrust matters.

Abe was an award-winning member of his law school's national moot court team. Following law school, Abe served as a judicial clerk to Chief Justice Michael L. Bender of the Colorado Supreme Court.

Super Lawyers has regularly selected Abe as a New York "Rising Star" in recognition of his accomplishments.

EDUCATION: New York University – The College of Arts and Science, B.A., Analytic Philosophy, *cum laude*, 2003. University of Colorado Law School, J.D., 2008; Order of the Coif.

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

SCOTT R. FOGLIETTA focuses his practice on securities fraud, corporate governance, and shareholder rights litigation. He is a member of the firm's New Matter Department, in which he, as part of a team of attorneys, financial analysts, and investigators, counsels Taft-Hartley pension funds, public pension funds, and other institutional investors on potential legal claims.

In addition to his role in the New Matter Department, Scott was also a member of the litigation team responsible for prosecuting *In re Lumber Liquidators Holdings, Inc. Securities Litigation*, which resulted in a \$45 million recovery for investors. He is also currently a member of the team prosecuting the securities fraud class action against Fleetcor Technologies. For his accomplishments, Scott was recently named a New York "Rising Star" in the area of securities litigation by Thomson Reuters.

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

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

BAR ADMISSIONS: New York; New Jersey.

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.

ASSOCIATES

JAMES M. FEE practices out of the firm's New York office where he works on complex commercial and securities litigation matters on behalf of the firm's institutional investor clients.

Before joining the firm, James served as an associate at Cadwalader, Wickersham & Taft, where he represented clients in securities class actions, business disputes, bankruptcy matters, and corporate governance litigation.

While attending Boston College Law School, James served as the Executive Articles Editor for the *Boston College International & Comparative Law Review*. Prior to law school, James served as a financial services legislative aide in the United States Senate.

EDUCATION: University of Pennsylvania, B.A., 2010. Boston College Law School, J.D., 2015; Executive Articles Editor, *Boston College International & Comparative Law Review*.

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

BRENNA NELINSON's practice focuses on securities fraud, corporate governance and shareholder rights litigation. She practices out of the firm's New York office. Brenna was a member of the trial team that recovered \$22 million in *In re Virtus Inc. Securities Litigation* on behalf of defrauded investors. She was also a member of the trial team that secured a proposed settlement of \$240 million pending court approval in *In re Signet Jewelers Ltd. Securities Litigation*.

Brenna is a member of the teams prosecuting *In re EQT Corporation Securities Litigation*, *In re Celgene Corporation Securities Litigation*, *Logan v. ProPetro Holding Corp., et al.*, *Steinberg v. OPKO Inc., et al.*, *In re Merit Medical Systems, Inc. Securities Litigation*, and *In re Mattel, Inc Securities Litigation*.

Prior to joining the firm, Brenna was a Litigation Associate at Hogan Lovells US LLP. She represented a variety of defendants in all aspects of corporate litigation.



EDUCATION: New York University, B.A., 2011, Individualized Study – Psychology and Philosophy. American University Washington College of Law, J.D., *cum laude*, 2014; Note & Comment Editor, *American University International Law Review*; Moot Court Honor Society.

BAR ADMISSION: New York; Maryland.

STAFF ATTORNEY

CAITLIN ADORNI (former Staff Attorney) worked on *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Caitlin worked at CBS/Showtime Networks, Inc., as a document review specialist where she reviewed and approved vendor onboarding documents to ensure regulatory compliance for both domestic and international vendors and provided research support to the final audit and finance department in connection with vendor documentation.

EDUCATION: University of Mary, B.S., 2011. Florida Coastal School of Law, J.D., 2015.

BAR ADMISSIONS: New York.

ERIK ALDEBORGH has worked on numerous matters at BLB&G, including *In re Adeptus Health Securities Litigation*, *St. Paul Teachers' Retirement Fund Association v. HeartWare International, Inc.*, *Levy v. Gutierrez, et al. (GTAT Securities Litigation)*, *Fresno County Employees' Retirement Association v. comScore, Inc.*, *Medina, et al v. Clovis Oncology, Inc., et al*, *In re Virtus Investment Partners, Inc. Securities Litigation*, *In re Wilmington Trust Securities Litigation* and *Bear Stearns Mortgage Pass-Through Litigation*.

Prior to joining the firm in 2014, Mr. Aldeborgh was an associate at Goodwin Proctor, LLP, and litigation counsel at Liberty Mutual Insurance Company.

EDUCATION: Union College, B.A., with Honors, 1981. Northeastern University School of Law, J.D., 1987.

BAR ADMISSIONS: Massachusetts.

JIM BRIGGS has worked on numerous matters at BLB&G, including *In re Adeptus Health 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*, *In re Salix Pharmaceuticals, Ltd., Securities Litigation*, *In re JPMorgan Chase & Co. Securities Litigation* and *In re Merck & Co., Inc., Securities Litigation (VIOXX-related)*.

Prior to joining the firm in 2013, Mr. Briggs was a contract attorney at Stull, Stull & Brody and at Paul, Weiss, Rifkind, Wharton & Garrison LLP, where he worked on complex securities litigations.

EDUCATION: Cornell University, College of Agriculture and Life Sciences, B.S. in Biological Science, *cum laude*, May 2007. Fordham University School of Law, J.D., 2010.

BAR ADMISSIONS: New York.



GIROLAMO BRUNETTO has worked on numerous matters at BLB&G, including *In re Altisource Portfolio Solutions, S.A., Securities Litigation*, *In re Genworth Financial Inc. Securities Litigation*, *In re Facebook, Inc., IPO Securities and Derivative Litigation* and *In re JPMorgan Chase & Co. Securities Litigation*. Girolamo also works on the settlement of class actions and other complex litigation and the administration of class action settlements.

Prior to joining the firm in 2014, Girolamo was a volunteer assistant attorney general in the Investor Protection Bureau at the New York State Office of the Attorney General.

EDUCATION: University of Florida, B.S.B.A. and B.A., *cum laude*, May 2007. New York Law School, J.D., *cum laude*, 2011.

BAR ADMISSIONS: New York.

JOSEPH FERRONE has worked on several matters at BLB&G, including *In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations*, *In re Signet Jewelers Limited Securities Litigation* and *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Joseph was a contract attorney at Selendy & Gay PLLC. Previously, Joseph was a project manager and team leader on several complex litigations.

EDUCATION: Binghamton University, B.S., 1995. Benjamin N. Cardozo School of Law, J.D., 2000.

BAR ADMISSIONS: New York.

REENA GARG has worked on several matters at BLB&G, including *In re Charter Communications, Inc., Derivative Litigation*, *In re Signet Jewelers Limited Securities Litigation* and *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Reena was a contract attorney on several complex litigations.

EDUCATION: Boston University School of Management, B.S., Business Administration, Dual Concentration in Law and Finance, 2007. State University of New York at Buffalo, J.D., 2011.

BAR ADMISSIONS: New York.

LISA GEORGE (former Staff Attorney) worked on *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Lisa was a staff attorney/team leader at Labaton Sucharow LLP, where she supervised a team of contract attorneys. Lisa began her career as an associate at Milbank, Tweed, Hadley & McCloy, LLP and Kaye Scholer LLP.

EDUCATION: Yale University, B.A., 1983. Columbia University School of Law, J.D., 1986.

BAR ADMISSIONS: New York.

TRACEY GRANT has worked on several matters at BLB&G, including *In re Towers Watson Securities Litigation* and *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Tracey was a contract attorney on several complex litigations. Tracey began her career as an assistant district attorney at the District Attorney's Office of Kings County, New York.



EDUCATION: Old Dominion University, B.S., 1990. St. John's University School of Law, J.D., 1998.

BAR ADMISSIONS: New York.

BRIDGET HAMILL has worked on several matters at BLB&G, including *Lord Abbett Affiliated Fund, Inc., et al v. Navient Corporation, et al* and *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Bridget was a senior associate at Frank LLP (f/k/a Murray Frank LLP), where she litigated antitrust, consumer, securities class actions and corporate derivative actions in federal and state courts.

EDUCATION: Rutgers University, B.S., 1985. Rutgers School of Law, J.D., 2001.

BAR ADMISSIONS: New York, New Jersey.

JASPER HAYES-KLEIN (former Staff Attorney) worked on *In re Equifax Inc., Securities Litigation* and *In re Volkswagen AG Securities Litigation*.

Prior to joining the firm in 2018, Jasper worked as a German-language contract attorney on numerous projects.

EDUCATION: University of Illinois Urbana/Champaign, Bachelor of Arts & Sciences, Minor: German, Award of Academic Excellence in German Studies, 2001. Hofstra University School of Law, J.D., 2012.

BAR ADMISSIONS: New York.

BRANDON JAMES (former Staff Attorney) worked on *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Brandon was a lead contract attorney at Mintz & Gold. Previously, Brandon was a staff attorney at Outten & Golden LLP.

EDUCATION: Hampton University, B.S., 2004. Rutgers University School of Law, J.D., 2008.

BAR ADMISSIONS: New York, New Jersey.

ERICK LADSON has worked on several matters at BLB&G, including *Felix v. Symantec Corporation et al., Lord Abbett Affiliated Fund, Inc., et al v. Navient Corporation, et al* and *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Erick was a staff attorney at Labaton Sucharow LLP, where he worked on various complex securities litigation matters. Erick also previously worked as outside trial counsel for MetLife.

EDUCATION: City College of New York, B.A., 1993. New York Law School, J.D., 1998.

BAR ADMISSIONS: New York.

BRETT LEOPOLD (former Staff Attorney) worked on *In re Equifax Inc., Securities Litigation*.



Prior to joining the firm, Brett was staff attorney at Kasowitz, Benson, Torres & Friedman LLP, where he worked on securities fraud litigation and other matters. Previously, Brett was an associate at several firms.

EDUCATION: Emory University, B.A., 1992. St. John's University School of Law, J.D., 1995.

BAR ADMISSIONS: New York.

THOMAS MILAZZO (former Staff Attorney) worked on *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Tom was a contract attorney for Selendy & Gay PLLC.

EDUCATION: Fairfield University, B.S., 1993. Quinnipiac University School of Law, J.D., 1996.

BAR ADMISSIONS: New York.

MIGUEL MOLINA (former Staff Attorney) worked on *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Miguel was staff attorney at Sidley Austin LLP.

EDUCATION: Brown University, B.A., 2005. Rutgers University School of Law, J.D., 2008.

BAR ADMISSIONS: New York.

PRISCILLA PELLECCIA has worked on several matters at BLB&G, including *In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations* and *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Priscilla was a contract attorney at Selendy & Gay PLLC. Previously, Priscilla was an associate at Caruso Smith Edell Picini, PC.

EDUCATION: Georgetown University, B.A., 2002. Brooklyn Law School, J.D., 2008.

BAR ADMISSIONS: New York.

KIRSTIN PETERSON has worked on numerous cases at BLB&G, including *In re Equifax Inc., Securities Litigation*, *In re Volkswagen AG Securities Litigation* and *In re Merck & Co., Inc. Securities Litigation (VIOXX-related)* while at BLB&G.

Prior to joining the firm in 2011, Ms. Peterson was an associate at Davis Polk & Wardell and Richards & O'Neil, LLP. Ms. Peterson also worked as a German-language contract attorney on numerous projects.

EDUCATION: Northwestern University, B.A., Comparative Literature with Concentration in German Literature, 1985; Phi Beta Kappa. Yale University, M.A., 1989. Northwestern University Medical School, M.D., 1990. Harvard Law School, J.D., *cum laude*, 1993.

BAR ADMISSIONS: New York.

ESINAM QUARCO has worked on several matters at BLB&G, including *Felix v. Symantec Corporation et al.*, *Lord Abbett Affiliated Fund, Inc.*, *et al v. Navient Corporation, et al* and *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Esinam was a staff attorney at Labaton Sucharow LLP, where she worked on complex securities fraud litigation. Esinam previously served as a Housing Court Guardian Ad Litem at the Civil Court of the City of New York.

EDUCATION: Wesleyan University, B.A., 2003. Temple University Beasley School of Law, J.D., 2006.

BAR ADMISSIONS: New York.

JOSEPH RANIERI (former Staff Attorney) worked on *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Joseph was an e-discovery attorney at several firms where he worked on complex litigations. Previously, Joseph was an associate at Vernon & Associates, PC, and at Cilmi & Associates PLLC.

EDUCATION: Montclair State University, B.A., 1997. John Jay College of Criminal Justice, M.A., 1999. City University of New York School of Law at Queens College, J.D., 2003.

BAR ADMISSIONS: New York.

LAKSHMI SHIWNANDAN (former Staff Attorney) worked on several matters at BLB&G, including *In re McKesson Corporation Derivative Litigation*, *In re Equifax Inc., Securities Litigation* and *Hefler et al. v. Wells Fargo & Company et al.*

Prior to joining the firm, Lakshmi was In-House Counsel at Queens Atlantic Investment Inc. (QAII) Group of Companies, where she provided legal advice on a wide range of subjects. Previously, Lakshmi was In-House Counsel at Guyana Power & Light Inc., and Legal Officer at National Industrial & Commercial Investments Ltd.

EDUCATION: University of Guyana, LL.B. (*with Honors*), 2000. Hugh Wooding Law School, L.E.C. (Legal Education Certificate), 2002. University of Guyana, M.B.A. (*graduated No. 1 in class*), 2012.

BAR ADMISSIONS: New York, Guyana.

EMILY STRICKLAND has worked on numerous matters for BLB&G, including *In re Equifax Inc., Securities Litigation*, *Lehigh County Employees' Retirement System v. Novo Nordisk A/S et al*, *Roofers' Pension Fund v. Joseph C. Papa, et al ("Perrigo")*, *St. Paul Teachers' Retirement Fund Association v. HeartWare International, Inc.*, *Hefler et al. v. Wells Fargo & Company et al.*, *In re NII Holdings, Inc. Securities Litigation*, *General Motors Securities Litigation*, *In re Bank of New York Mellon Corp. Forex Transactions Litigation*.

Prior to joining the firm in 2014, Ms. Strickland was Compliance Counsel for DCM, Inc.

EDUCATION: St. John's College, B.A., 2003. Suffolk University Law School, J.D., 2009.

BAR ADMISSIONS: New York, Massachusetts.



TRACILYN TASCH (former Staff Attorney) worked on *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Tracilyn was a discovery attorney at Williams and Connolly LLC. Previously, Tracilyn was a staff attorney at the Positive Resource Center, where she represented clients before administrative law judges.

EDUCATION: Indiana University of Pennsylvania, B.A., 1998. American University SIS, M.A., 2002. Golden Gate University School of Law, J.D., 2009.

BAR ADMISSIONS: New York.

NEDRA THOMPSON (former Staff Attorney) worked on *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Nedra was a contract attorney at several firms where she worked on complex litigations.

EDUCATION: John Jay College of Criminal Justice, B.S., 1999. Thomas M. Cooley Law School, J.D., 2004.

BAR ADMISSIONS: New York.

CATHERINE TRUESAW (former Staff Attorney) worked on several matters at BLB&G, including *In re Signet Jewelers Limited Securities Litigation* and *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Catherine was a contract attorney at Mayer Brown LLP and Gibson, Dunn & Crutcher LLP. Previously, Catherine was an associate at Melli & Wright and Hook, Torack & Smith, where she litigated personal injury claims and other matters.

EDUCATION: Saint Peter's College, B.A., 1987, *summa cum laude*. New York Law School, J.D., 1990.

BAR ADMISSIONS: New Jersey.

ALLAN TURISSE has worked on numerous matters at BLB&G, including *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*, *In re Allergan, Inc.*, *Proxy Violation Securities Litigation*, *3-Sigma Value Financial Opportunities LP et al. v. Jones et al.* ("*CertusHoldings, Inc.*"), *In re Genworth Financial, Inc., Securities Litigation*, *In re Bank of New York Mellon Corp. Forex Transactions Litigation*, *In re State Street Corporation Securities Litigation*, *SMART Technologies, Inc., Shareholder Litigation*, *In re Citigroup, Inc., Bond Litigation* and *In re Washington Mutual, Inc., Securities Litigation*.

Prior to joining the firm in 2010, Mr. Turisse was an associate at Cullen and Dykman LLP and Baxter & Smith P.C.

EDUCATION: Fordham University, B.A, 1994. Brooklyn Law School, J.D., 2000.

BAR ADMISSIONS: New York.

VINCENT LE VOCI (former Staff Attorney) worked on several matters at BLB&G, including *In re Signet Jewelers Limited Securities Litigation* and *In re Equifax Inc., Securities Litigation*.



Prior to joining the firm, Vincent was an e-discovery attorney on complex litigations. Previously, Vincent provided legal services to start-up and emerging businesses in manufacturing, consulting, real estate, and not-for-profit enterprises.

EDUCATION: Fordham University, B.A., 1974; M.A., 1979. St. John's University School of Law, J.D., 1992.

BAR ADMISSIONS: New York, New Jersey.

SAMUEL WATKINS (former Staff Attorney) worked on *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Sam held senior litigation positions at several firms. Previously, Sam was a trial attorney and Assistant to Deputy Attorney General at the U.S. Department of Justice in Washington, D.C., and Senior Counsel at the U.S. Securities and Exchange Commission.

EDUCATION: Harvard College, B.A., 1981. Princeton Theological Seminary, M.A., 1983. Fordham University School of Law, J.D., 1986.

BAR ADMISSIONS: New York.

KENDALL WOSTL (former Staff Attorney) worked on several matters at BLB&G, including *In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations*, *In re Signet Jewelers Limited Securities Litigation* and *In re Equifax Inc., Securities Litigation*.

Prior to joining the firm, Kendall was a contract attorney at Mayer Brown LLP and Gibson, Dunn & Crutcher LLP. Previously, Kendall was an associate at Sofer & Haroun, LLP and Sonnenschein Nath & Rosenthal LLP, where she worked on trademark and copyright matters.

EDUCATION: Boston University, B.S., 1994. New York Law School, J.D., 2000.

BAR ADMISSIONS: New York.

EXHIBIT 3B

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**IN RE EQUIFAX INC. SECURITIES
LITIGATION**

Consolidated Case No.
1:17-cv-03463-TWT

**DECLARATION OF H. LAMAR MIXSON
IN SUPPORT OF LEAD COUNSEL’S MOTION FOR
ATTORNEYS’ FEES AND LITIGATION EXPENSES, FILED ON
BEHALF OF BONDURANT MIXSON & ELMORE LLP**

I, H. Lamar Mixson, declare pursuant to 28 U.S.C. § 1746 as follows:

1. I am a partner at the law firm of Bondurant Mixson & Elmore LLP (“BME”). 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

¹ Unless otherwise defined in this Declaration, all capitalized terms have the meanings set out in the Stipulation and Agreement of Settlement, dated February 12, 2020 (ECF No. 159-2).

2. My firm acted as Local Counsel for Lead Plaintiff Union Asset Management Holding AG and the Settlement Class. In that capacity, we worked with Lead Counsel on all aspects of litigation, including drafting pleadings, briefs, and communications with the Court and preparing for and participating in Court conferences and hearings. We also assisted Lead Counsel with important litigation decisions, including litigation and settlement strategy, advised Lead Counsel regarding local practice and procedure, and served as the principal contact between Lead Plaintiff and the Court. Additionally, attorneys with our firm reviewed and analyzed documents produced in discovery by Defendants and third parties. This document review and the strategy animating it was critical to identifying documents for use in depositions and, ultimately, for executing litigation and settlement strategy.

3. The schedule attached hereto as Exhibit 1 is a detailed summary indicating the amount of time spent by each BME attorney involved in this Action who devoted 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 BME. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

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 reimbursement 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 BME attorneys included in Exhibit 1 are consistent with the hourly rates we charge for similar services in non-contingent matters. For personnel who are no longer employed by the firm, the lodestar calculation is based upon the hourly rates of such personnel in his or her final year of employment by the firm.

7. My firm's rates are set based on periodic analysis of rates charged 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 May 15, 2020, is 1,142.5 hours. The total lodestar for my firm for that period is \$527,797.00. My firm's lodestar figures are based upon the firm's hourly rates, which do not include charges for expense items.

9. Attached as Exhibit 2 are summary descriptions of the principal tasks in which each BME attorney was involved 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." All attorneys listed in the attached schedule work (or worked) at BME's offices at 1201 W. Peachtree Street NW in Atlanta, Georgia. With the exception of me, a partner, all of the attorneys listed were BME employees issued W-2s 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 attorneys are (or were) fully supervised by the firm's partners and senior counsel and have (or had) access to secretarial, paralegal, and information technology support. BME 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 \$9,797.92 in expenses incurred in connection with the prosecution of this Action from its inception through and including May 15, 2020.

12. 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.

13. With respect to the standing of my firm, attached hereto as Exhibit 4 is a brief biography of my firm and the attorneys still 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: May 20, 2020

/s/ H. Lamar Mixson
H. Lamar Mixson
Georgia Bar No. 514012

EXHIBIT 1

In re Equifax Inc. Securities Litigation
 Consolidated Case No. 1:17-cv-03463-TWT (N.D. Ga.)

BONDURANT MIXSON & ELMORE LLP**TIME REPORT**

Inception through and including May 15, 2020

NAME	HOURS	HOURLY RATE	LODESTAR
Partner			
H. Lamar Mixson	118.4	\$1,180.00	\$139,712.00
Associate			
Amanda Kay Seals	118.6	\$600.00	\$71,160.00
Staff Attorneys			
Joel McLemore	457.2	\$350.00	\$160,020.00
Tasha Rodney	448.3	\$350.00	\$156,905.00
TOTALS	1,142.5		\$527,797.00

EXHIBIT 2

In re Equifax Inc. Securities Litigation
Consolidated Case No. 1:17-cv-03463-TWT (N.D. Ga.)

BONDURANT MIXSON & ELMORE LLP

SUMMARY DESCRIPTIONS OF WORK PERFORMED

Inception through and including May 15, 2020

Partner

H. Lamar Mixson (118.4 hours)

I am a founding partner at BME and was the most senior lawyer at the firm on this case. In that capacity, I was involved in every aspect of the firm's work on the matter, beginning with reviewing and providing feedback on the complaint and Lead Plaintiff applications and through and including negotiating settlement and drafting preliminary approval documents. I supervised the work of all other BME lawyers on this matter, as well as that of non-lawyer support staff.

Because of my experience litigating in this Court and—in particular—litigating against the firms and individual lawyers representing Defendants, I provided significant advice and support to the senior BLBG lawyers litigating this matter. Within BME, I was principally responsible for communicating and conferring with co-counsel and opposing counsel. For example, I participated in multiple discovery conferrals.

Additionally, I prepared for and attended the mediation of this case in May 2019. Following that, I worked with co-counsel to develop a deposition strategy. Not long after, the Parties reached the settlement preliminarily approved by the Court.

Associate

Amanda Kay Seals (118.6 hours)

As the senior associate on the case, Amanda Kay Seals managed BME's day-to-day involvement in the case. Ms. Seals reviewed and provided editorial feedback on all court filings beginning with the initial complaint, through and including the preliminary settlement approval papers. Because of her familiarity with the Court's local rules and practices, Ms. Seals confirmed that all filings conformed to the district's requirements. Similarly, Ms. Seals was the lawyer principally responsible for correspondence and communication with the Court and chambers staff on behalf of Lead Plaintiff.

Additionally, Ms. Seals took principal responsibility on behalf of Lead Plaintiff for monitoring developments in related cases—namely the consumer and institutional class actions before this Court as part of the multi-district litigation. Ms. Seals monitored the docket in those cases, attended status conferences and other hearings, and conferred with class counsel in those cases to coordinate discovery efforts to ease the administrative burden on the parties and the Court.

Finally, Ms. Seals managed BME's participation in civil discovery in this matter. She worked with co-counsel and opposing counsel on search terms and an ESI protocol. From August 2019 through November 2019, Ms. Seals managed the work of Joel McLemore and Tasha Rodney, two BME staff attorneys who reviewed documents produced by Equifax.

Staff Attorneys

Joel McLemore (457.2) and Tasha Rodney (448.3):

Mr. McLemore and Ms. Rodney are experienced staff attorneys who have each worked in a variety of electronic discovery platforms. From August 2019 through November 2019, they were BME employees whose time was principally, but not exclusively,² devoted to reviewing documents produced by Equifax in this litigation. They worked closely with staff attorneys at BLBG who were performing the same function in BLBG's New York office and participated in weekly conferences regarding document review progress, updates to the review protocol, and litigation developments affecting review strategy.

² During this timeframe, Mr. McLemore and Ms. Rodney also provided—among other things—critical document review support in connection with an unrelated trial. Of course, the hours reflected above represent only their work on the instant matter.

EXHIBIT 3

In re Equifax Inc. Securities Litigation
Consolidated Case No. 1:17-cv-03463-TWT (N.D. Ga.)

BONDURANT MIXSON & ELMORE LLP

EXPENSE REPORT

Inception through and including May 15, 2020

CATEGORY	AMOUNT
Court Fees	\$232.90
On-Line Legal Research	\$32.77
Telephones/Faxes	\$4.26
Hand Delivery Charges	\$60.00
Local Transportation	\$205.36
Internal Copying	\$302.20
Out of Town Travel	\$3,078.37
Working Meals	\$137.06
Mediation Fees	\$5,745.00
TOTAL EXPENSES:	\$9,797.92

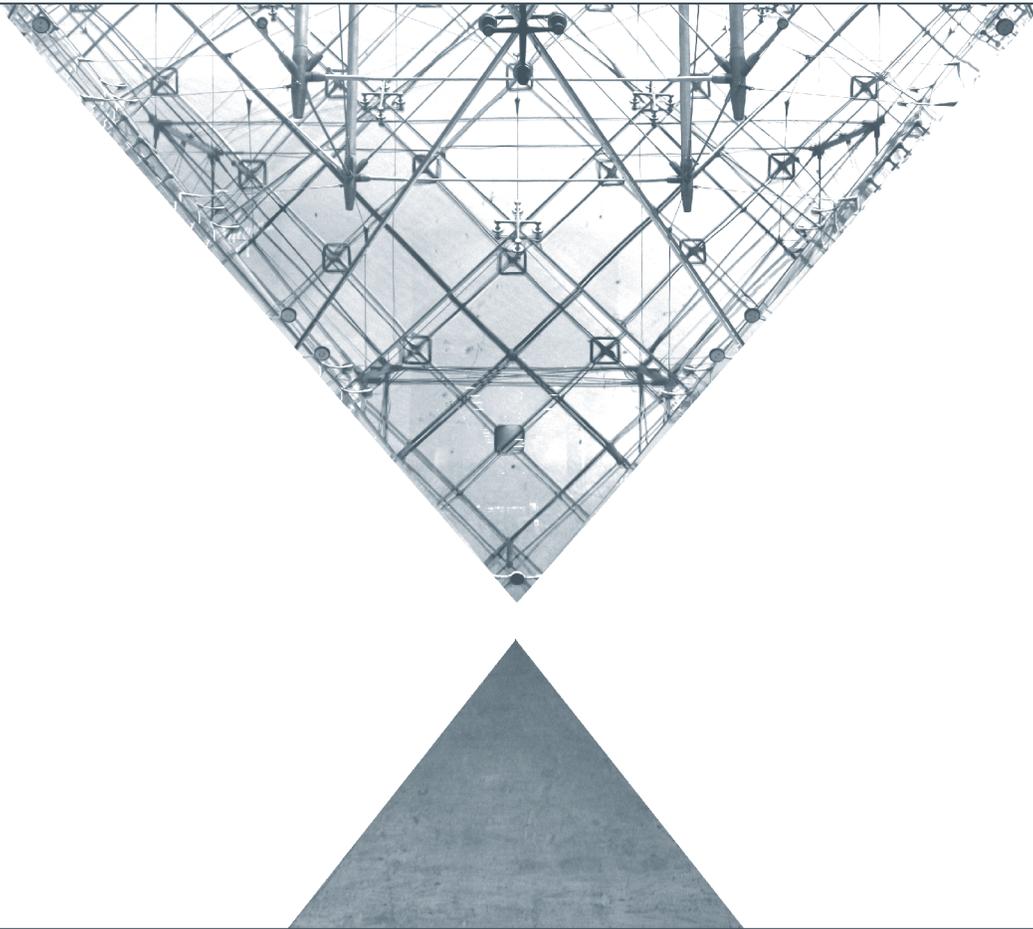
EXHIBIT 4

In re Equifax Inc. Securities Litigation
Consolidated Case No. 1:17-cv-03463-TWT (N.D. Ga.)

BONDURANT MIXSON & ELMORE LLP

FIRM BIOGRAPHY

BONDURANT MIXSON & ELMORE ^{LLP}



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BONDURANT MIXSON & ELMORE ^{LLP}

“One of the **best choices** for complex litigation, wherever the case is based.” - Chambers

Strategic Advantage

Some firms are structured to bill lots of hours. Ours is built to win high-stakes litigation. And we do.

At Bondurant Mixson & Elmore, our goal is to achieve client objectives. To that end, we have structured the firm to give our clients the greatest potential for achieving a successful outcome. Specifically:

We recruit, train and retain top talent. Our lawyers graduated at the top of their classes from the nation’s finest law schools. Virtually all have served as judicial law clerks, giving them an insider’s look at what it takes to win. We hire lawyers intending that they will become partners in the firm. We intensively train our lawyers and invest in their professional development. Our policy of not hiring laterally combined with exceptionally low lawyer turnover means that our cases are staffed with knowledgeable, experienced lawyers who will see your case to its conclusion.

We staff cases to win. Most of our cases are staffed by a small number of lawyers who perform all the work on the case. The benefit of this model is that the lawyers who will be drafting briefs, taking depositions, arguing motions, or conducting trials are thoroughly familiar with the clients, facts, legal research, documents, deposition testimony, and case strategy. This staffing model means our lawyers are prepared to perform any task, such as drafting winning briefs and making winning arguments.

We use technology intelligently. Because our cases often involve millions of documents, numerous witnesses, and multiple parties, we use case and document management software where appropriate to leverage our lawyers and our talented litigation support professionals to efficiently and effectively organize and manage each case. Additionally, our lawyers are experienced in courtroom presentation tools and know how to use them to present complex subject matters to judges and juries.

Our Record

BME has extensive experience litigating consumer class actions in venues throughout the country. Examples of that experience include:

- *Bickerstaff v. SunTrust Bank*, 299 Ga. 459 (2016), U.S. Supreme Court certiorari denied, 2016 U.S. LEXIS 7351 (U.S. 2016). BME continues to represent a class of SunTrust checking account customers in an action to recover damages incurred as a result of unlawful conduct in collecting customers' interest fact in excess of the limits permitted for such transactions by Georgia law.
- *Synovus Bank v. Griner*, No. 10-C-11235-3 (State Court of Gwinnett County) (Class Counsel). BME represented a class of Synovus bank checking account customers and secured a \$34 million recovery in an action to recover damages incurred as a result of unlawful conduct in collecting customers' interest far in excess of the limits permitted for such transactions by Georgia law.
- *Dorado v. Bank of America*, No. 1:16-cv-21147-UU (S.D. Fla.). BME represented a class of mortgage customers overcharged interest for their last month's payment. The case resulted in a \$29 million recovery.
- *Manjunath A. Gokare, P.C., et al. v. Federal Express Corp., et al.*, No. 2:11-cv-02131 (W.D. Tenn.) (Class Counsel). BME represented a nationwide class of FedEx customers on breach of contract and RICO claims against FedEx for its assessment of unwarranted delivery surcharges. BME recovered \$19 million for the class.
- *Columbus Drywall & Insulation, Inc. v. Masco Corp.*, No. 1:04-cv-3066-JEC (N.D. Ga.) (Class Counsel), BME represented a class of purchasers in a class action antitrust case filed against Masco Corporation and the four largest manufacturers of insulation. The case settled on the eve of trial for \$112.25 million, one of the highest antitrust settlements to date in Georgia.
- *Schorr v. Countrywide Home Loans, Inc.*, 287 Ga. 570 (2010) (Class Counsel). BME represented a class of Georgia consumers whose security deeds were not timely canceled after they paid off their mortgages. BME recovered \$8.5 million for the class to cover the full statutory damages to wronged consumers.
- *Resource Life Ins. Co. v. Buckner*, 304 Ga. App. 719 (2010) (Class Counsel). BME represented consumers owed refunds on premiums paid for credit insurance. The case resulted in a \$47.75 million recovery.
- *Kenny A. v. Perdue*, No. 1:02-CV-1686-MHS (N.D. Ga.) (Class Counsel). BME represented a class of foster children in the custody of the Georgia Department of Human Resources. The litigation established numerous major deficiencies in the foster care system and in emergency shelters in Fulton and DeKalb Counties in particular and resulted in a consent decree with ongoing monitoring.
- *Ingram v. The Coca-Cola Company*, No. 1:98-CV-3679-RWS (N.D. Ga.) (Class Counsel). BME represented class of African American employees alleging racial discrimination in violation of Title VII and 42 U.S.C. § 1981. BME secured a \$192.5 million settlement, the then-largest settlement of a private race discrimination lawsuit in the United States.

BONDURANT MIXSON & ELMORE LLP



One Atlantic Center

1201 West Peachtree St. NW
Suite 3900
Atlanta, GA 30309

Education

Harvard Law School, J.D.,
1974, *cum laude*

- Editor, Harvard Law Review

Washington & Lee
University, B.A., 1970,
magna cum laude; Honors
with exceptional distinction
in English

- Phi Beta Kappa
- Phi Eta Sigma

Admissions

State Bar of Georgia
U.S. Supreme Court
U.S. Court of Appeals for
the Third Circuit
U.S. Court of Appeals for
the Fourth Circuit
U.S. Court of Appeals for
the Fifth Circuit
U.S. Court of Appeals for
the Eleventh Circuit
U.S. District Court for the
Middle District of Georgia
U.S. District Court for
the Northern District of
Georgia

H. Lamar “Mickey” Mixson, Partner

404.881.4171 404.881.4111 mixson@bmelaw.com

Mickey Mixson represents individuals and corporations in a wide variety of business disputes. He has successfully presented hundreds of complex commercial disputes to juries, arbitration panels and judges, gaining a reputation for success with cases considered “unwinnable” by others.

Mickey’s areas of focus include business torts, corporate governance, partnership and fiduciary disputes, insurance coverage and bad faith litigation, attorney and accountant liability, RICO, tender offers, and proxy and securities litigation. In recent years, he has recovered awards and settlements for clients totaling well over \$2 billion. He has an equally successful record on the defense side, having obtained summary judgments, dismissals and defense verdicts for numerous major claims.

Mickey is a member of the American College of Trial Lawyers and is recognized by *Chambers USA* and *Chambers Global* as one of the highest-ranking trial lawyers in the United States, and among the top commercial litigators in Georgia. According to *Chambers*, he is a “creative and diligent trial lawyer” with “a superb touch with juries” and “has a fantastic record of success in complex commercial disputes and comes highly regarded for his work in business torts, corporate governance and fiduciary disputes.” The most recent version of *Chambers USA* described him as “one hell of a lawyer.”

Mickey is a frequent lecturer, and has published numerous articles on trial practice and business litigation issues such as the effective use of experts, presenting persuasive opening and closing arguments and the ACC Value Challenge. He is currently president of the Atlanta chapter of the International Network of Boutique Law Firms.

Representative Work

- Co-counsel for the plaintiffs, Six Flags Over Georgia, in a breach of fiduciary duty case against Time Warner Entertainment which resulted in a \$454 million jury verdict, the largest verdict ever awarded in Georgia (a verdict which was affirmed on appeal and paid in full).
- Lead counsel representing David McDavid in obtaining a \$281 million jury verdict against Turner Broadcasting System (TBS) for breaching an agreement to sell McDavid the Atlanta Hawks, the Atlanta Thrashers and the operating rights to Philips Arena. Affirmed in full on appeal, this jury verdict is the largest compensatory damage award in Georgia history.
- Lead counsel for the plaintiff class in *Abdallah v. Coca-Cola Co.*, the largest private class action racial discrimination settlement in history, which settled for \$192.5 million.
- Achieved a settlement in a contract dispute case between a leading transportation company and a major supplier, resulting in \$200+ million recovery for our client.
- Represented several groups of individuals asserting related professional liability claims involving tax shelters, recovering more than \$350 million through a combination of settlements and awards.
- Successfully defended a major regional accounting firm from professional malpractice, fraud and RICO claims, winning summary judgment on all counts.

- Successfully defended Farley Industries in a dissenters' rights case before the Georgia Supreme Court, a decision of first impression which has become the seminal case on dissenters' rights in Georgia.
- Represented one of the largest real estate developers in the United States in the withdrawal of a major regional partner from hundreds of partnerships, including coordinating and successfully concluding simultaneous litigation in multiple forums.
- Represented Novelis Corporation in a contract dispute with the consortium representing Coca Cola bottlers. Novelis, the world's leading producer of aluminum rolled products, supplies aluminum can sheet to Coke, which alleged that Novelis had violated the terms of their supply agreement's most favored nation provision. After three years of discovery and proceedings, the Superior Court in Fulton County, Georgia, granted summary judgment in favor of Novelis.
- Successfully defended a major airline client in an international arbitration proceeding, recovering more than \$40 million on its counterclaims.

Professional Activities

Past President and Member, Board of Directors, Georgia Lawyers for the Arts

Fellow, American College of Trial Lawyers

Fellow, International Academy of Trial Lawyers

Member, American Bar Foundation

Member, Litigation section, Atlanta Bar Association

Member, Antitrust; Corporate and Banking; General Practice and Trial Law Sections, State Bar of Georgia

Member, Business and Litigation sections; Commercial and Banking Litigation and Business Tort Litigation committees;

American Bar Association

President, Atlanta Chapter, International Network of Boutique Law Firms (INBLF)

Director and Member of the Executive Committee, International Network of Boutique Law Firms

Member, Lawyers Club of Atlanta

Honors & Awards

Finalist, Trial Lawyer of the Year Award, Trial Lawyers for Public Justice (*Abdallah v. Coca-Cola Co.* case)

Profiled by *National Law Journal* in a report recognizing 12 U.S. lawyers who recently won difficult cases and have a history of success

Member of Georgia's "Legal Elite," each year since the award's inception

Named in *Top 100 Georgia Super Lawyers*, each year since the award's inception

Named in *500 Leading Litigators in America*, each year since the award's inception

Named in *Best Lawyers in America*, each year since the award's inception

Named as 2012 Atlanta Litigation - Securities Lawyer of the Year, *Best Lawyers in America*

Georgia Local Litigation Star, Benchmark Plaintiff

Who's Who Legal: Litigation

Benchmark 2017 National Star List of Top 100 Trial Lawyers

BONDURANT MIXSON & ELMORE LLP



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1201 West Peachtree St. NW
Suite 3900
Atlanta, GA 30309

University of Georgia
School of Law, J.D., 2012,
magna cum laude

- Order of the Coif
- Executive Articles Editor, *Georgia Law Review*
- Winner, Best Note Competition
- Outstanding Moot Court Advocate

South Carolina Honors
College, University of South
Carolina, BARSC, 2008,
summa cum laude

- Phi Beta Kappa
- McNair Scholar

Previous Experience

Law Clerk, Chief Judge W.
Keith Watkins, U.S. District
Court for the Middle District
of Alabama, 2012-2013

Law Clerk, Senior Judge
Joel F. Dubina, U.S. Court
of Appeals for the Eleventh
Circuit, 2013-2014

Amanda Kay Seals, Associate

📞 404.881.4174 📠 404.881.4111 ✉️ seals@bmelaw.com

Amanda Kay Seals is an associate who represents plaintiffs and defendants in complex trial and appellate litigation. In addition to her substantial business litigation experience, Amanda Kay devotes much of her practice to tort cases at both the trial and appellate level.

Outside the office, Amanda Kay serves as adjunct faculty at the University of Georgia School of Law.

Prior to joining the firm, Amanda Kay served as a law clerk to the Honorable Joel F. Dubina, U.S. Court of Appeals for the Eleventh Circuit, and Chief Judge W. Keith Watkins, U.S. District Court for the Middle District of Alabama.

Amanda Kay received her law degree from the University of Georgia School of Law, from which she received the school's inaugural Young Alumni of Excellence Award in 2017. Amanda Kay also holds a Bachelor of Arts and Sciences degree from South Carolina Honors College at the University of South Carolina.

Representative Work

- Currently representing investors in securities action arising from largest data breach in American history.
- Part of trial team that won \$54 million verdicts over two related trials. Amanda Kay argued nearly every evidentiary objection in both trials, and handled arguments regarding jury strikes, jury charges, and a mistrial motion.
- Part of appellate team whose Georgia Supreme Court argument preserved \$40 million verdict in products liability case.
- Successfully defended a \$500 million RICO case filed against twenty corporate defendants, alleging conspiracy spanning four continents and four decades. Not only did Amanda Kay and a team of Bondurant lawyers persuade the trial court to dismiss the case, they successfully defended that dismissal on appeal to the U.S. Court of Appeals for the Eleventh Circuit.
- Successfully defended a private corporation and its outside counsel in a series of related malicious prosecution suits filed in both state and federal court alleging RICO claims, conspiracy, and violations of plaintiffs' constitutional rights. Amanda Kay assumed responsibility for arguments regarding the retroactive application of amendments to Georgia's RICO statute. Ultimately, the Georgia Court of Appeals adopted the Bondurant team's reasoning and all cases were resolved at the motion to dismiss stage without any discovery having been taken.
- Regularly represents a Fortune 50 retailer in business tort, breach of contract, and intellectual property disputes involving the company's relationships with vendors and suppliers.
- Successfully argued on behalf of the former North American General Manager of a leading European medical products distributor to send employment-related dispute to arbitration. The Company brought suit against Amanda Kay's client and opposed efforts to arbitrate the Company's claims and Manager's counterclaims, but Amanda Kay persuaded the court that arbitration clause in employment agreement covered these disputes. Amanda Kay then handled settlement negotiations from start to finish, reaching a favorable resolution for her client.

Admissions

State Bar of Georgia
Supreme Court of Georgia
Georgia Court of Appeals
U.S. Court of Appeals for
the Eleventh Circuit
U.S. District Court for the
Northern District of Georgia
U.S. District Court for the
Middle District of Georgia
U.S. District Court for the
Southern District of Georgia

- Represented fourteen county governments in multi-million dollar RICO claim against data company that harvested images of county land records without paying per-page fee. Amanda Kay managed electronic discovery process on behalf of the counties, drafted an ultimately successful brief opposing severance of the counties' claims, and authored the mediation strategy that led to the suit's favorable resolution.

Representative Pro Bono Work

- Won reversal of motion to dismiss in Eleventh Circuit Court of Appeals on behalf of Georgia inmate in an Eighth Amendment failure to protect claim after the inmate was beaten and stabbed by fellow prisoners following repeated threats and prison's refusal to transfer the attacked inmate to different dormitory.
- Negotiated favorable settlement for a Fulton County Jail detainee in an excessive force suit against jailers.
- Represented numerous transgender Georgians in efforts to secure conforming identity documents and connected dozens of others with volunteer lawyers as Georgia coordinator for Trans Law Help effort.

Professional Activities

Georgia High School Mock Trial Competition Chair, 2018–19
Eleventh Circuit Judicial Conference Planning Committee, 2018
Barrister, Lumpkin Inn of Court, 2017–
Leadership Academy, State Bar of Georgia, 2018
LEAD Atlanta Class of 2017

Publications

"Posthumous Organ Donation as Prisoner Agency and Rehabilitation," *DePaul Law Review*, Volume 65, Spring 2016, co-authored with Prof. Lisa Milot, University of Georgia School of Law

EXHIBIT 4

EXHIBIT 4

In re Equifax Inc. Securities Litigation
Consolidated Case No. 1:17-cv-03463-TWT (N.D. Ga.)

**BREAKDOWN OF PLAINTIFF'S COUNSEL'S
EXPENSES BY CATEGORY**

CATEGORY	AMOUNT
Court Fees	\$459.90
Service of Process	\$9,802.85
Online Legal Research	\$31,925.08
Online Factual Research	\$25,531.71
Investigators	\$917.81
Telephone/Faxes	\$155.70
Postage & Express Mail	\$1,286.70
Hand Delivery Charges	\$85.00
Local Transportation	\$3,863.47
Internal Copying/Printing	\$6,785.00
Outside Copying	\$21,608.92
Out of Town Travel	\$24,705.24
Working Meals	\$5,811.09
Court Reporting & Transcripts	\$4,265.75
Special Publications	\$86.88
Experts	\$339,483.36
Mediation	\$45,182.00
Discovery/Document Management	\$137,968.67
TOTAL EXPENSES:	\$659,925.13

EXHIBIT 5

CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

Securities Class Action Settlements

2019 Review and Analysis

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The views expressed in this report are solely those of the authors, who are responsible for the content, and do not necessarily represent the views of Cornerstone Research.

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Analyses in this report are based on 1,849 securities class actions filed after passage of the Private Securities Litigation Reform Act of 1995 (Reform Act) and settled from 1996 through year-end 2019. See page 17 for a detailed description of the research sample. For purposes of this report and related research, a settlement refers to a negotiated agreement between the parties to a securities class action that is publicly announced to potential class members by means of a settlement notice.

Highlights

Historically high median settlement amounts persisted in 2019, driven primarily by an increase in the overall percentage of mid-sized cases in the \$5 million to \$25 million range as well as a decrease in the number of smaller settlements.

- There were 74 settlements totaling \$2 billion in 2019. [\(page 3\)](#)
- The median settlement in 2019 of \$11.5 million was unchanged from 2018 (adjusted for inflation) and was 34 percent higher than the prior nine-year median. [\(page 3\)](#)
- The average settlement amount in 2019 was \$27.4 million, which was 43 percent lower than the prior nine-year average. [\(page 4\)](#)
- There were four mega settlements (settlements equal to or greater than \$100 million) in 2019. [\(page 20\)](#)
- The number of small settlements (amounts less than \$5 million) declined by 36 percent to 16 cases in 2019, the fewest such settlements in the past decade. [\(page 4\)](#)
- The proportion of settlements in 2019 with a public pension plan as lead plaintiff reached its lowest level in the prior 10 years. [\(page 12\)](#)
- In 2019, 53 percent of settled cases involved an accompanying derivative action, the second-highest rate over the past decade. [\(page 10\)](#)
- Companies that settled cases after a ruling on a motion to dismiss (MTD) were, on average, 50 percent larger (measured by total assets) than companies that settled while the MTD was pending. [\(page 14\)](#)

Figure 1: Settlement Statistics

(Dollars in millions)

	1996–2018	2018	2019
Number of Settlements	1,775	78	74
Total Amount	\$103,955.3	\$5,156.0	\$2,029.9
Minimum	\$0.2	\$0.4	\$0.5
Median	\$8.8	\$11.5	\$11.5
Average	\$58.6	\$66.1	\$27.4
Maximum	\$9,172.1	\$3,054.4	\$389.6

Note: Settlement dollars are adjusted for inflation; 2019 dollar equivalent figures are used. Figure 1 includes all post-Reform Act settlements. Settlements in prior years have included 14 cases exceeding \$1 billion. Adjusted for inflation, these settlements drive up the average settlement amount.

Author Commentary

2019 Findings

The size of issuer defendant firms (measured by total assets) continued to grow in 2019, increasing by 59 percent over 2018 and 117 percent above the median over the last 10 years. This may be due at least in part to prolonged changes in the population of public companies. In particular, as has been widely observed, the number of publicly traded firms continued to decline in recent years—with the result that remaining public firms are larger.¹

As discussed by other commentators, large issuer defendants may cause plaintiff counsel to pursue potential claims more vigorously.² As in our prior research, we examine the number of docket entries as a proxy for the time and effort by plaintiff counsel and/or case complexity. In 2019, average docket entries were the highest in the last 10 years, primarily driven by cases with relatively large damages, as measured by our simplified proxy for plaintiff-style damages (i.e., “simplified tiered damages” exceeding \$500 million).

Overall, our simplified proxy for plaintiff-style damages remained at elevated levels in 2019 compared to earlier years in the decade, in part reflecting the relatively high market capitalization losses associated with cases filed over the last three years.³

Another driver of higher plaintiff-style damages is class period length. Indeed, plaintiffs often amend their initial complaints to capture longer alleged class periods. In 2019, the median class period length per the operative complaint as of the time of settlement was 1.7 years—the longest over the last 10 years. In comparison, the median class period alleged in first identified complaints during 2015–2018 (the period during which most of the 2019 settlements were filed) was just under one year. This indicates that between the time of filing and settlement plaintiffs substantially expanded the period over which they claim the alleged fraud occurred.

Despite the large size of cases settled in 2019, public pension plans served as lead plaintiffs less frequently, with their involvement reaching the lowest level over the last 10 years. Prior literature has discussed possible reasons for institutions choosing not to serve as lead plaintiffs, including an imbalance in the cost/benefit of doing so.⁴

One finding that is particularly striking is the decrease in public pension plan lead plaintiffs despite an increase in larger issuer firms with potentially sizable damages exposure.

*Dr. Laura E. Simmons
Senior Advisor
Cornerstone Research*

Other contributors to the reduction in public pension plan involvement may include changes in the mix of plaintiff law firms serving as lead counsel, and possibly the recent increase in the propensity of plaintiffs to opt out of class actions, including in larger cases (see *Opt-Out Cases in Securities Class Action Settlements: 2014–2018 Update*, Cornerstone Research).

Looking Ahead

Recent trends in securities case filings can inform expectations for developments in settlements in upcoming years.

The number of filings alleging Rule 10b-5 and/or Section 11 claims reached record levels in 2019. In addition, for the second year in a row, median Disclosure Dollar Loss (DDL) for case filings reached unusually high levels (see *Securities Class Action Filings—2019 Year in Review*, Cornerstone Research).

Absent changes in dismissal rates, these results suggest that the volume of securities case settlements, as well as their value, is likely to continue at relatively high levels in upcoming years.

—Laarni T. Bulan and Laura E. Simmons

Total Settlement Dollars

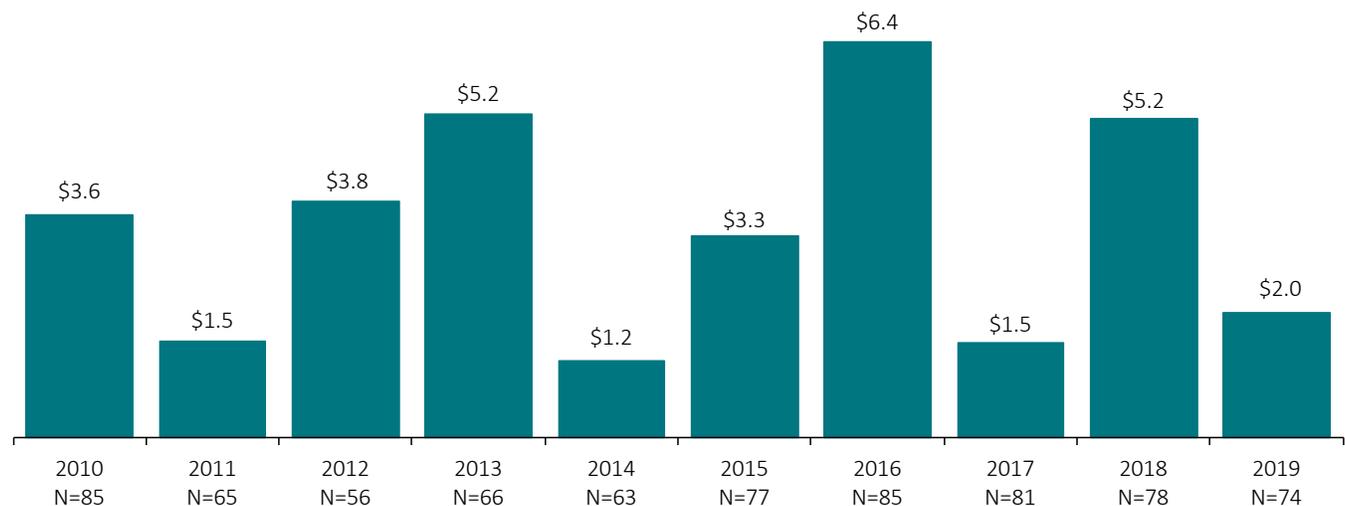
- The total value of settlements approved by courts in 2019 declined dramatically from 2018 due to the absence of very large settlements. Excluding 2018 settlements over \$1 billion, however, total settlement dollars declined by a modest 3 percent in 2019 (adjusted for inflation).
- The median settlement amount in 2019 of \$11.5 million was unchanged from the prior year (adjusted for inflation).
- Compared to the prior nine years, larger median settlement amounts in 2019 were accompanied by higher levels in the proxy for plaintiff-style damages. (See page 5 for a discussion of damages estimates.)

The median settlement amount in 2019 was 34 percent higher than the prior nine-year median.

- Mediators continue to play a central role in the resolution of securities class action settlements. In 2019, nearly all cases in the sample involved a mediator.

**Figure 2: Total Settlement Dollars
2010–2019**

(Dollars in billions)



Note: Settlement dollars are adjusted for inflation; 2019 dollar equivalent figures are used. N refers to the number of observations.

Settlement Size

As discussed above, the median settlement amount was unchanged from 2018. Generally, the median is more stable from year to year than the average, since the average can be affected by the presence of even a small number of large settlements.

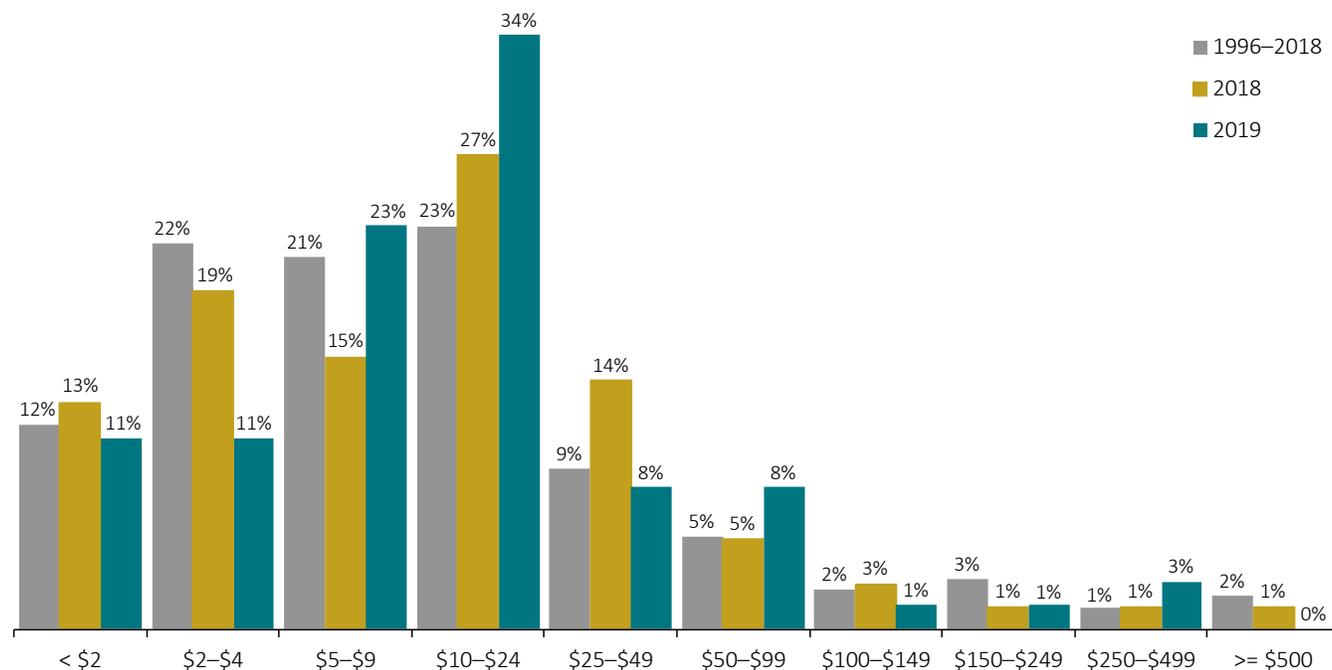
- The average settlement amount in 2019 was \$27.4 million, 43 percent lower than the average over the prior nine years. (See Appendix 1 for an analysis of settlements by percentiles.)
- If settlements exceeding \$1 billion are excluded from the prior nine-year average, the decline in 2019 was 16 percent.
- There were four mega settlements (equal to or greater than \$100 million) in 2019, with settlements ranging from \$110 million to \$389.6 million. (See Appendix 4 for additional information on mega settlements.)

- Despite a decline in the average settlement amount from 2018, the number of small settlements (less than \$5 million) also declined by 36 percent to 16 cases in 2019, the fewest such settlements in the past decade. Cases that result in settlement funds less than \$5 million may be viewed as “nuisance” suits, a shift upwards from a threshold of \$2 million prevalent in early post-Reform Act years.⁵

57 percent of cases settled for between \$5 million and \$25 million.

Figure 3: Distribution of Post-Reform Act Settlements 1996–2019

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2019 dollar equivalent figures are used. Percentages may not sum to 100 percent due to rounding.

Damages Estimates

Rule 10b-5 Claims: “Simplified Tiered Damages”

“Simplified tiered damages” uses simplifying assumptions to estimate per-share damages and trading behavior. It provides a measure of potential shareholder losses that allows for consistency across a large volume of cases, thus enabling the identification and analysis of potential trends.⁶

Cornerstone Research’s prediction model finds this measure to be the most important factor in predicting settlement amounts.⁷ However, this measure is not intended to represent actual economic losses borne by shareholders. Determining any such losses for a given case requires more in-depth economic analysis.

- Median “simplified tiered damages” was largely unchanged from the prior year. (See Appendix 5 for additional information on the median and average settlements as a percentage of “simplified tiered damages.”)

While median “simplified tiered damages” remained largely unchanged in 2019, average “simplified tiered damages” increased for the third year in a row.

- “Simplified tiered damages” is generally correlated with the length of the class period. Among cases with Rule 10b-5 claims, the median class period length in 2019 was at its highest level in the last 10 years.
- “Simplified tiered damages” is also typically correlated with larger issuer defendants (measured by total assets or market capitalization of the issuer). However, despite the lack of change in median “simplified tiered damages” compared to 2018, median total assets of issuer defendants increased by over 67 percent in 2019.

Figure 4: Median and Average “Simplified Tiered Damages” in Rule 10b-5 Cases 2010–2019

(Dollars in millions)



Note: “Simplified tiered damages” are adjusted for inflation based on class period end dates. Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).

- Larger cases, as measured by “simplified tiered damages,” typically settle for a smaller percentage of damages.
- Smaller cases (less than \$25 million in “simplified tiered damages”) are less likely to include factors such as institutional lead plaintiffs and/or related actions by the Securities and Exchange Commission (SEC) or criminal charges.
- Among cases in the sample, smaller cases typically settle more quickly. In 2019, cases with less than \$25 million in “simplified tiered damages” settled within 2.0 years on average, compared to 3.5 years for cases with “simplified tiered damages” greater than \$500 million.

At 9.4 percent in 2019, median settlements as a percentage of “simplified tiered damages” for mid-sized cases reached a five-year high.

- The steadily increasing median settlement as a percentage of “simplified tiered damages” observed from 2016 to 2018 reversed in 2019. Appendix 5 shows a substantial increase in 2019 in average settlements as a percentage of “simplified tiered damages.” However, this result is driven by a few outlier cases. Excluding these cases, the average percentage for 2019 is not unusual compared to recent years.

Figure 5: Median Settlements as a Percentage of “Simplified Tiered Damages” by Damages Ranges in Rule 10b-5 Cases 2010–2019

(Dollars in millions)



Note: Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).

'33 Act Claims: "Simplified Statutory Damages"

For cases involving only Section 11 and/or Section 12(a)(2) claims ('33 Act claims), shareholder losses are estimated using a model in which the statutory loss is the difference between the statutory purchase price and the statutory sales price, referred to here as "simplified statutory damages."⁸ Only the offered shares are assumed to be eligible for damages.

"Simplified statutory damages" are typically smaller than "simplified tiered damages," reflecting differences in the methodologies used to estimate alleged inflation per share, as well as differences in the shares eligible to be damaged (i.e., only offered shares are included).

Median "simplified statutory damages" for '33 Act claim cases in 2019 was more than 65 percent higher than the prior five-year median.

- Cases with only '33 Act claims tend to settle for smaller median amounts than cases that include Rule 10b-5 claims.
- In 2019, among settlements involving '33 Act claims only, the median time to settlement was only slightly longer than cases involving Rule 10b-5 claims only, 3.2 years and 2.9 years, respectively. When compared to the prior year, however, '33 Act claim cases took more than 36 percent longer to resolve in 2019 (3.2 years compared to 2.3 years).

Figure 6: Settlements by Nature of Claims 2010–2019

(Dollars in millions)

	Number of Settlements	Median Settlement	Median "Simplified Statutory Damages"	Median Settlement as a Percentage of "Simplified Statutory Damages"
Section 11 and/or Section 12(a)(2) Only	77	\$7.2	\$118.8	7.4%

	Number of Settlements	Median Settlement	Median "Simplified Tiered Damages"	Median Settlement as a Percentage of "Simplified Tiered Damages"
Both Rule 10b-5 and Section 11 and/or Section 12(a)(2)	115	\$15.1	\$390.0	5.8%
Rule 10b-5 Only	524	\$8.5	\$212.5	4.6%

Note: Settlement dollars and damages are adjusted for inflation; 2019 dollar equivalent figures are used. Damages are adjusted for inflation based on class period end dates.

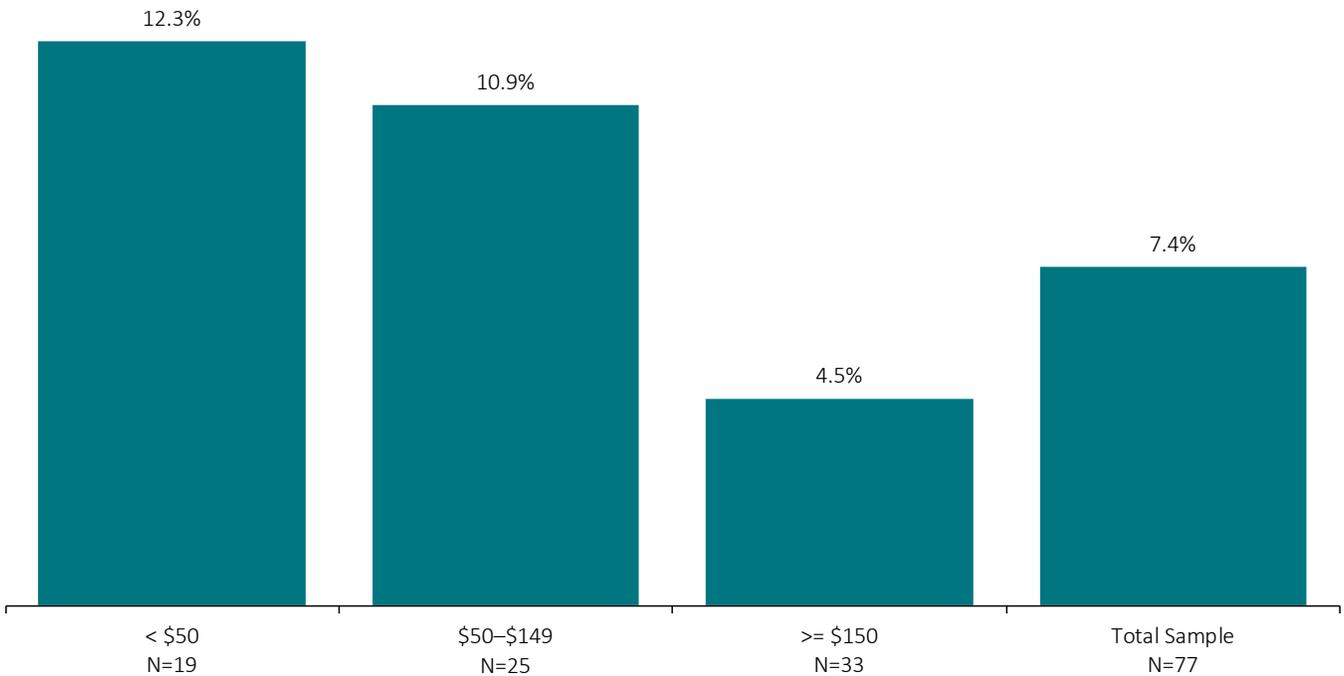
- Settlements as a percentage of “simplified statutory damages” are smaller for cases that have larger estimated damages. This finding holds for cases with ’33 Act claims only, as well as those with Rule 10b-5 claims.

90 percent of cases with only ’33 Act claims involved an underwriter as a codefendant.

- Over the period 2010–2019, the median size of issuer defendants (measured by total assets) was 68 percent smaller for cases with only ’33 Act claims relative to those that included Rule 10b-5 claims.
- The smaller size of issuer defendants in ’33 Act cases is consistent with the vast majority of these cases involving initial public offerings (IPOs). From 2010 through 2019, 83 percent of all cases with only ’33 Act claims have involved IPOs.

Figure 7: Median Settlements as a Percentage of “Simplified Statutory Damages” by Damages Ranges in ’33 Act Cases 2010–2019

(Dollars in millions)



Note: N refers to the number of observations.

Analysis of Settlement Characteristics

Accounting Allegations

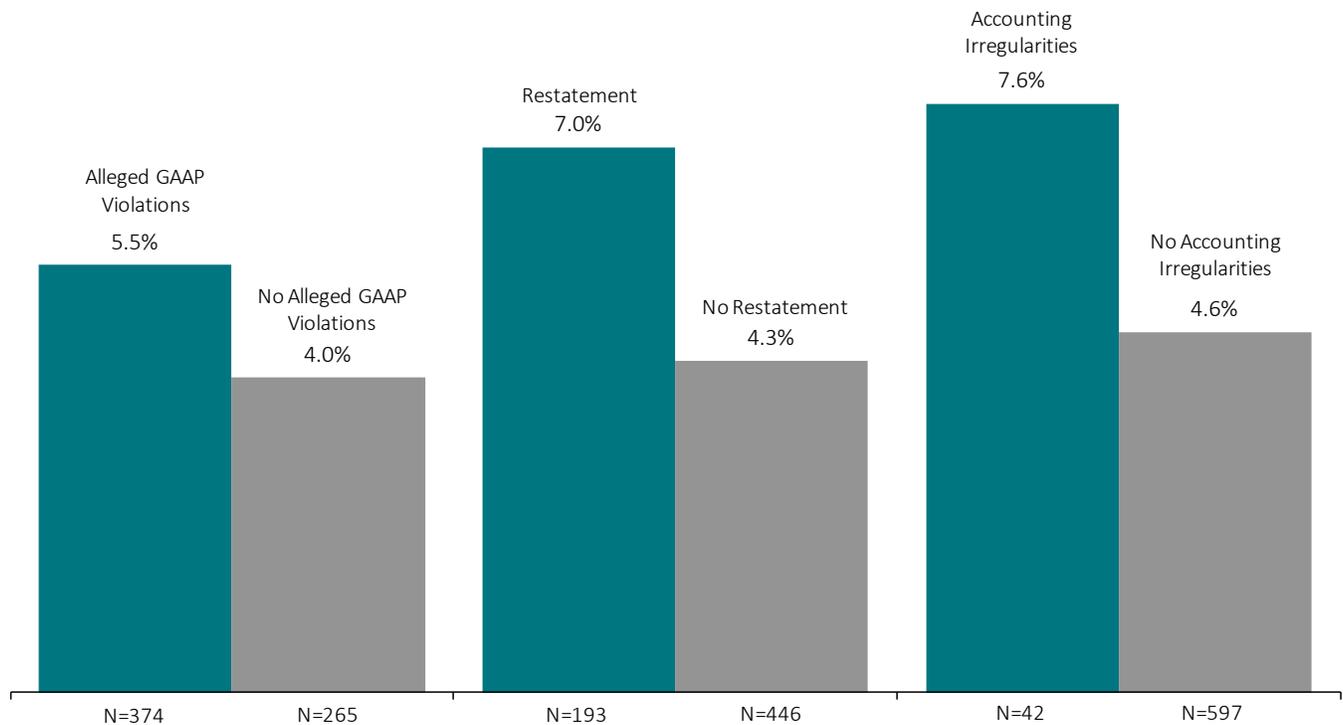
This analysis examines accounting allegations related to issues among securities class actions involving Rule 10b-5 claims: alleged Generally Accepted Accounting Principles (GAAP) violations, violations of other reporting standards, auditing violations, or weaknesses in internal controls over financial reporting.⁹ For further details regarding settlements of accounting cases, see Cornerstone Research’s annual report on *Accounting Class Action Filings and Settlements*.¹⁰

- The proportion of settled cases alleging GAAP violations in 2019 was 44 percent, continuing a five-year decline from a high of 67 percent in 2014.
- Settled cases with restatements are generally associated with higher settlements as a percentage of “simplified tiered damages” compared to cases without restatements. In 2019, the median settlement as a percentage of “simplified tiered damages” for cases with restatements was 5.2 percent, compared to 4.1 percent for cases without restatements.

- Among cases settled in 2019 with accounting-related allegations, only 6 percent involved a named auditor codefendant. This was the lowest rate in the past decade and a decline from a high of 24 percent in 2015.
- The proportion of cases with accounting-related allegations that also involved associated criminal charges was 27 percent in 2019, well above the rate of 11 percent among cases settled during 2010–2018.

The frequency of reported accounting irregularities increased among settled cases in 2019 to 9 percent, compared to an average of less than 2 percent from 2015 to 2018.

Figure 8: Median Settlements as a Percentage of “Simplified Tiered Damages” and Accounting Allegations 2010–2019



Note: N refers to the number of observations.

Derivative Actions

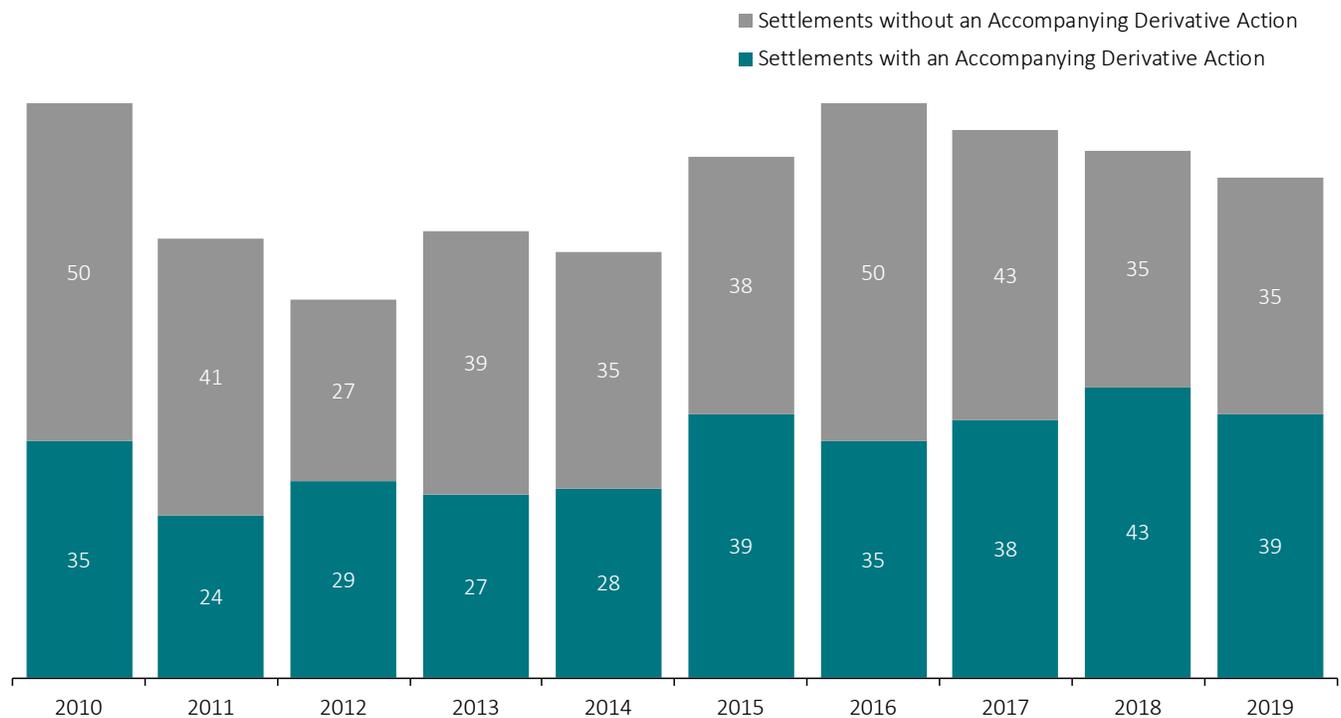
While settled cases involving an accompanying derivative action are typically associated with both larger cases (measured by “simplified tiered damages”) and larger settlement amounts, this was not true in 2019.

- The median settlement among cases with an accompanying derivative action was \$10 million compared to \$14.8 million for cases without a derivative action.
- This may be due at least in part to a substantial increase in derivative actions involving smaller issuers. In 2019, 70 percent of cases involving issuers with less than \$250 million in total assets also had an accompanying derivative action, compared to only 46 percent over the prior nine years.

53 percent of settled cases involved an accompanying derivative action, the second-highest rate over the last 10 years.

- Many larger settlements in 2019 involved non-U.S. issuers (44 percent of settlements above \$25 million), which have been associated with derivative actions far less frequently than cases involving U.S. issuers. During 2010–2019, only 22 percent of cases involving non-U.S. issuers had accompanying derivative actions.
- In 2019, 36 percent of derivative actions were filed in Delaware, the highest proportion in the past decade. The second most common filing state for derivative suits was California.

Figure 9: Frequency of Derivative Actions 2010–2019



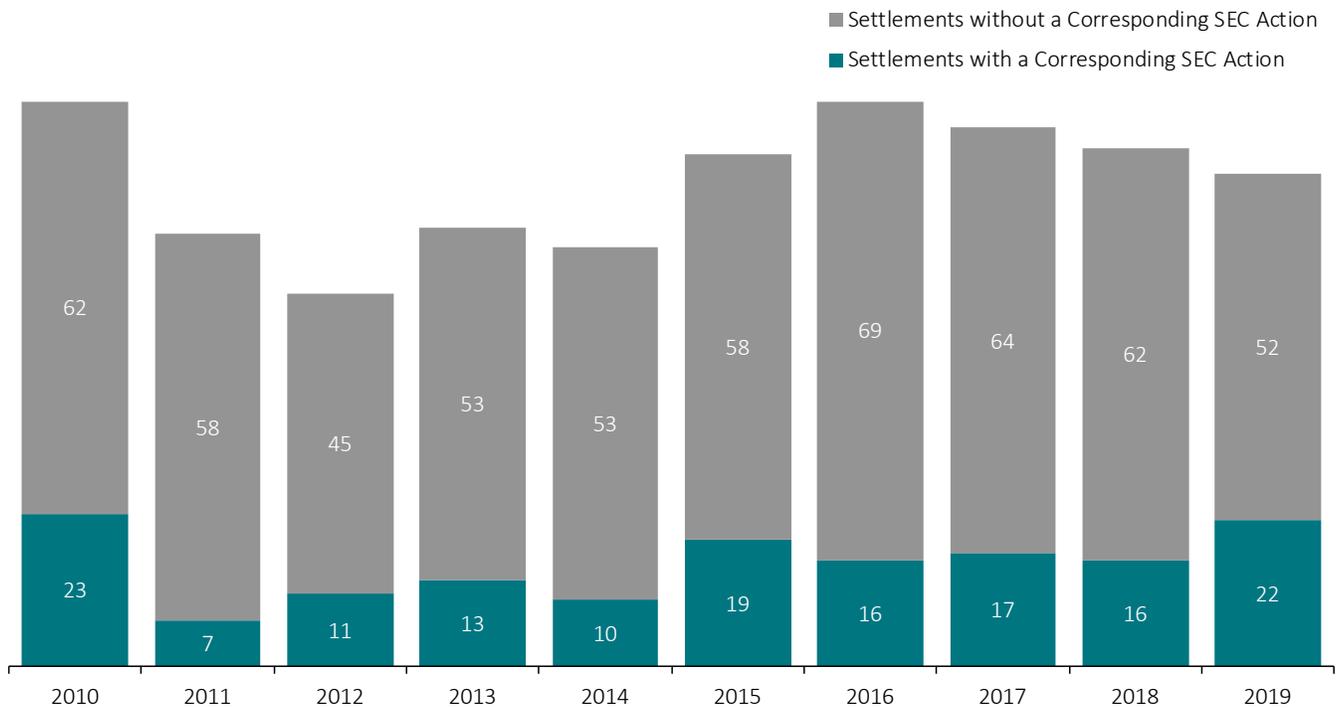
Corresponding SEC Actions

Cases with an SEC action related to the allegations are typically associated with significantly higher settlement amounts and higher settlements as a percentage of “simplified tiered damages.”¹¹

- In 2019, the median total assets of issuer defendant firms at the time of settlement was \$1.3 billion for cases with corresponding SEC actions compared to \$1.5 billion for cases without a corresponding SEC action. This was consistent with the overall increase in the asset size of issuers.
- For cases settled during 2015–2019, 42 percent of cases with a corresponding SEC action involved issuer defendants that had either declared bankruptcy or were delisted from a major U.S. exchange prior to settlement.
- Cases with corresponding SEC actions have involved accounting-related allegations less frequently in recent years. From 2010 to 2016, 88 percent of settled cases involved accounting-related allegations, compared to 75 percent from 2017 to 2019.
- Cases involving corresponding SEC actions may also include allegations of criminal activity in connection with the time period covered by the underlying class action. In 2019, more than 40 percent of cases with an SEC action had related criminal charges.

30 percent of settled cases involved a corresponding SEC action, the highest rate over the last 10 years.

Figure 10: Frequency of SEC Actions 2010–2019



Institutional Investors

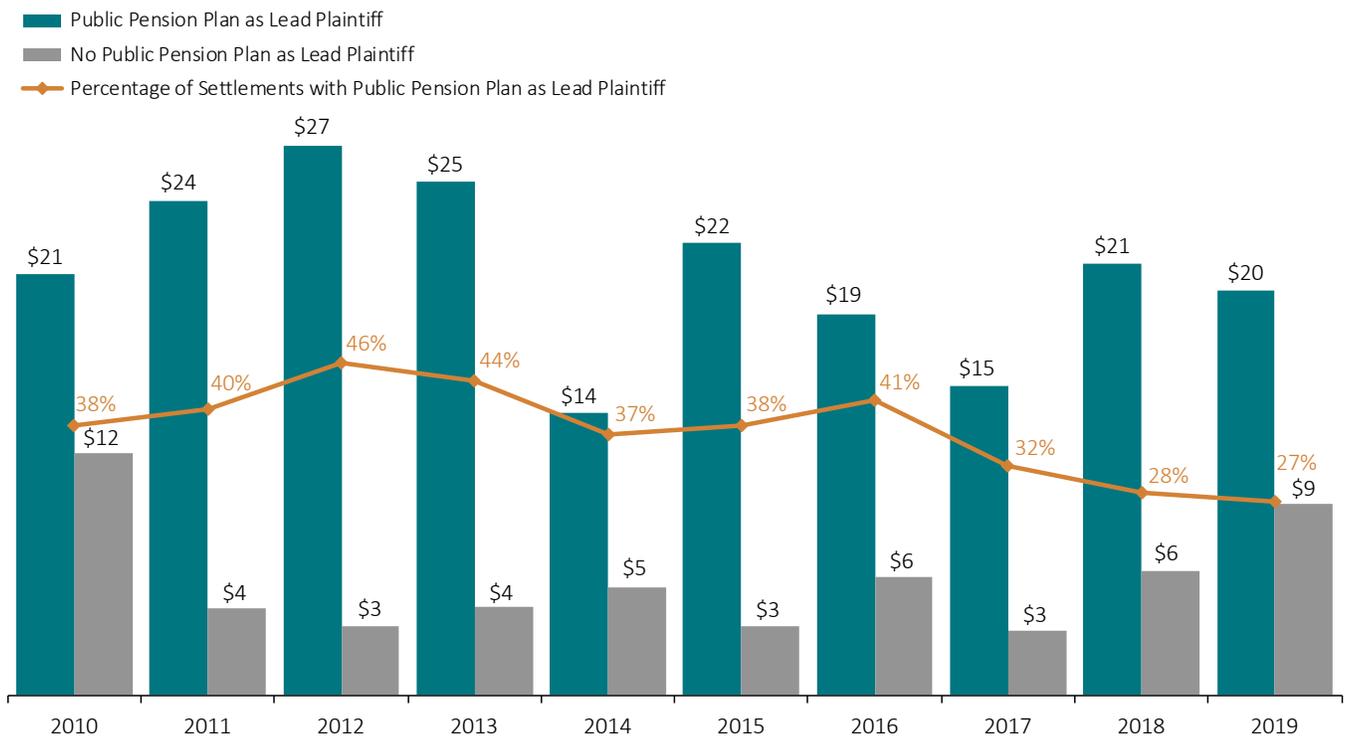
- Institutional investors, including public pension plans (a subset of institutional investors), tend to be involved in larger cases, that is, cases with higher “simplified tiered damages.”
- Median “simplified tiered damages” for cases involving a public pension as a lead plaintiff in 2019 were more than three times higher than for cases without a public pension plan as a lead plaintiff.
- In 2019, median market capitalization (measured prior to the settlement hearing date) for issuer defendants in cases involving an institutional investor as a lead plaintiff was \$1.6 billion compared to \$459.4 million for cases without institutional investor involvement.

The proportion of settlements with a public pension plan as lead plaintiff reached its lowest level in the decade.

- Over the last 10 years, institutional investor lead plaintiffs have also been associated with lower attorney fees in relation to “simplified tiered damages.” This may reflect their tendency to be involved in larger cases, in which attorney fees often represent a smaller percentage of the total settlement fund, as well as their potential ability to negotiate lower fees.¹²
- Among 2019 settled cases that do have an institutional investor as a lead plaintiff, 50 percent involved a parallel derivative action and 22 percent involved a corresponding SEC action.

Figure 11: Median Settlement Amounts and Public Pension Plans 2010–2019

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2019 dollar equivalent figures are used.

Time to Settlement and Case Complexity

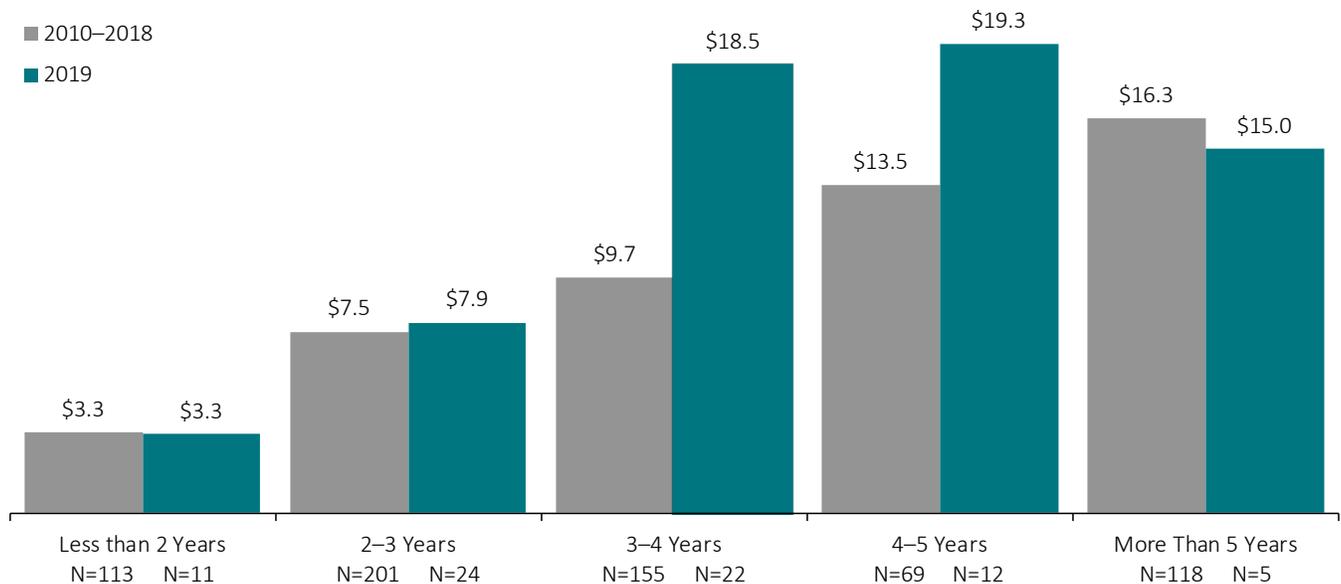
- In 2019, 15 percent of cases settled within two years of filing, consistent with the rate over the last 10 years. The average time from filing to settlement in 2019 was 3.3 years.
- Compared to cases that settled more quickly, cases that required three to five years to settle in 2019 had a higher frequency of factors such as a public pension as a lead plaintiff and/or the presence of a corresponding SEC action.
- Only 7 percent of cases in 2019 took more than five years to settle, the lowest rate in the past decade. Of these, 80 percent involved institutional investors. The median assets of the defendant firms in these cases were also substantially higher at \$68 billion, compared to a median of \$1.2 billion in other cases.
- In 2019, cases that took more than five years to settle had a lower median settlement amount than cases that took three to five years to settle. This is despite the higher median “simplified tiered damages” of \$602 million for cases that took more than five years to settle, compared to \$375 million for cases that took three to five years to settle.

Median “simplified tiered damages” for Rule 10b-5 cases settling in less than two years were substantially smaller compared to settlements that took longer to resolve.

- The number of docket entries as of the settlement may reflect case complexity. This factor has also been used in prior research as a proxy for attorney effort.¹³ The number of docket entries is highly correlated with the duration from filing to settlement hearing date, issuer size, criminal allegations, accounting allegations, as well as the size of “simplified tiered damages.” Median docket entries for cases settled in 2019 were largely unchanged from prior years, but the average number of docket entries reached its highest level in the past decade.

Figure 12: Median Settlement by Duration from Filing Date to Settlement Hearing Date 2010–2019

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2019 dollar equivalent figures are used. N refers to the number of observations.

Case Stage at the Time of Settlement

In collaboration with Stanford Securities Litigation Analytics (SSLA),¹⁴ this report analyzes settlements in relation to the stage in the litigation process at the time of settlement.

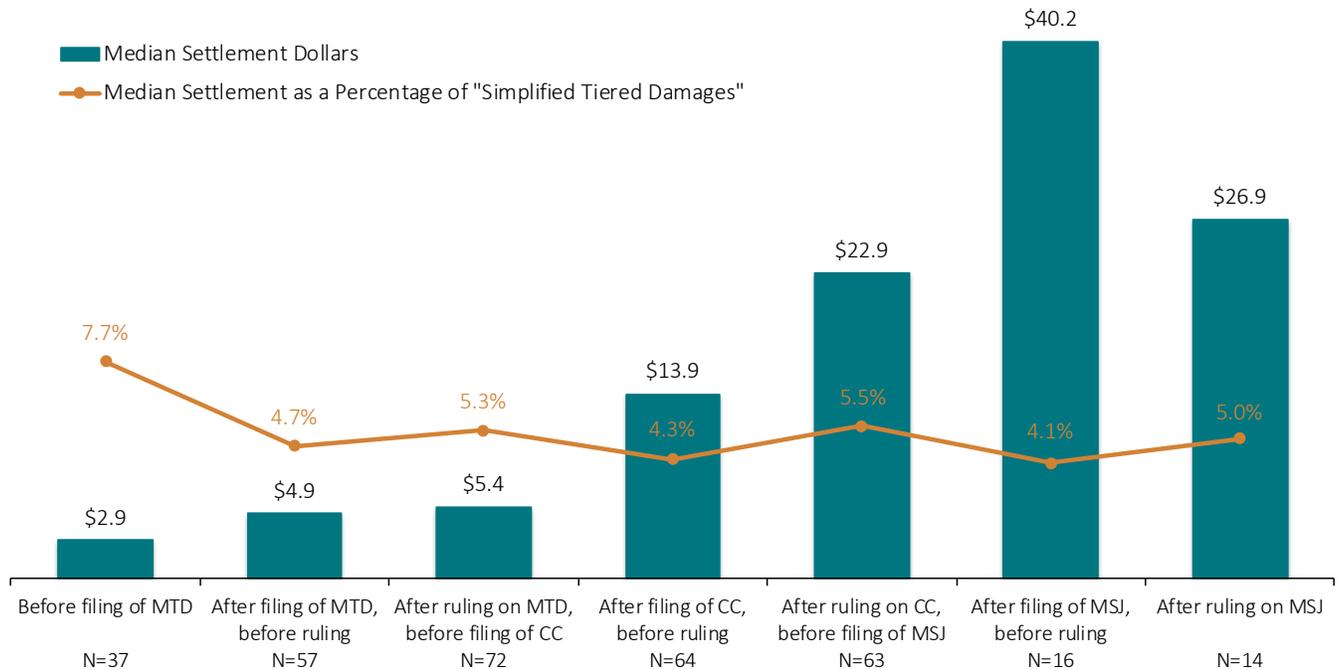
- In 2019, cases settled after a motion to dismiss (MTD) was filed but prior to a ruling on the MTD had a median settlement of \$8.5 million, significantly lower than for cases settled at later stages.
- In addition, among 2019 settlements, median total assets of issuer defendants at the time of settlement were almost 50 percent larger for cases settled following a ruling on a MTD than for cases where the MTD was pending at the time of settlement.

The average time to reach a ruling on a motion for class certification among settlements was 2.3 years.

- In the five-year period from 2015 to 2019, median “simplified tiered damages” for cases settled after a filing of a motion for summary judgment (MSJ) was over four times the median for cases settled before a MSJ filing. This contributed to higher settlement amounts but lower settlements as a percentage of “simplified tiered damages” for cases settled at this stage.

Figure 13: Median Settlement Dollars and Resolution Stage at Time of Settlement 2015–2019

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2019 dollar equivalent figures are used. MTD refers to “motion to dismiss,” CC refers to “class certification,” and MSJ refers to “motion for summary judgment.” This analysis is limited to cases alleging Rule 10b-5 claims.

Spotlight: Settlements in the Pharmaceutical Industry

Cases with issuer defendants in the pharmaceutical industry, as defined by their SIC code (pharma cases), reached an all-time high in 2019, both in the absolute number and percentage of cases. While in prior years pharma cases tended to involve relatively large “simplified tiered damages,” in 2019, the median was \$163 million—36 percent lower than the median for all cases in 2019. Settlements for cases in this sector have a number of characteristics that differ from the overall sample, including several of those that are important determinants of settlement outcomes. (See Appendix 2 for additional information on settlements by industry.)

- Pharma cases are less likely to have a public pension acting as a lead plaintiff. From 2010 to 2019, only 22 percent of pharma cases had a public pension as lead plaintiff compared to 39 percent for non-pharma cases.
- Violations of GAAP are also less likely among pharma cases than non-pharma cases. From 2010 to 2019, only 19 percent of pharma cases alleged violations of GAAP compared to 62 percent of non-pharma cases.
- Restatements of financials were also less common among pharma cases—14 percent—compared to 30 percent in non-pharma cases from 2010 to 2019.
- Pharma cases are less likely to involve '33 Act claims related to an offering. During 2010–2019, only 17 percent of pharma cases involved '33 Act claims, whereas such claims were alleged in 28 percent of non-pharma cases.

Figure 14: Settlements in the Pharmaceutical Industry 2010–2019



These differences explain, in part, why pharma cases with Rule 10b-5 allegations tend to settle for smaller percentages of “simplified tiered damages.” The median settlement as a percentage of “simplified tiered damages” for pharma cases over the past 10 years is 3.7 percent while for non-pharma cases that figure is 5.8 percent.¹⁵

Cornerstone Research's Settlement Prediction Analysis

This research applies regression analysis to examine the relationships between settlement outcomes and certain security case characteristics. Regression analysis is employed to better understand and predict the total settlement amount, given the characteristics of a particular securities case. Regression analysis can also be applied to estimate the probabilities associated with reaching alternative settlement levels. It is also helpful in exploring hypothetical scenarios, including how the presence or absence of particular factors affects predicted settlement amounts.

Determinants of Settlement Outcomes

Based on the research sample of post-Reform Act cases that settled through December 2019, the factors that were important determinants of settlement amounts included the following:

- “Simplified tiered damages”
 - Maximum Dollar Loss (MDL)—market capitalization change from its peak to post-disclosure value
 - Most recently reported total assets of the issuer defendant firm
 - A measure of how long the issuer defendant has been a public company
 - Number of entries on the lead case docket
 - The year in which the settlement occurred
 - Whether there were accounting allegations related to the alleged class period
 - Whether there was a corresponding SEC action against the issuer, other defendants, or related parties
 - Whether there was a criminal indictment/charge against the issuer, other defendants, or related parties related to similar allegations in the complaint
- Whether an outside auditor or underwriter was named as a codefendant
 - Whether Section 11 and/or Section 12(a) claims were alleged in addition to Rule 10b-5 claims
 - Whether the issuer defendant was distressed
 - Whether a public pension was a lead plaintiff
 - Whether the plaintiffs alleged that securities other than common stock were damaged

Regression analyses show that settlements were higher when “simplified tiered damages,” MDL, issuer defendant asset size, the length of time the company has been public, or the number of docket entries was larger, or when Section 11 and/or Section 12(a) claims were alleged in addition to Rule 10b-5 claims.

Settlements were also higher in cases involving financial restatements, a corresponding SEC action, a public pension involved as lead plaintiff, a third party such as an outside auditor or underwriter that was named as a codefendant, or securities other than common stock that were alleged to be damaged.

Settlements were lower if the settlement occurred in 2012 or later, or if the issuer was distressed.

More than 70 percent of the variation in settlement amounts can be explained by the factors discussed above.

Research Sample

- The database used in this report contains cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price and M&A cases).
- The sample is limited to cases alleging Rule 10b-5, Section 11, and/or Section 12(a)(2) claims brought by purchasers of a corporation's common stock. These criteria are imposed to ensure data availability and to provide a relatively homogeneous set of cases in terms of the nature of the allegations.
- The current sample includes 1,849 securities class actions filed after passage of the Reform Act (1995) and settled from 1996 through 2019. These settlements are identified based on a review of case activity collected by Securities Class Action Services LLC (SCAS).¹⁶
- The designated settlement year, for purposes of this report, corresponds to the year in which the hearing to approve the settlement was held.¹⁷ Cases involving multiple settlements are reflected in the year of the most recent partial settlement, provided certain conditions are met.¹⁸

Data Sources

In addition to SCAS, data sources include Dow Jones Factiva, Bloomberg, the Center for Research in Security Prices (CRSP) at University of Chicago Booth School of Business, Standard & Poor's Compustat, Refinitiv Eikon, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, SSLA, Securities Class Action Clearinghouse (SCAC), and public press.

Endnotes

- ¹ See, e.g., “Where Have All the Public Companies Gone?,” *Bloomberg Opinion*, April 9, 2018.
- ² See Stephen J. Choi, Jessica Erickson, and Adam C. Pritchard, “Risk and Reward: The Securities Fraud Class Action Lottery,” U.S. Chamber Institute for Legal Reform, February 2019.
- ³ See *Securities Class Action Filings—2019 Year in Review*, Cornerstone Research (2020).
- ⁴ See Charles Silver and Sam Dinkin, “Incentivizing Institutional Investors to Serve as Lead Plaintiffs in Securities Fraud Class Actions,” *DePaul Law Review* 57, no. 2 (2008): 471–508.
- ⁵ See Stephen J. Choi, Jessica Erickson, and Adam C. Pritchard, “Risk and Reward: The Securities Fraud Class Action Lottery,” U.S. Chamber Institute for Legal Reform, February 2019.
- ⁶ The “simplified tiered damages” approach used for purposes of this settlement research does not examine the mix of information associated with the specific dates listed in the plan of allocation, but simply applies the stock price movements on those dates to an estimate of the “true value” of the stock during the alleged class period (or “value line”). This proxy for damages utilizes an estimate of the number of shares damaged based on reported trading volume and the number of shares outstanding. Specifically, reported trading volume is adjusted using volume reduction assumptions based on the exchange on which the issuer defendant’s common stock is listed. No adjustments are made to the underlying float for institutional holdings, insider trades, or short-selling activity during the alleged class period. Because of these and other simplifying assumptions, the damages measures used in settlement outcome modeling may be overstated relative to damages estimates developed in conjunction with case-specific economic analysis.
- ⁷ See Laarni T. Bulan, Ellen M. Ryan, and Laura E. Simmons, *Estimating Damages in Settlement Outcome Modeling*, Cornerstone Research (2017).
- ⁸ The statutory purchase price is the lesser of the security offering price or the security purchase price. Prior to the first complaint filing date, the statutory sales price is the price at which the security was sold. After the first complaint filing date, the statutory sales price is the greater of the security sales price or the security price on the first complaint filing date. Similar to “simplified tiered damages,” the estimation of “simplified statutory damages” makes no adjustments to the underlying float for institutional holdings, insider trades, or short-selling activity. Shares subject to a lock-up period are not added to the float for purposes of this calculation.
- ⁹ The three categories of accounting issues analyzed in Figure 8 of this report are: (1) GAAP violations; (2) restatements—cases involving a restatement (or announcement of a restatement) of financial statements; and (3) accounting irregularities—cases in which the defendant has reported the occurrence of accounting irregularities (intentional misstatements or omissions) in its financial statements.
- ¹⁰ See *Accounting Class Action Filings and Settlements—2018 Review and Analysis*, Cornerstone Research (2019). Update forthcoming in March 2020.
- ¹¹ It could be that the merits in such cases are stronger, or simply that the presence of a corresponding SEC action provides plaintiffs with increased leverage when negotiating a settlement. For purposes of this research, an SEC action is evidenced by the presence of a litigation release or an administrative proceeding posted on www.sec.gov involving the issuer defendant or other named defendants with allegations similar to those in the underlying class action complaint.
- ¹² See, e.g., Lynn A. Baker, Michael A. Perino, and Charles Silver, “Setting Attorneys’ Fees in Securities Class Actions: An Empirical Assessment,” *Vanderbilt Law Review* 66, no. 6 (2013): 1677–1718.
- ¹³ Docket entries reflect the number of entries on the court docket for events in the litigation and have been used in prior research as a proxy for the amount of plaintiff attorney effort involved in resolving securities cases. See Laura Simmons, “The Importance of Merit-Based Factors in the Resolution of 10b-5 Litigation,” University of North Carolina at Chapel Hill Doctoral Dissertation, 1996; Michael A. Perino, “Institutional Activism through Litigation: An Empirical Analysis of Public Pension Fund Participation in Securities Class Actions,” St. John’s Legal Studies Research Paper No. 06-0055, 2006.
- ¹⁴ Stanford Securities Litigation Analytics (SSLA) tracks and collects data on private, shareholder securities litigation and public enforcements brought by the SEC and the U.S. Department of Justice. The SSLA dataset includes all traditional class actions, SEC actions, and DOJ criminal actions filed since 2000. Available on a subscription basis at <https://sla.law.stanford.edu/>.
- ¹⁵ These results do not hold when looking at pharma cases with only ’33 Act claims from 2010 to 2019, which had a median settlement as a percentage of “simplified statutory damages” of 7.5 percent compared to 7.4 percent for the rest of the sample.
- ¹⁶ Available on a subscription basis. For further details see <https://www.issgovernance.com/securities-class-action-services/>.
- ¹⁷ Movements of partial settlements between years can cause differences in amounts reported for prior years from those presented in earlier reports.
- ¹⁸ This categorization is based on the timing of the settlement approval. If a new partial settlement equals or exceeds 50 percent of the then-current settlement fund amount, the entirety of the settlement amount is recategorized to reflect the settlement hearing date of the most recent partial settlement. If a subsequent partial settlement is less than 50 percent of the then-current total, the partial settlement is added to the total settlement amount and the settlement hearing date is left unchanged.

Appendices

Appendix 1: Settlement Percentiles

(Dollars in millions)

	Average	10th	25th	Median	75th	90th
2010	\$42.4	\$2.3	\$5.0	\$13.2	\$29.3	\$93.3
2011	\$23.8	\$2.1	\$3.0	\$6.5	\$20.5	\$47.5
2012	\$68.2	\$1.3	\$3.0	\$10.5	\$39.5	\$128.0
2013	\$79.4	\$2.1	\$3.3	\$7.1	\$24.3	\$90.5
2014	\$19.7	\$1.8	\$3.1	\$6.5	\$14.2	\$54.0
2015	\$42.5	\$1.4	\$2.3	\$7.0	\$17.5	\$101.4
2016	\$75.2	\$2.0	\$4.5	\$9.1	\$35.2	\$155.5
2017	\$19.0	\$1.6	\$2.7	\$5.2	\$15.6	\$36.0
2018	\$66.1	\$1.5	\$3.7	\$11.5	\$25.2	\$53.0
2019	\$27.4	\$1.5	\$5.6	\$11.5	\$20.0	\$50.0
1996–2019	\$45.5	\$1.8	\$3.7	\$8.9	\$22.3	\$74.4

Note: Settlement dollars are adjusted for inflation; 2019 dollar equivalent figures are used.

Appendix 2: Select Industry Sectors 2010–2019

(Dollars in millions)

Industry	Number of Settlements	Median Settlement	Median “Simplified Tiered Damages”	Median Settlement as a Percentage of “Simplified Tiered Damages”
Financial	103	\$19.8	\$472.5	4.7%
Technology	102	\$8.7	\$212.2	5.3%
Pharmaceuticals	91	\$8.6	\$237.0	3.7%
Retail	37	\$9.1	\$211.7	3.9%
Telecommunications	34	\$9.6	\$270.8	4.4%
Healthcare	15	\$8.5	\$132.8	6.4%

Note: Settlement dollars and “simplified tiered damages” are adjusted for inflation; 2019 dollar equivalent figures are used. “Simplified tiered damages” are calculated only for cases involving Rule 10b-5 claims.

**Appendix 3: Settlements by Federal Circuit Court
2010–2019**

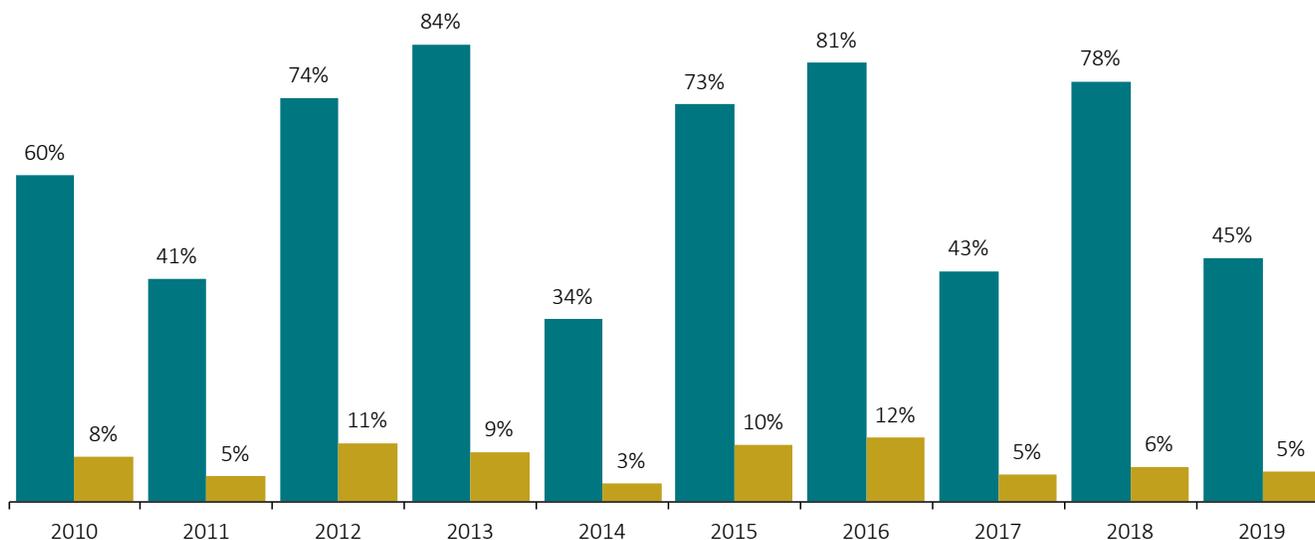
(Dollars in millions)

Circuit	Number of Settlements	Median Settlement	Median Settlement as a Percentage of “Simplified Tiered Damages”
First	22	\$8.5	3.3%
Second	180	\$10.2	4.8%
Third	49	\$8.6	5.0%
Fourth	27	\$14.5	3.6%
Fifth	34	\$9.9	4.5%
Sixth	29	\$13.2	7.3%
Seventh	39	\$11.3	4.4%
Eighth	13	\$13.8	6.1%
Ninth	189	\$8.0	4.9%
Tenth	16	\$6.7	6.0%
Eleventh	35	\$6.3	5.2%
DC	3	\$29.5	1.9%

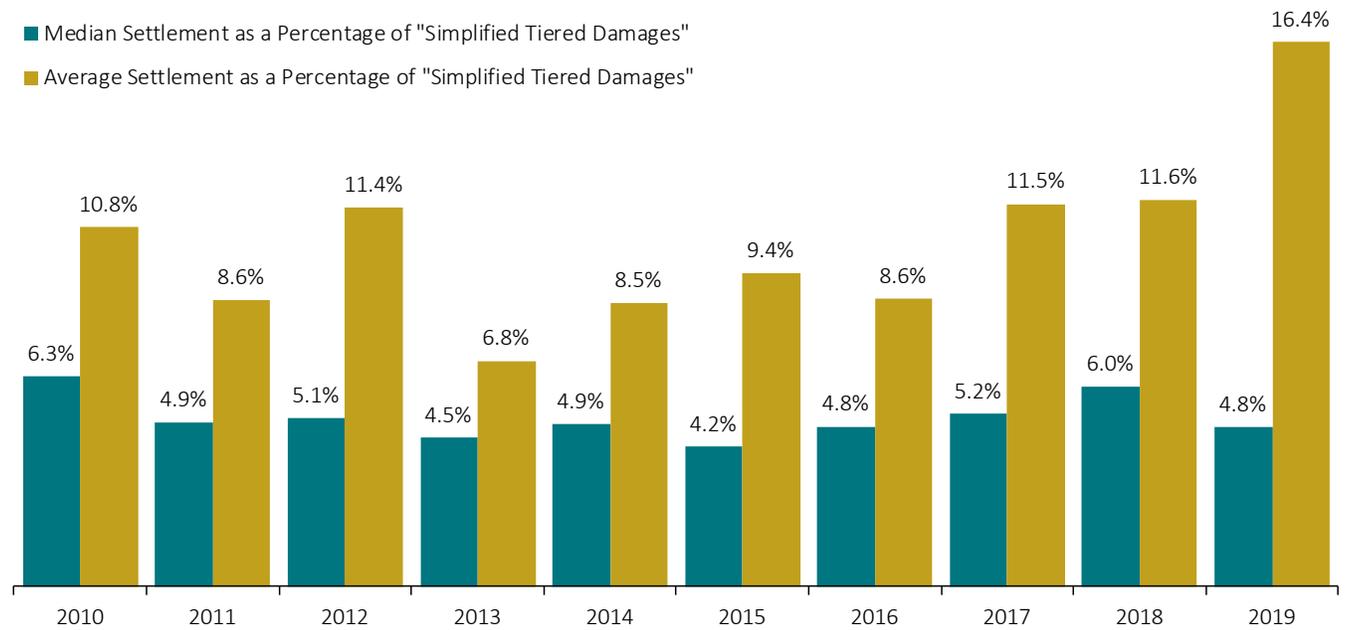
Note: Settlement dollars are adjusted for inflation; 2019 dollar equivalent figures are used. Settlements as a percentage of “simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims.

**Appendix 4: Mega Settlements
2010–2019**

- Total Mega Settlement Dollars as a Percentage of All Settlement Dollars
- Number of Mega Settlements as a Percentage of All Settlements



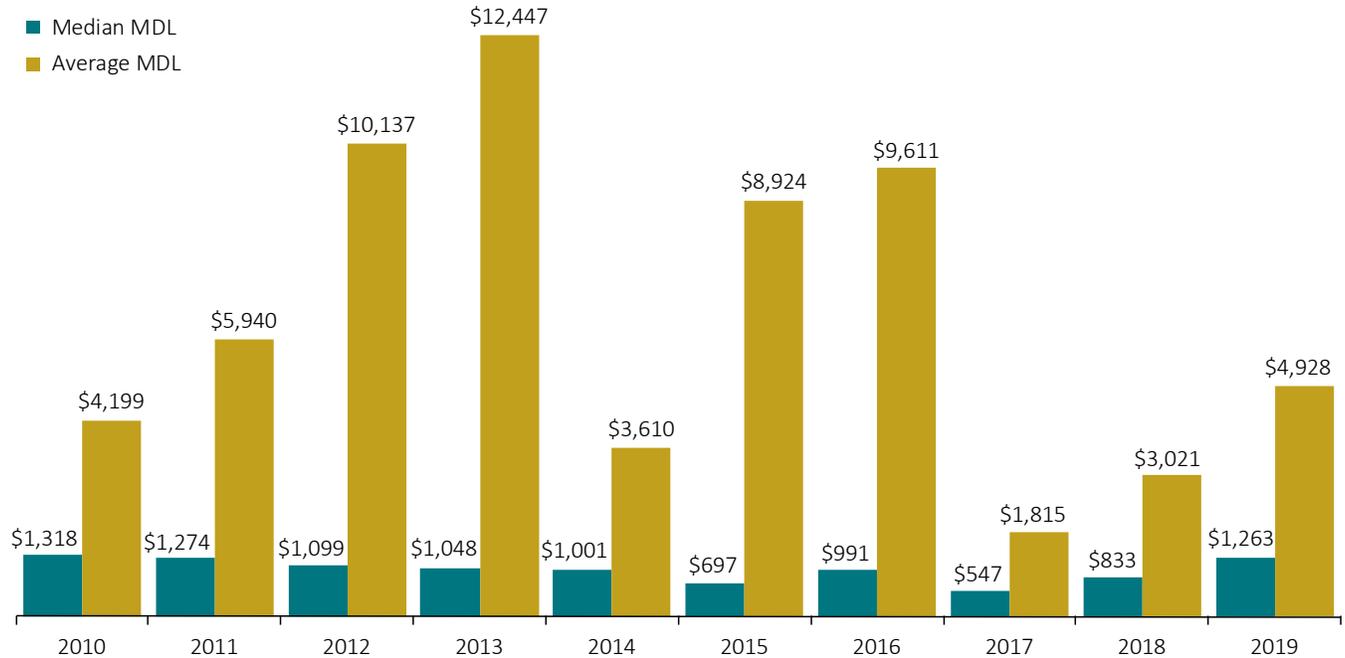
**Appendix 5: Median and Average Settlements as a Percentage of “Simplified Tiered Damages”
2010–2019**



Note: “Simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims.

**Appendix 6: Median and Average Maximum Dollar Loss (MDL)
2010–2019**

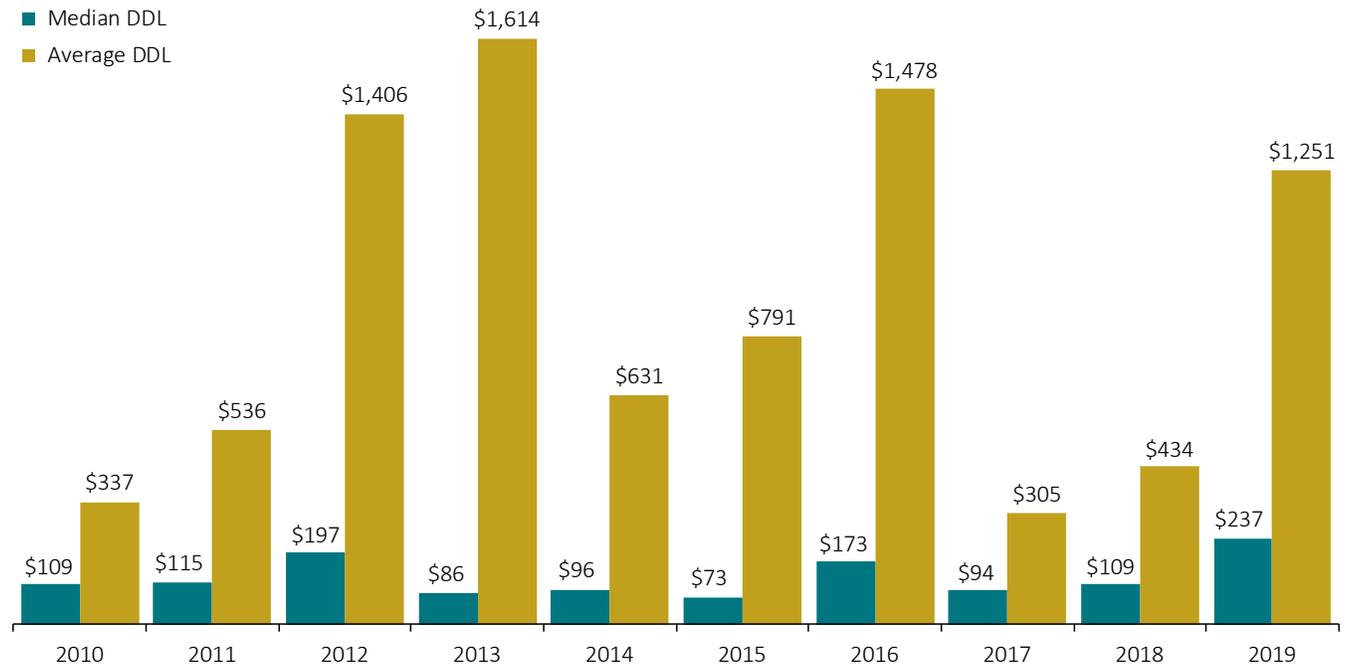
(Dollars in millions)



Note: MDL is adjusted for inflation based on class period end dates. MDL is the dollar value change in the defendant firm’s market capitalization from the trading day with the highest market capitalization during the class period to the trading day immediately following the end of the class period.

**Appendix 7: Median and Average Disclosure Dollar Loss (DDL)
2010–2019**

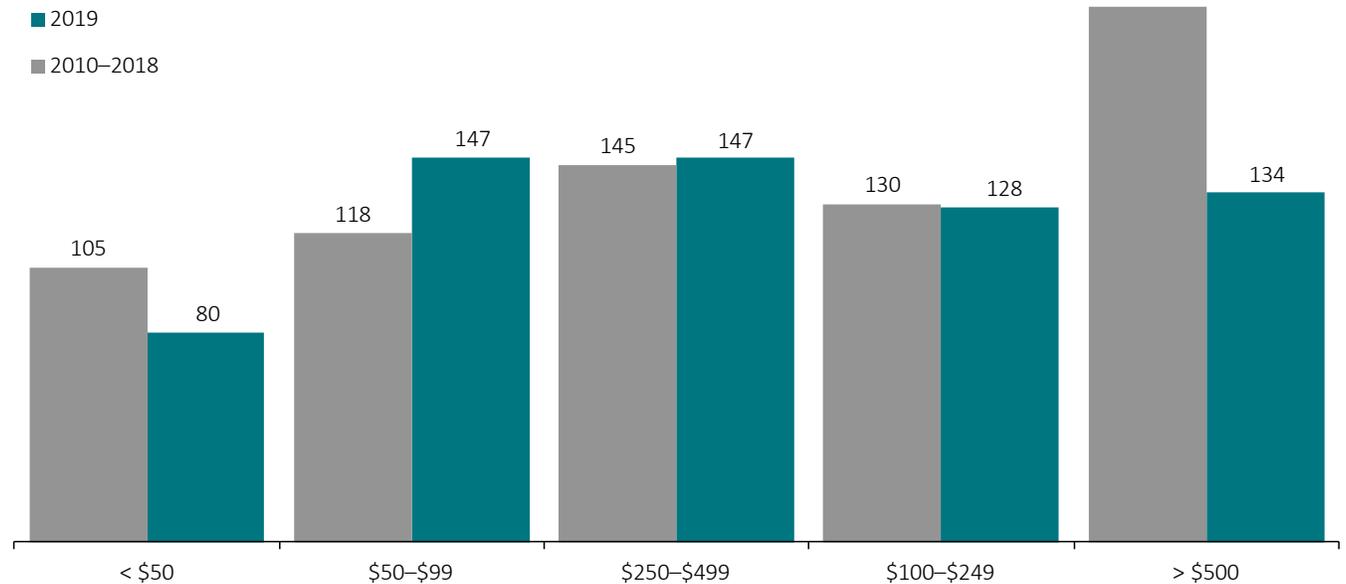
(Dollars in millions)



Note: DDL is adjusted for inflation based on class period end dates. DDL is the dollar value change in the defendant firm’s market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. This analysis excludes cases alleging ‘33 Act claims only.

**Appendix 8: Median Docket Entries by “Simplified Tiered Damages” Range
2010–2019**

(Dollars in millions)



Note: “Simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims.

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The authors acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research in the writing and preparation of this annual update.

Many publications quote, cite, or reproduce data, charts, or tables from Cornerstone Research reports. The authors request that you reference Cornerstone Research in any reprint, quotation, or citation of the charts, tables, or data reported in this study.

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EXHIBIT 6

CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

Securities Class Action Filings

2019 Year in Review

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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:

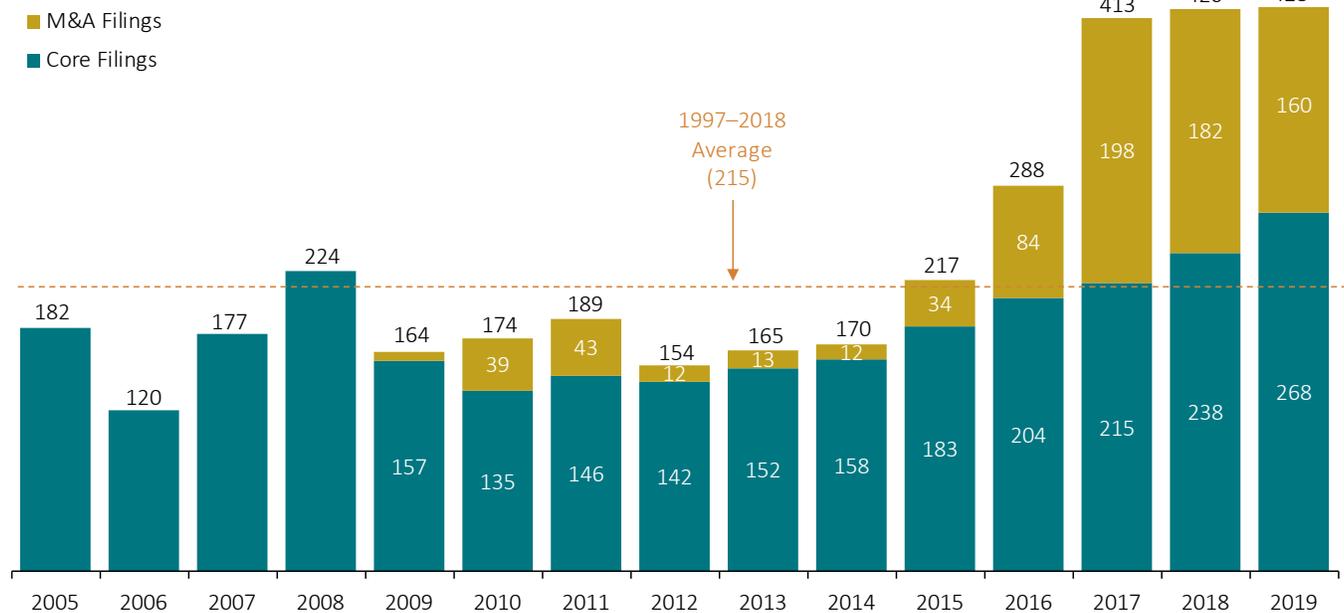
- Filings in state courts may have parallel cases filed in federal courts. When parallel cases are filed in different years, the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings.
- 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.
- 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

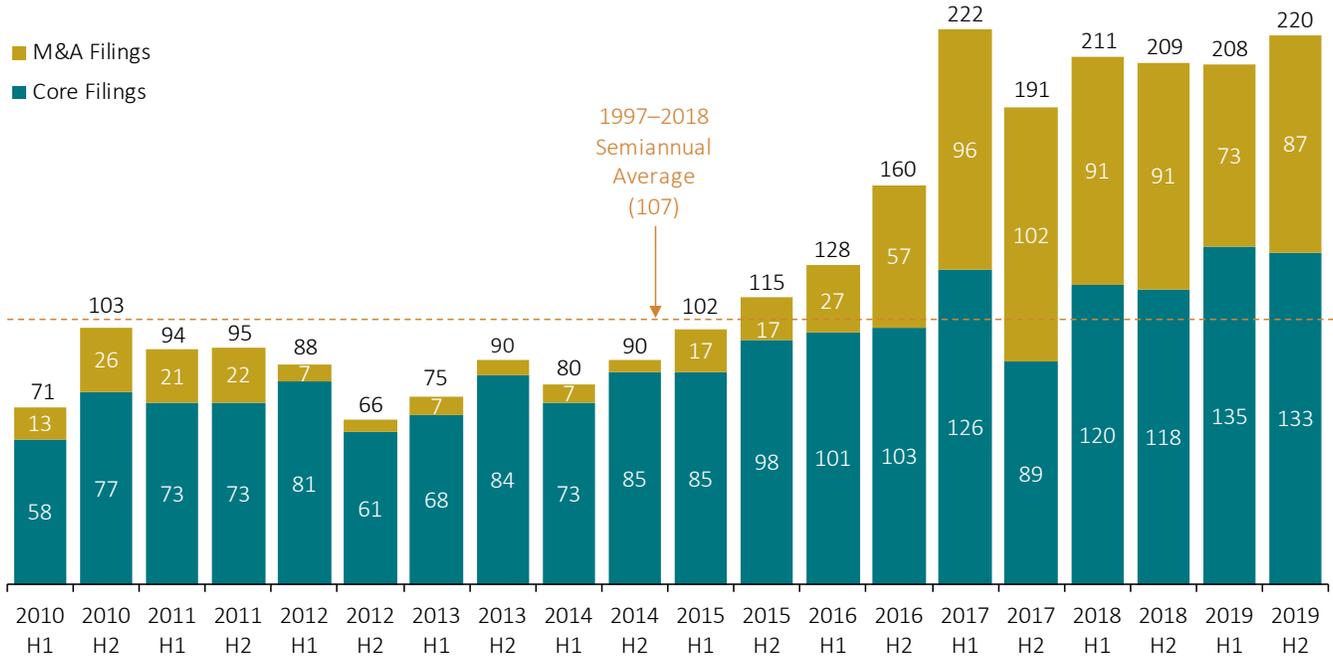


Note: This figure begins including state 1933 Act filings in the annual counts in 2010. Parallel class actions are only reflected as a single filing.

- 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®)

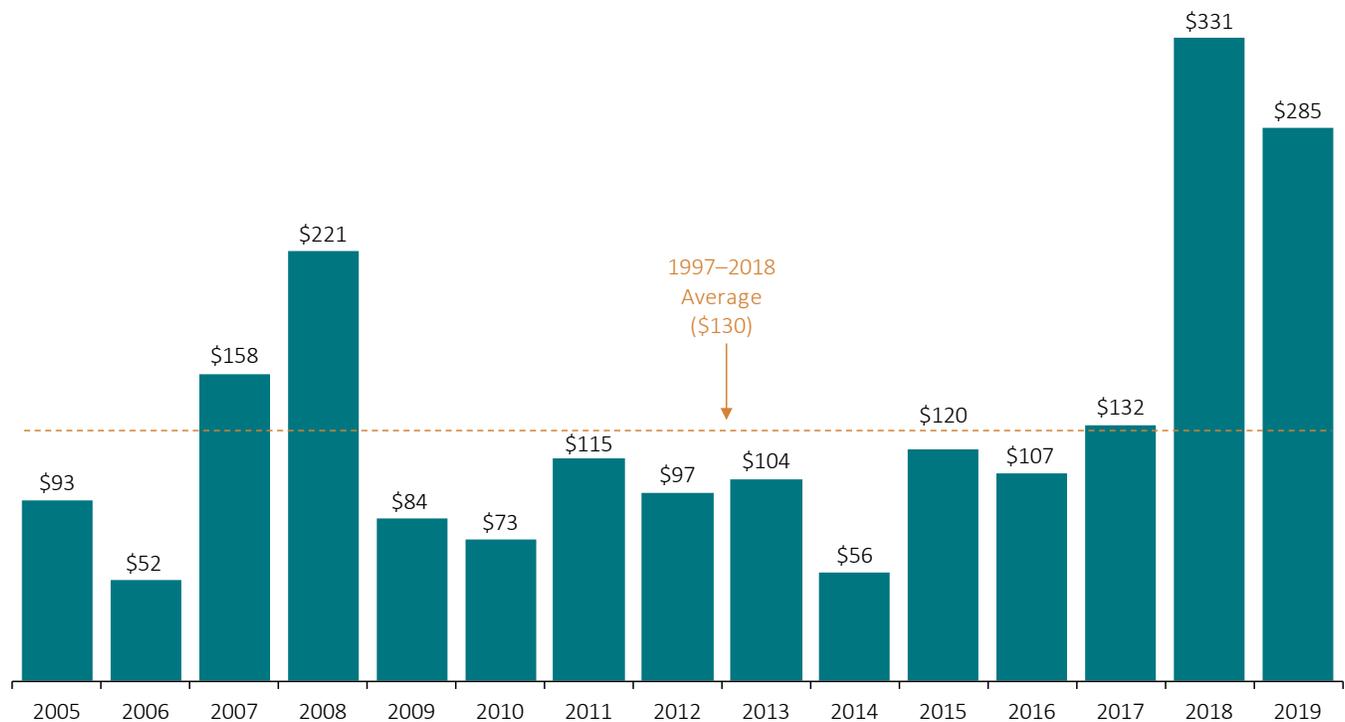
This index measures the aggregate annual DDL for all federal and state filings. DDL is the dollar value change in the defendant firm’s market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. See the Glossary for additional discussion on market capitalization losses and DDL.

- The DDL Index 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.

The DDL Index remained significantly elevated in 2019 despite a sizable decline from last year’s record.

Figure 6: Disclosure Dollar Loss Index® (DDL Index®) 2005–2019

(Dollars in Billions)

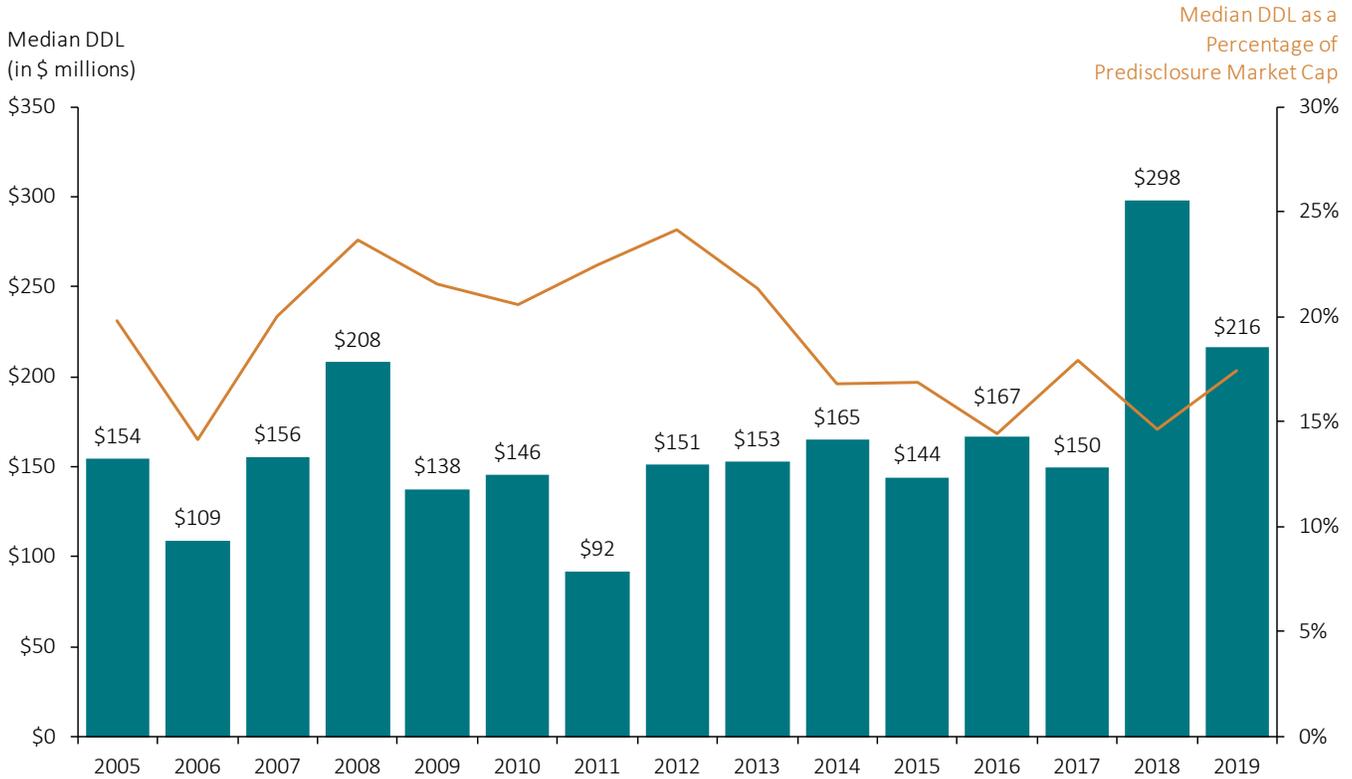


Note: This figure begins including DDL associated with state 1933 Act filings in 2010. DDL associated with parallel class actions are only counted once.

- 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.

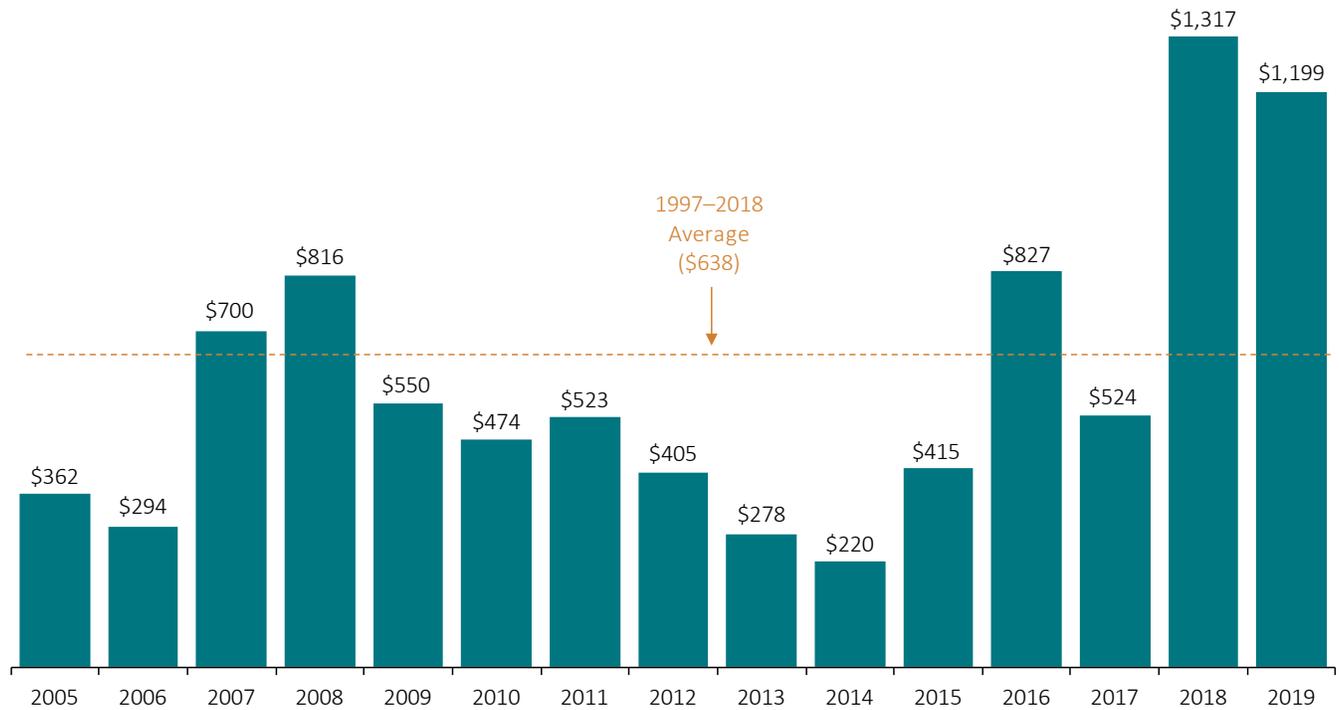
- The MDL Index reached \$1.2 trillion in 2019, the fourth-largest year on record. Relative to 2018, the MDL Index declined by 9 percent. See Appendix 1 for MDL totals, averages, and medians from 1997 to 2019.

- 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 Filings²					
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

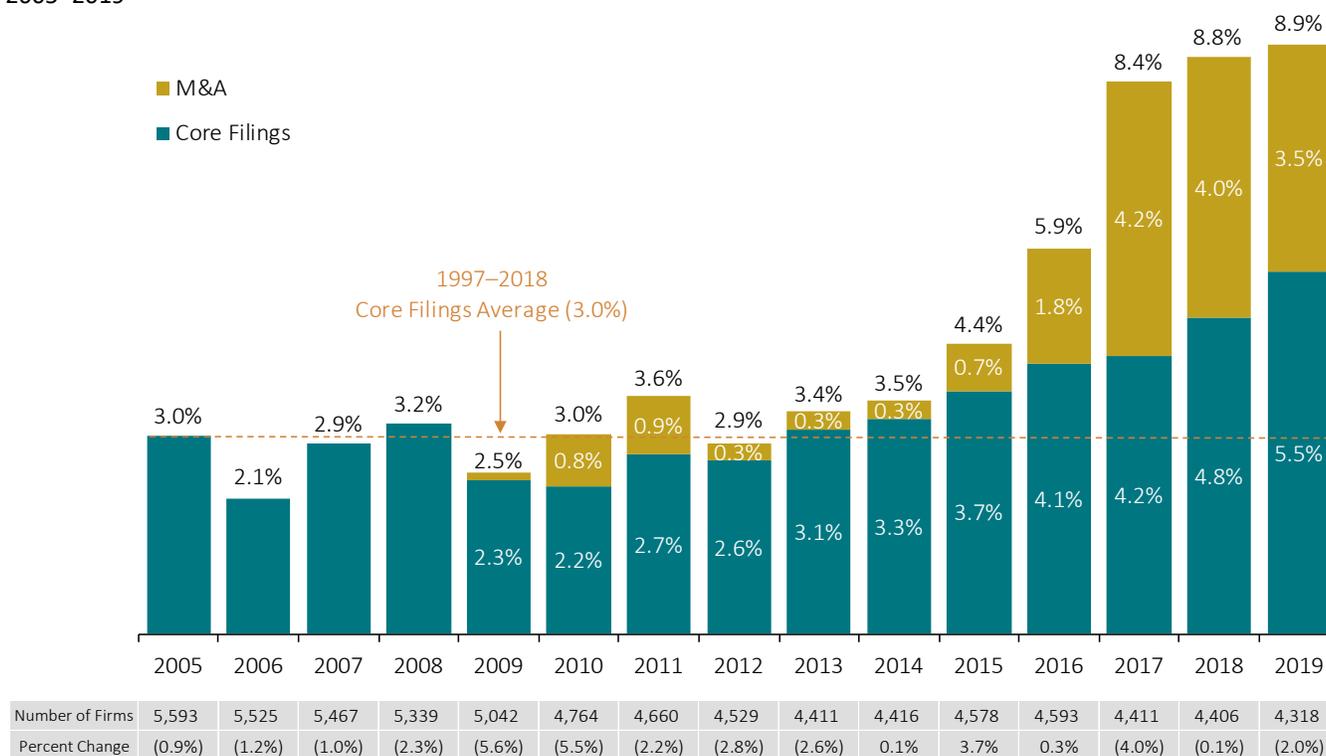
The percentages below are calculated as the unique number of companies listed on the NYSE or Nasdaq subject to federal or state securities fraud class actions in a given year divided by the unique number of companies listed on the NYSE or Nasdaq.

- 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



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, while the rate of core federal filings against Telecommunications/Information Tech firms fell by more than 50 percent.
- The Consumer Staples, Industrials, 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%
Telecommunications/ Information Tech	6.3%	2.4%	7.1%	3.8%	9.1%	0.0%	4.2%	6.8%	8.5%	12.7%	5.9%
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%+
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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.

- 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%
Telecommunications/Information Tech	9.5%	5.9%	13.4%	2.2%	16.6%	0.0%	7.0%	12.3%	4.4%	19.4%	18.5%
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%



Note:

- The figure is based on the composition of the S&P 500 as of the last trading day of the previous year.
- Sectors are based on the Global Industry Classification Standard (GICS).
- 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.
- In August 2016, GICS added a new industry sector, Real Estate. This analysis begins using the Real Estate industry sector in 2017.

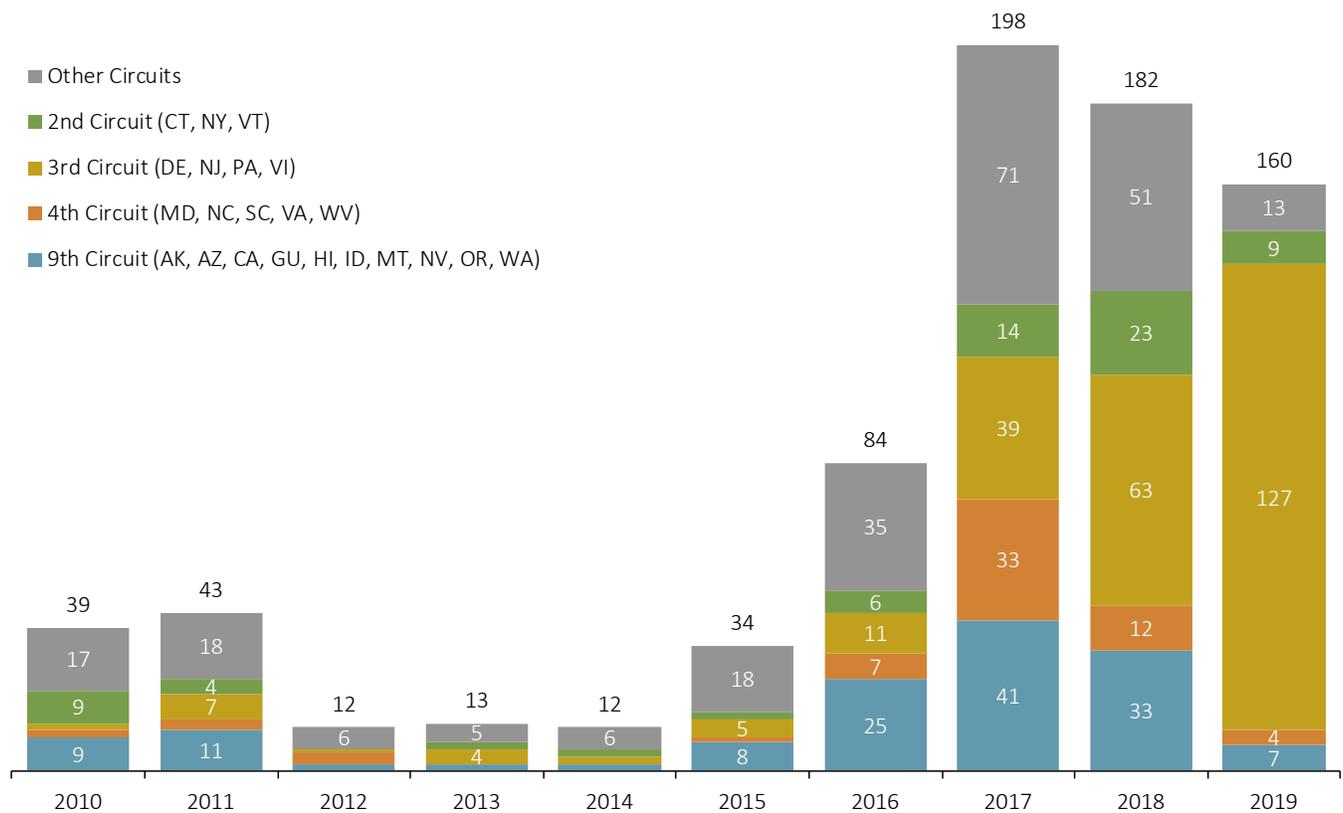
M&A Filings by Federal Circuit

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:

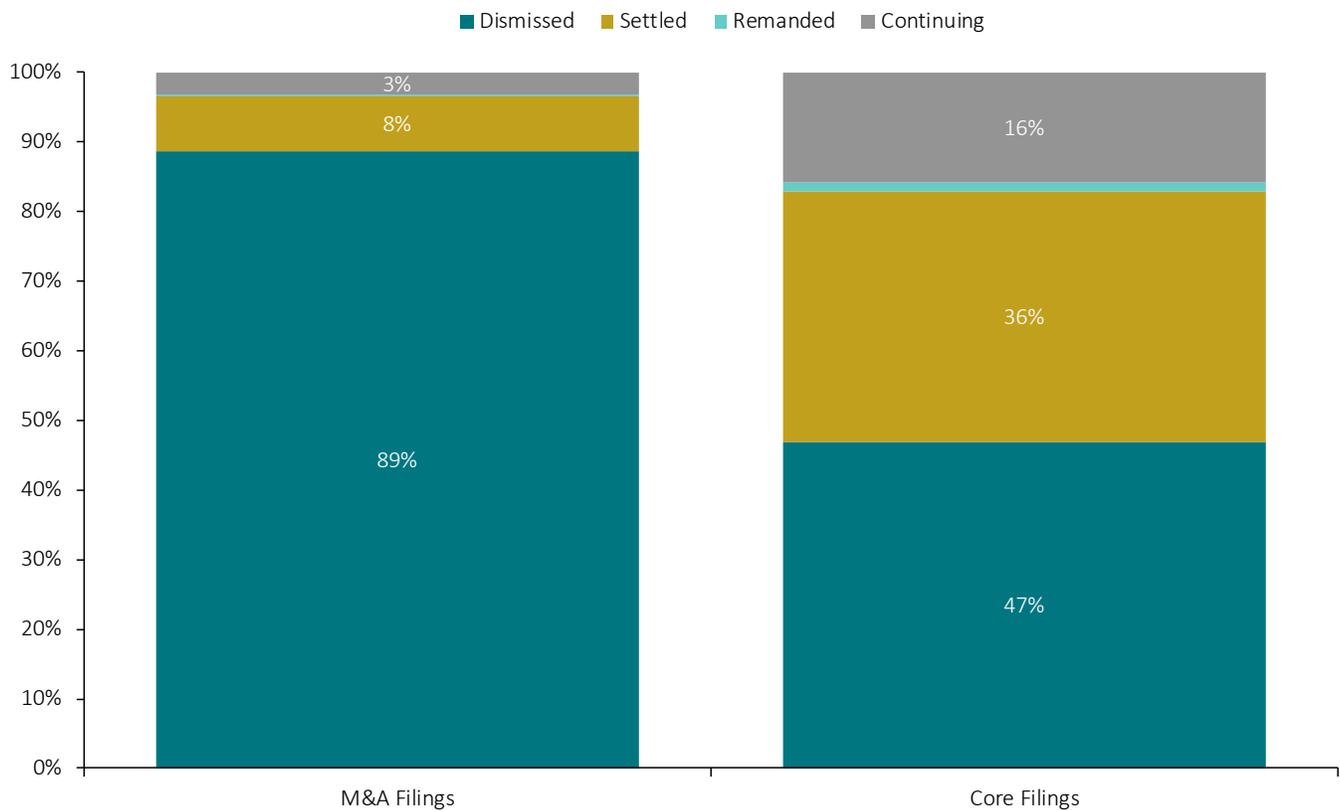
1. See <http://courts.delaware.gov/opinions/download.aspx?ID=235370>.
2. The Securities Class Action Clearinghouse began tracking M&A filings as a separate category in 2009.

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.

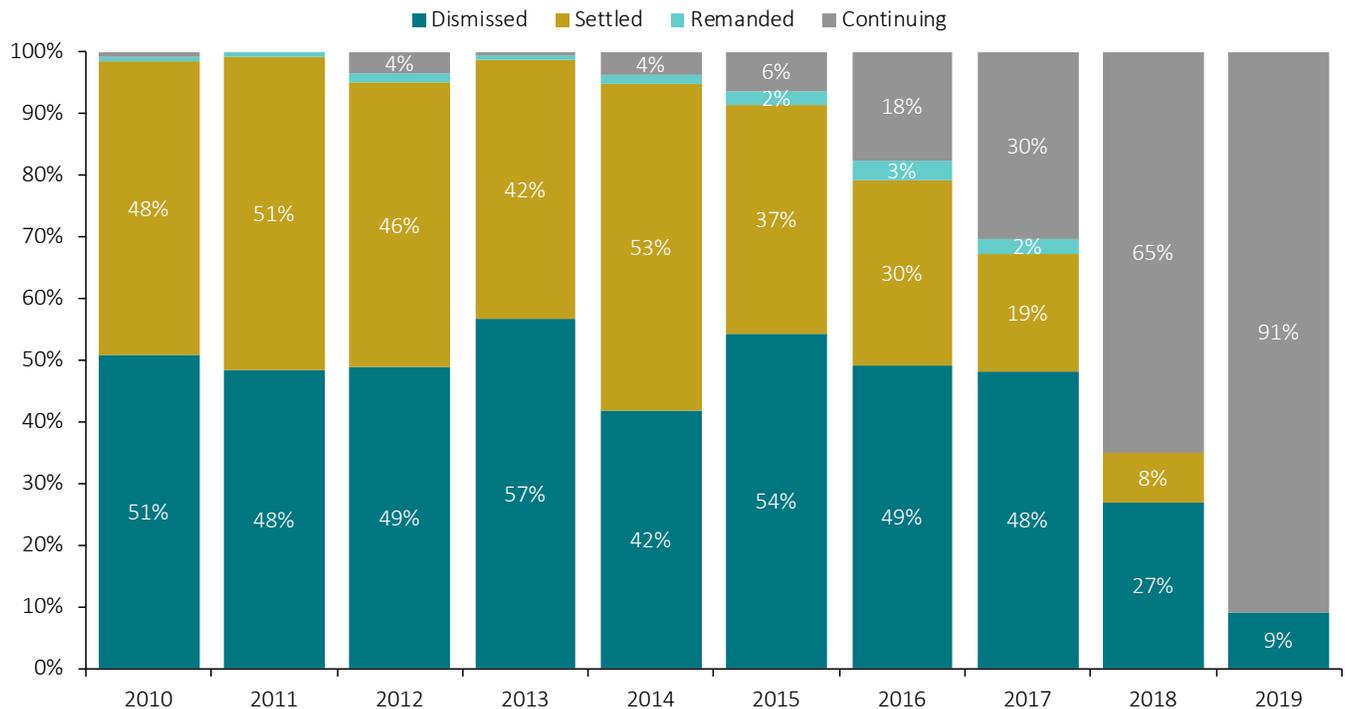
Status of Federal Securities Class Action Filings

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.

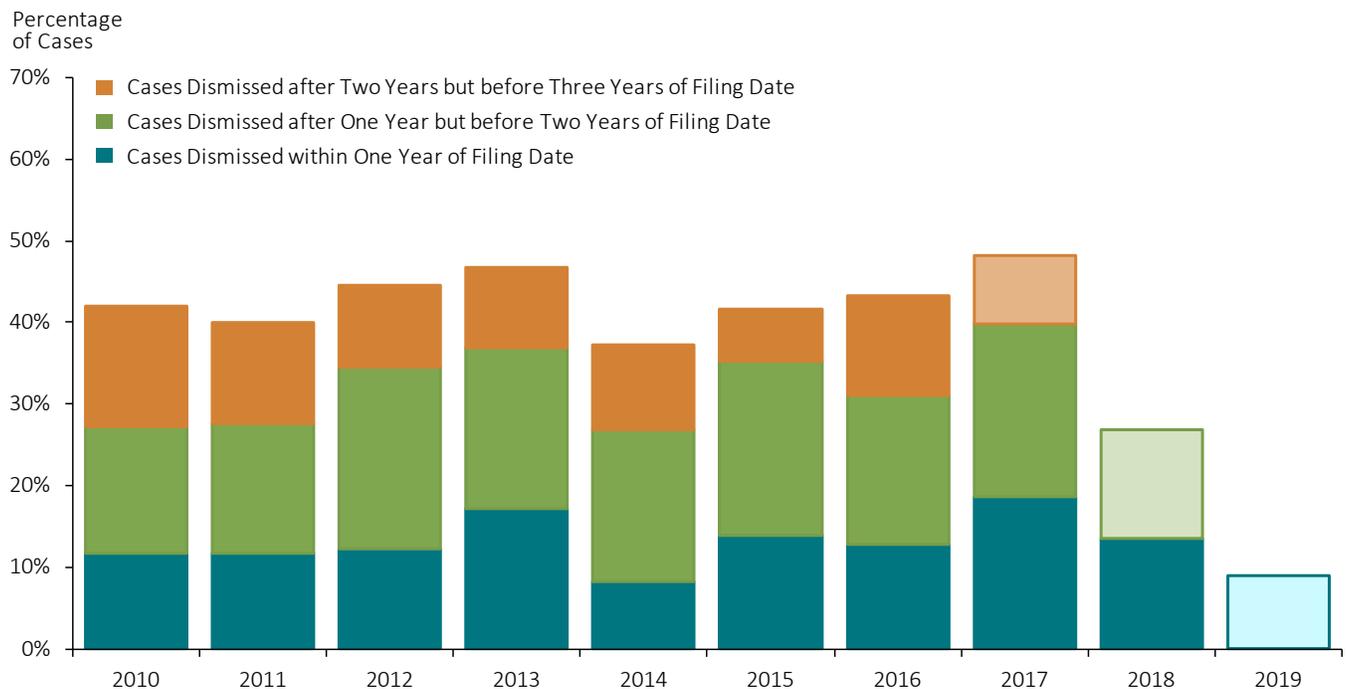
Timing of Dismissals of Federal Filings

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

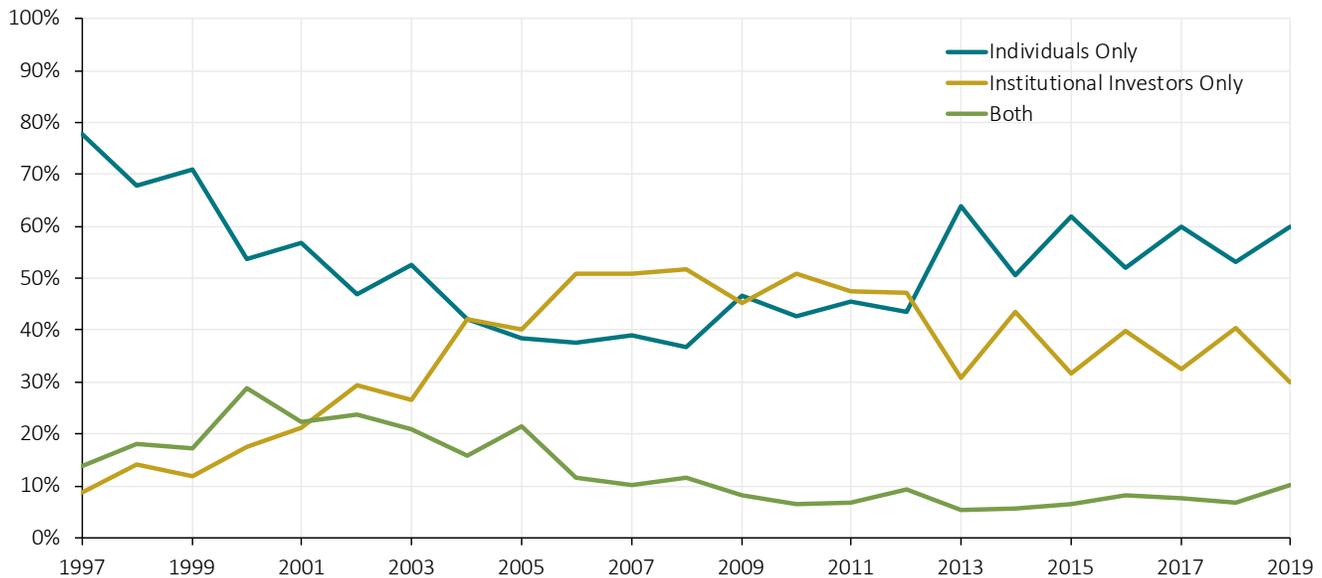
This analysis examines how frequently individual or institutional investors were appointed as lead plaintiff in core federal filings.

- 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

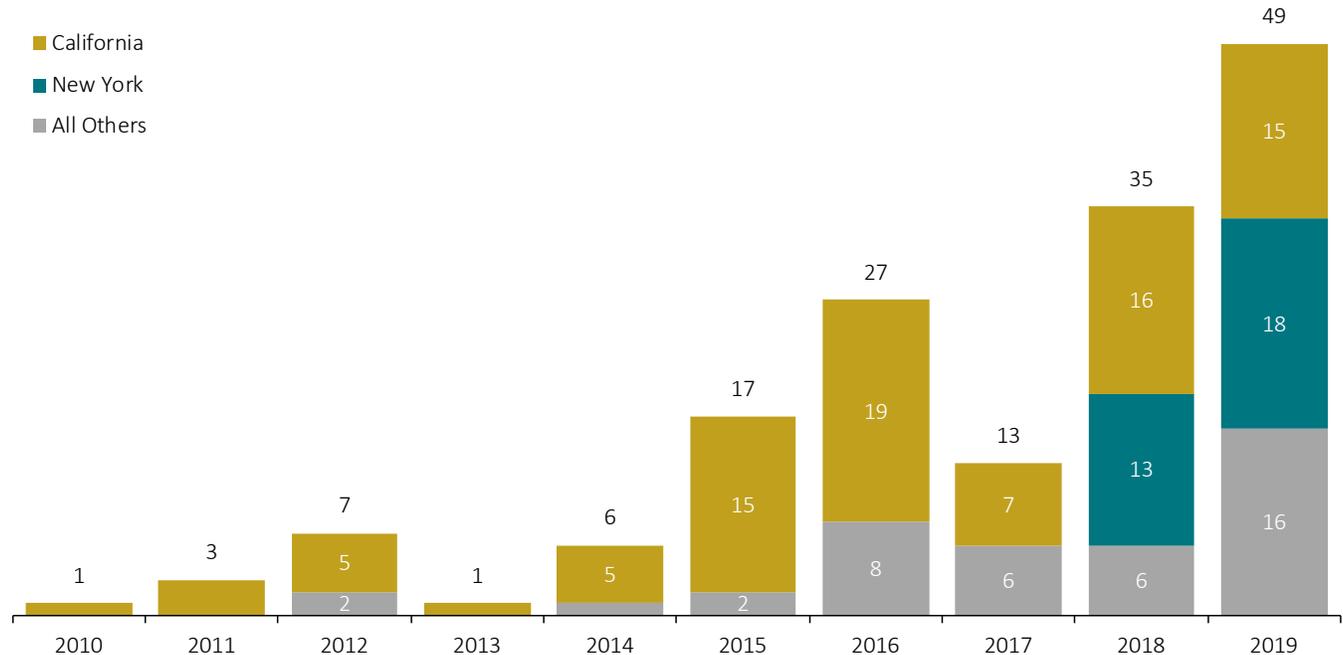
The following data include 1933 Act filings in California, New York, and other state courts. The figure below illustrates all the filings currently in the dataset. Filings from prior years are added retrospectively when identified.

- 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.

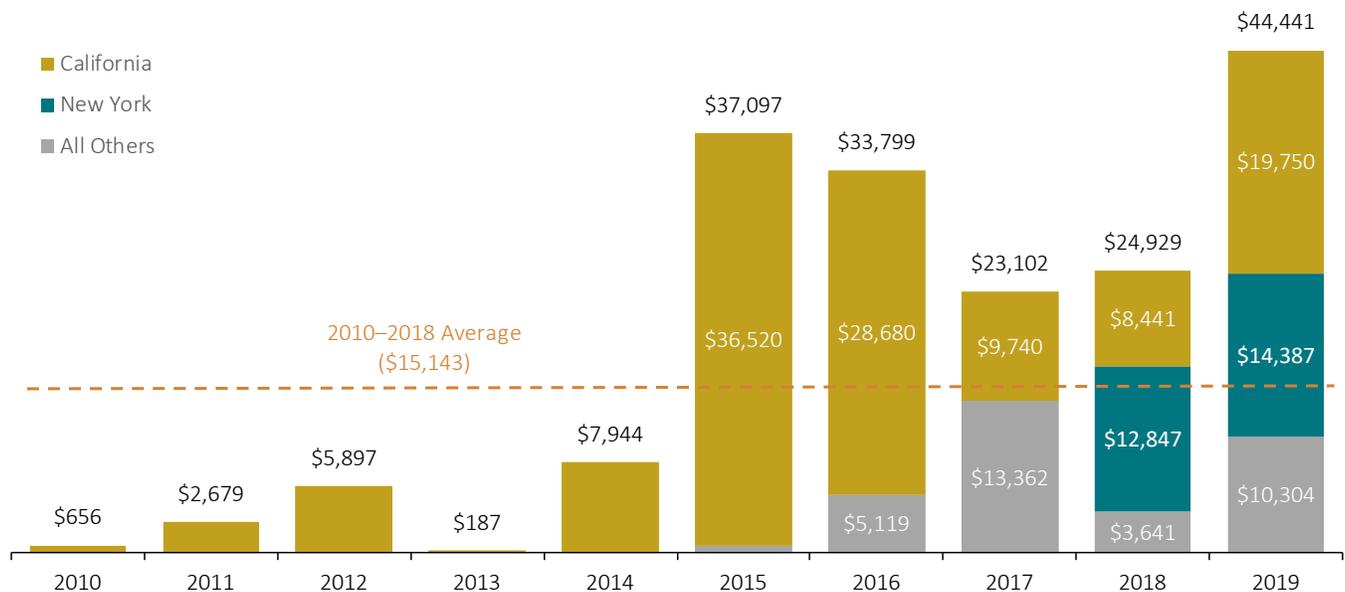
1933 Act Cases Filed in State Courts— Size of Filings

- In 2019, MDL for state 1933 Act filings increased to \$44.4 billion, almost three times the 2010–2018 average.
- 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.

California state 1933 Act filings made up nearly 45 percent of the MDL in 2019.

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.

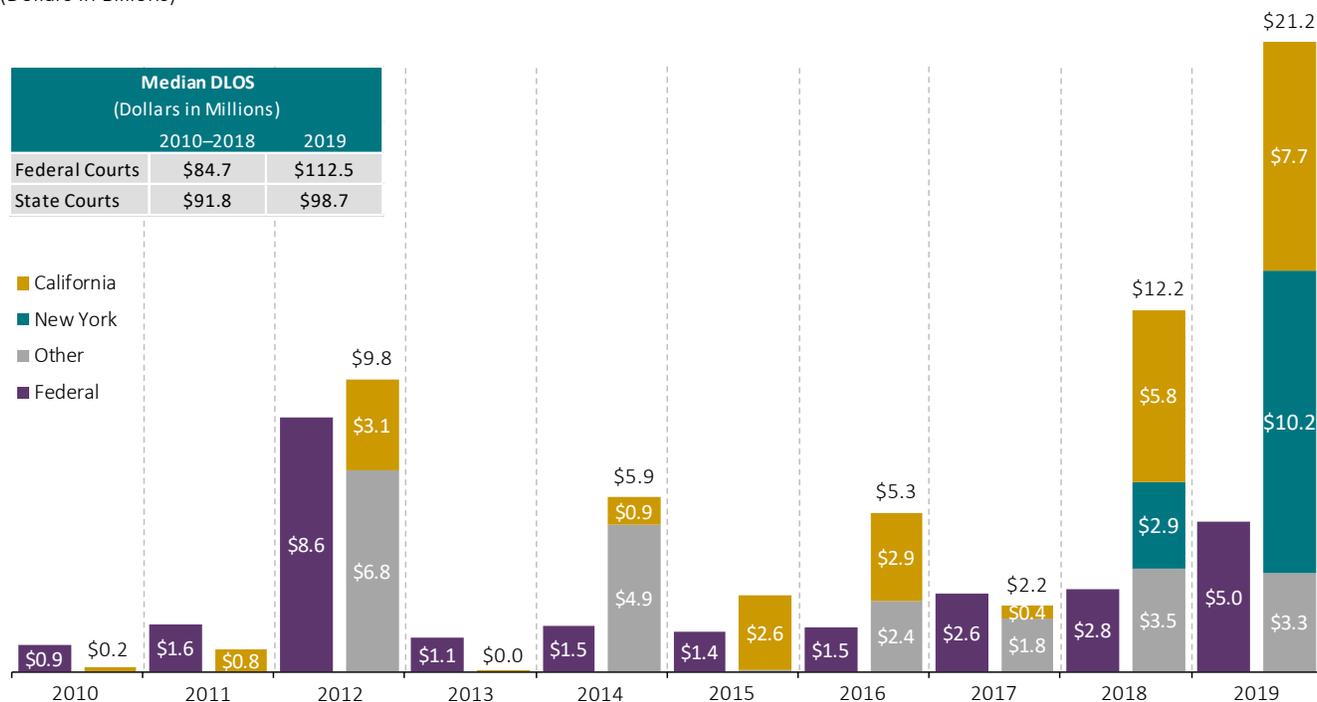
This alternative measure of losses has been calculated for federal filings involving only Section 11 claims (i.e., no Section 10b claims) and 1933 Act filings in state courts. This measure, Dollar Loss on Offered Shares (DLOS), aims to capture more precisely than MDL the dollar loss associated with the 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)



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*

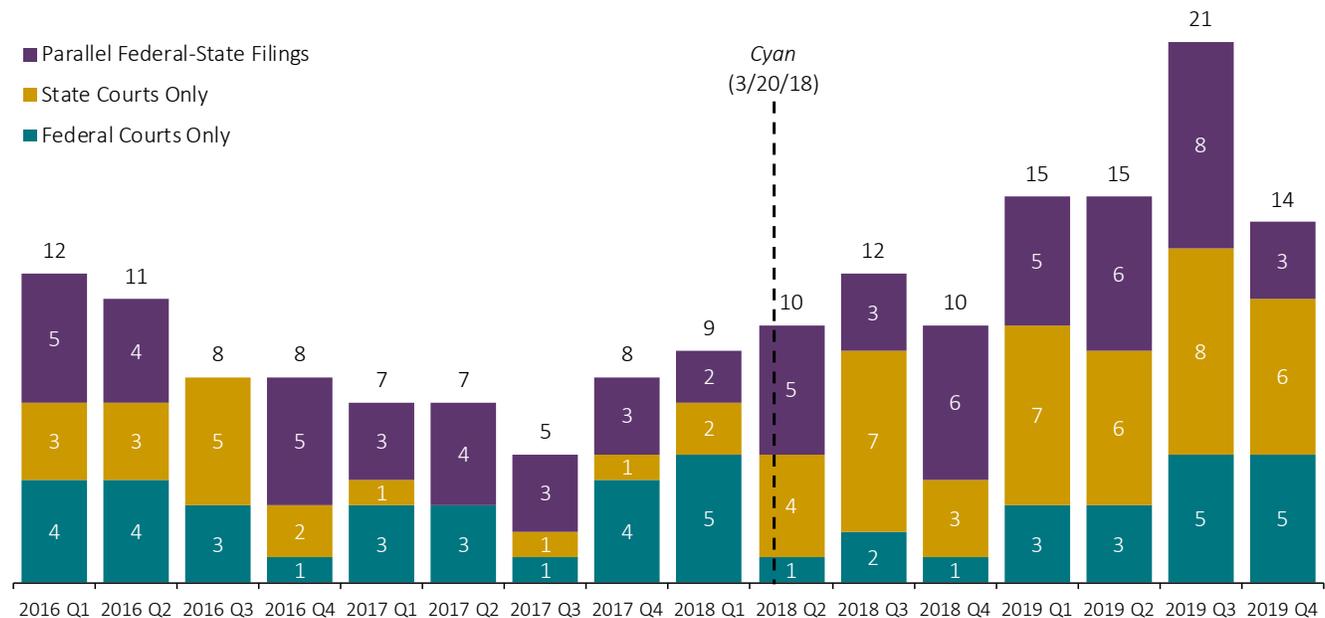
The figure below is a combined measure of Section 11 filing activity in federal courts and 1933 Act filings in state courts. It highlights parallel (or related) class actions in federal and state courts.

- 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.

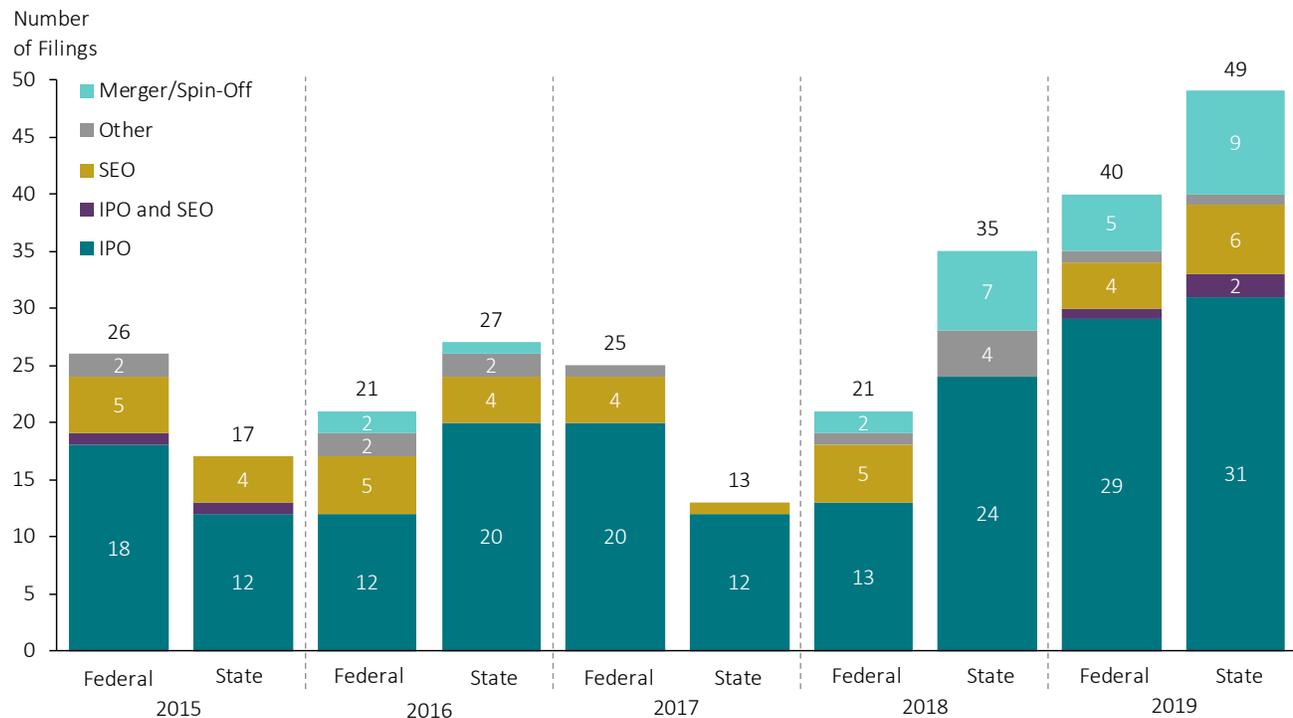
New: Type of Security Issuance Underlying Federal Section 11 and State 1933 Act Filings

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:

- The federal Section 11 data displayed may contain Rule 10b-5 claims, but state 1933 Act filings do not.
- Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims.
- There was one federal court filing in 2019 related to both a merger-related issuance and SEO. This analysis categorizes this filing as relating to a merger-related issuance to avoid double-counting.

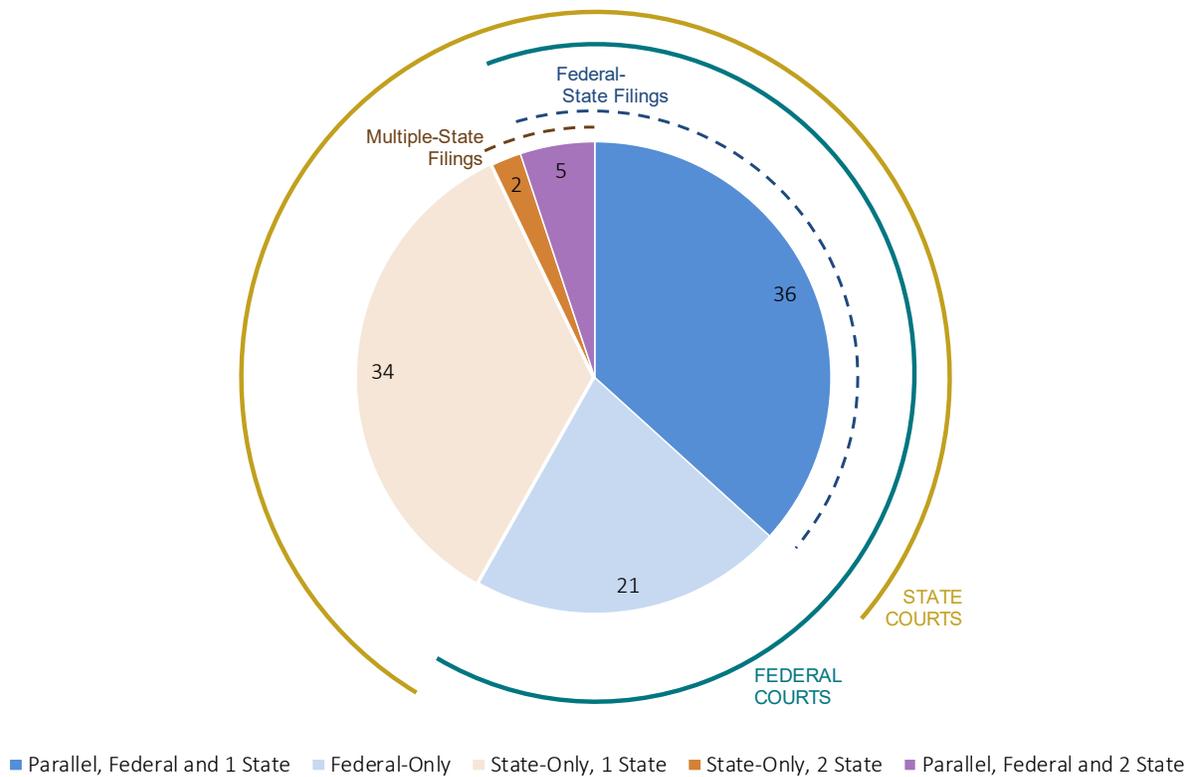
New: 1933 Act Filings by Venue—Post-Cyan

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*.

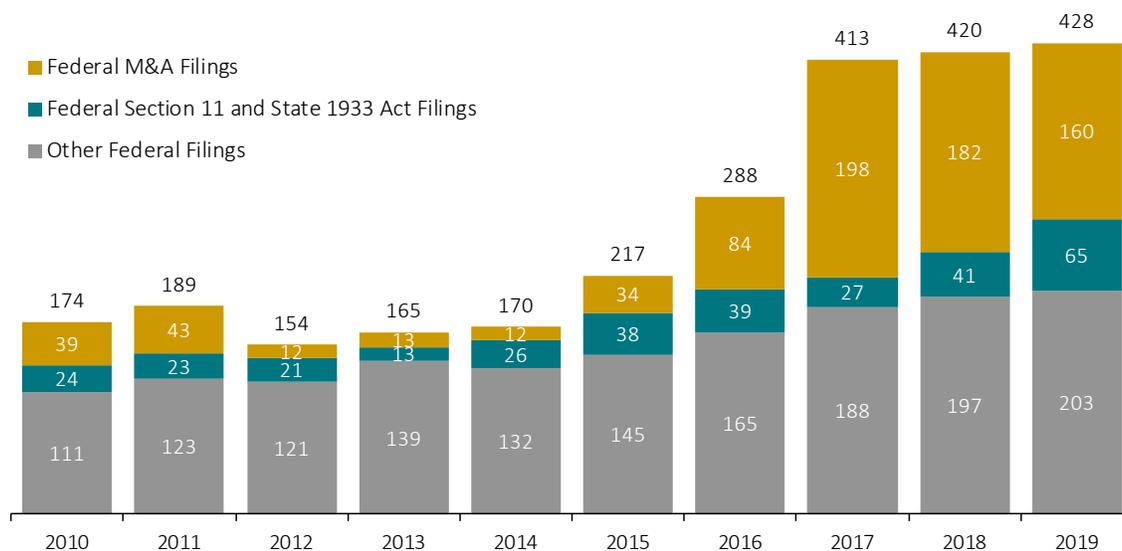
Combined Federal and State Filing Activity—Highlighting Federal Section 11 and State 1933 Act Filings

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.

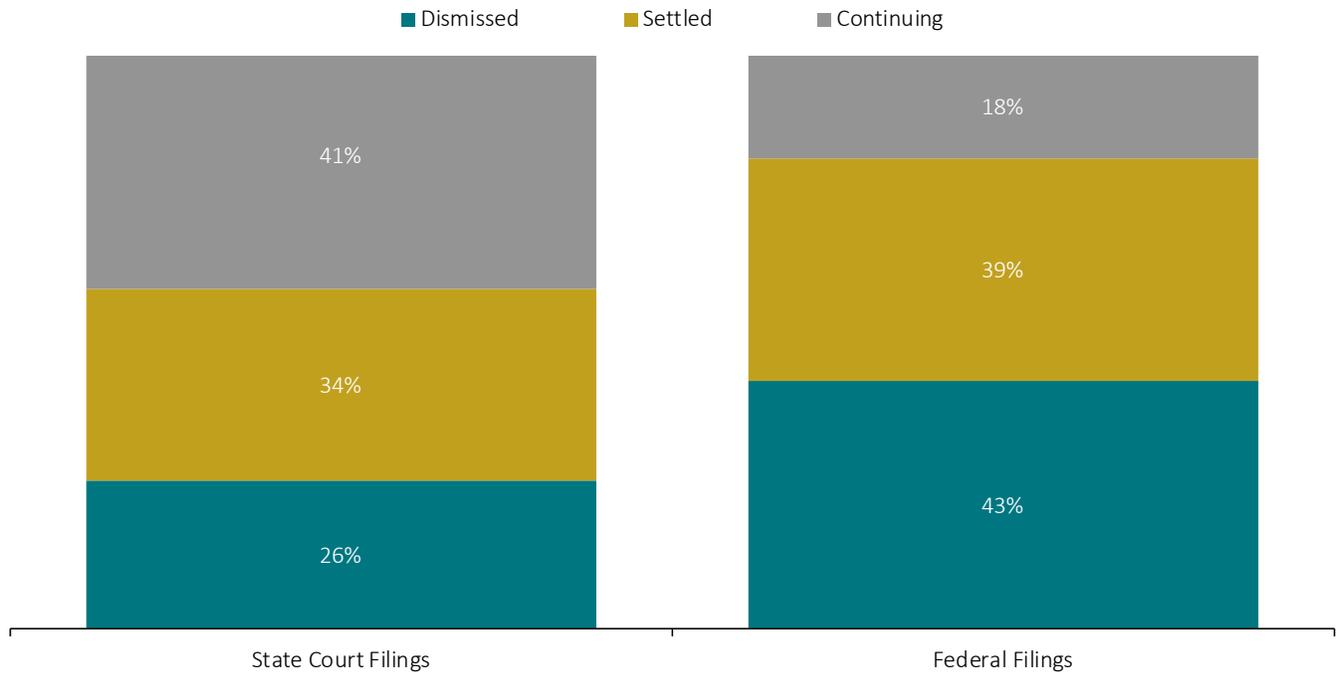
Section 11 Cases Filed in State Courts— Case Status

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:

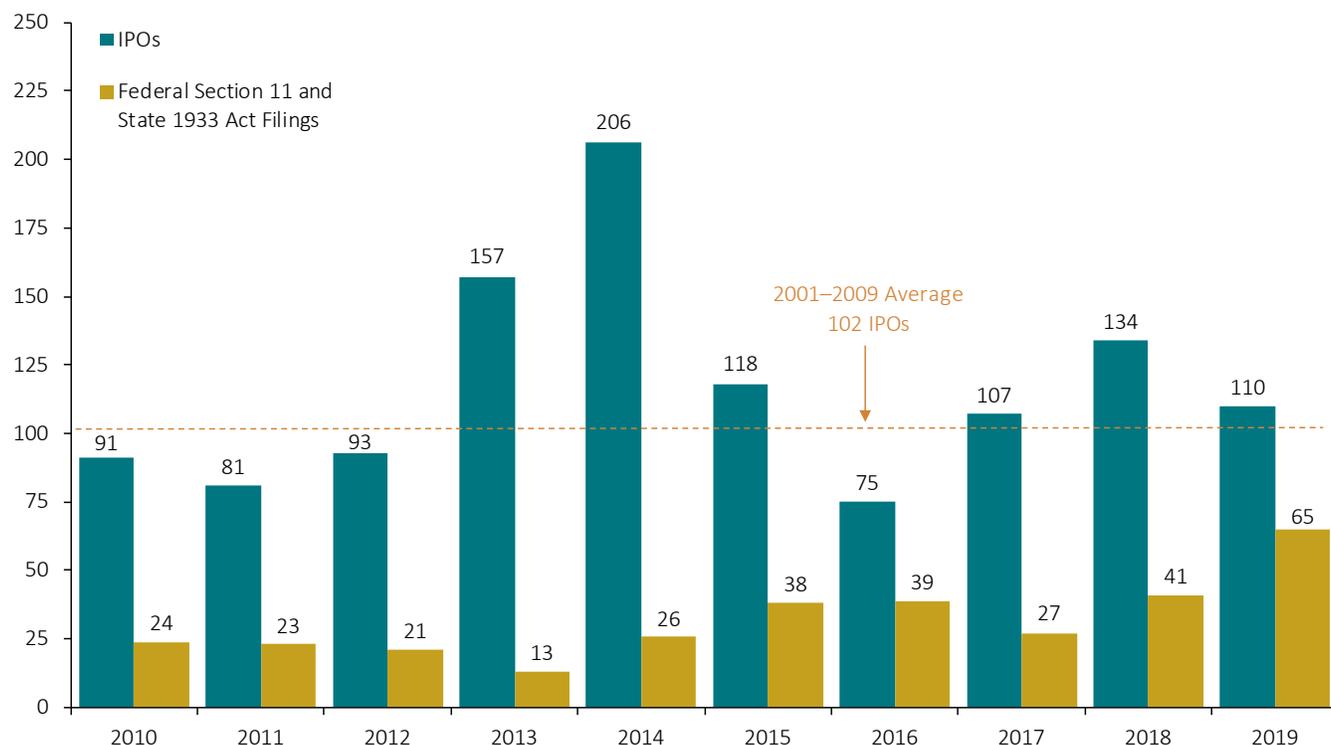
1. The 2019 filing cohort is excluded since a large percentage of cases are ongoing.
2. If a matter is remanded from federal court to a state court, it is recorded in the state court column based on its state court disposition. Alternatively, if a matter is removed from a state court to federal court, 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 Depositary 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.

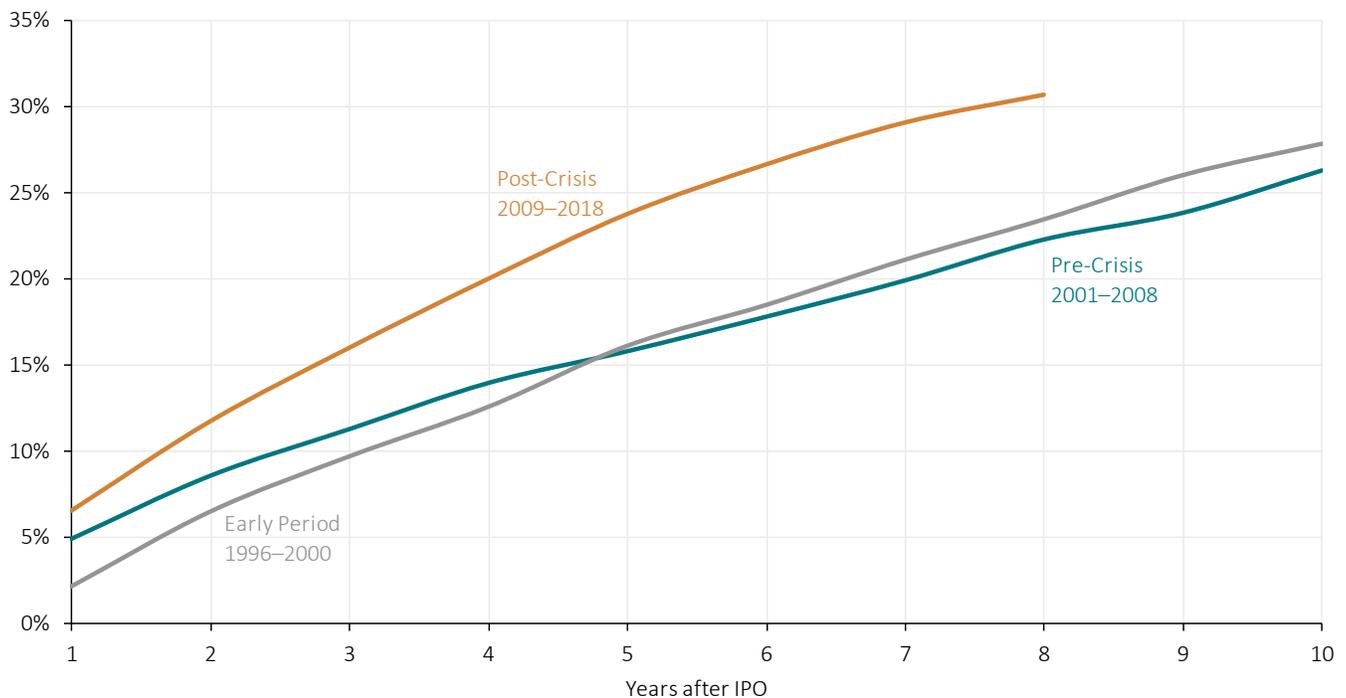
IPO Litigation Likelihood

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.
- 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.

IPOs from 2009 through 2018 have been subject to litigation at a steadily higher rate than earlier cohorts in the years after the IPO.

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

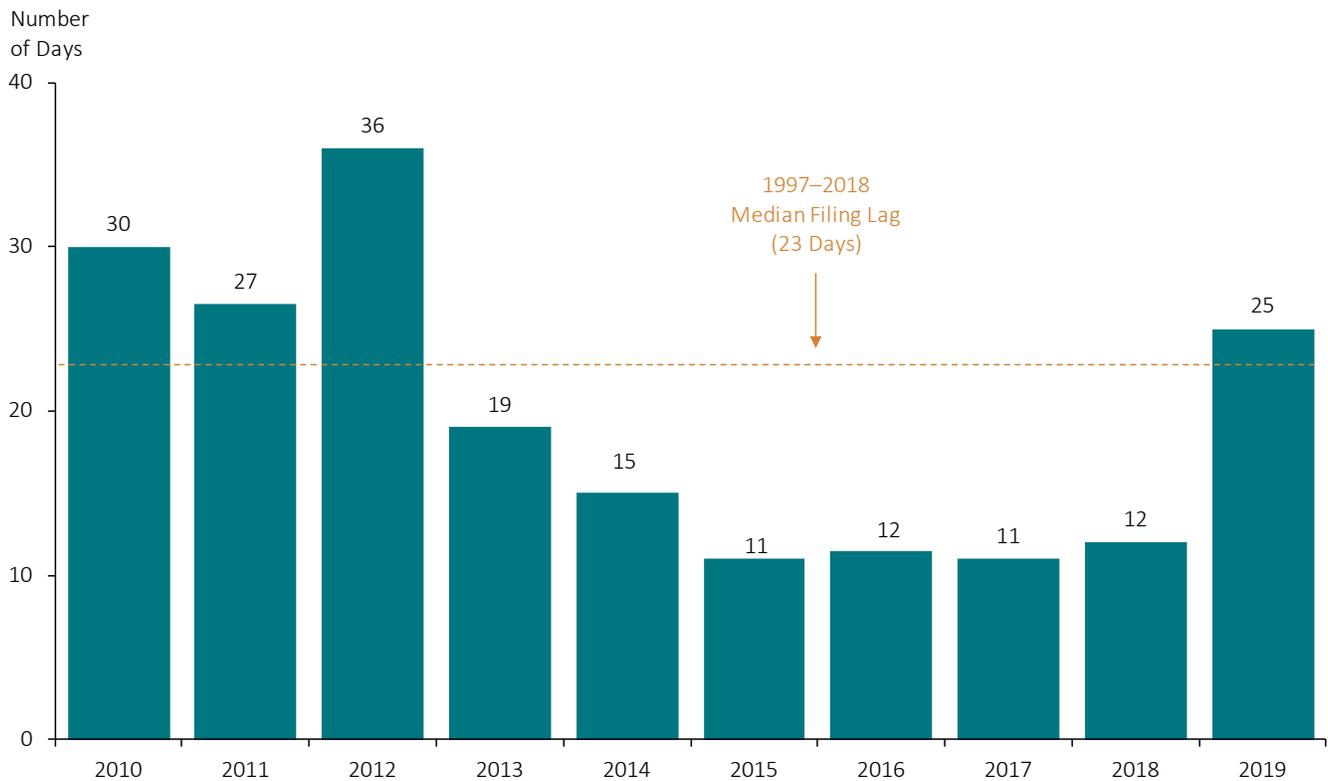
This analysis reviews the number of days between the end of the class period and the filing date of a core federal securities class action.

- 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.

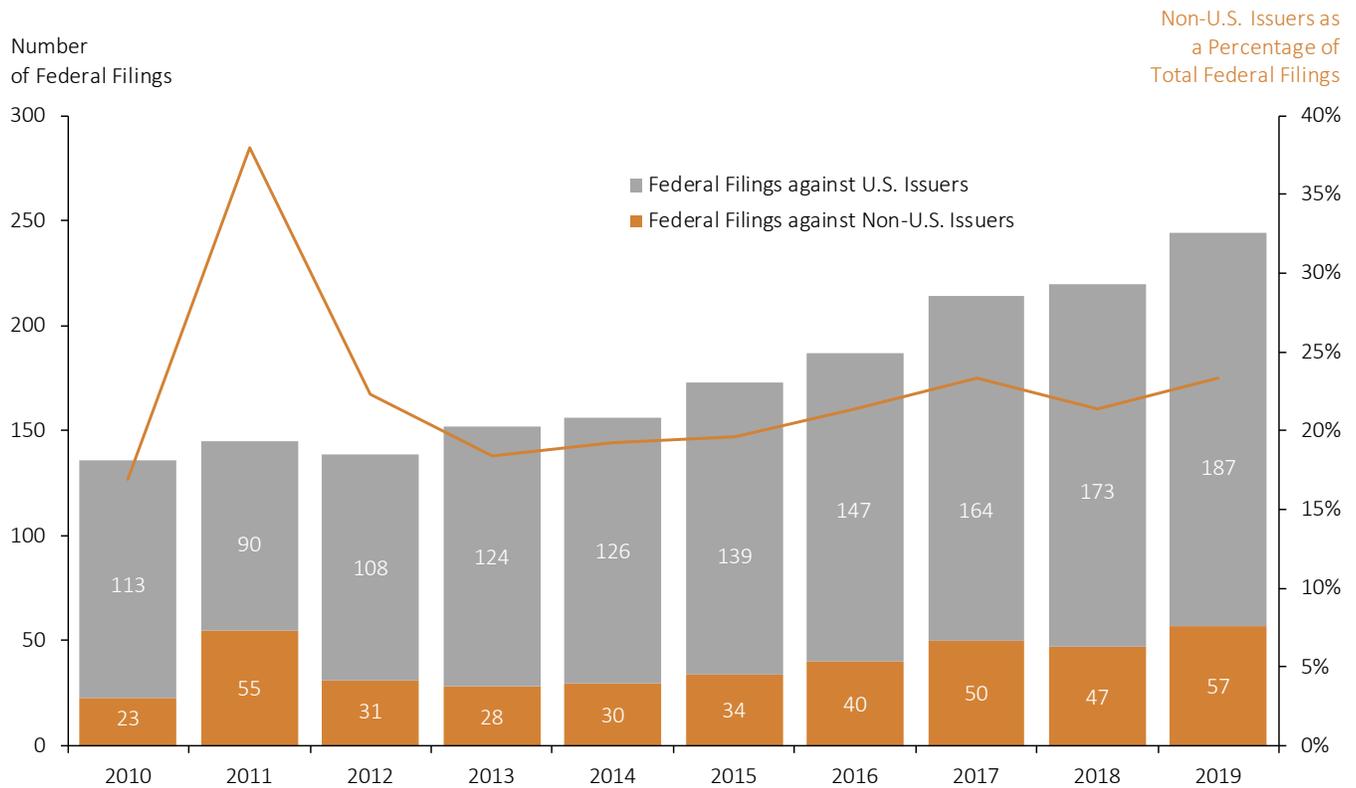
Non-U.S. Federal Filings

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.

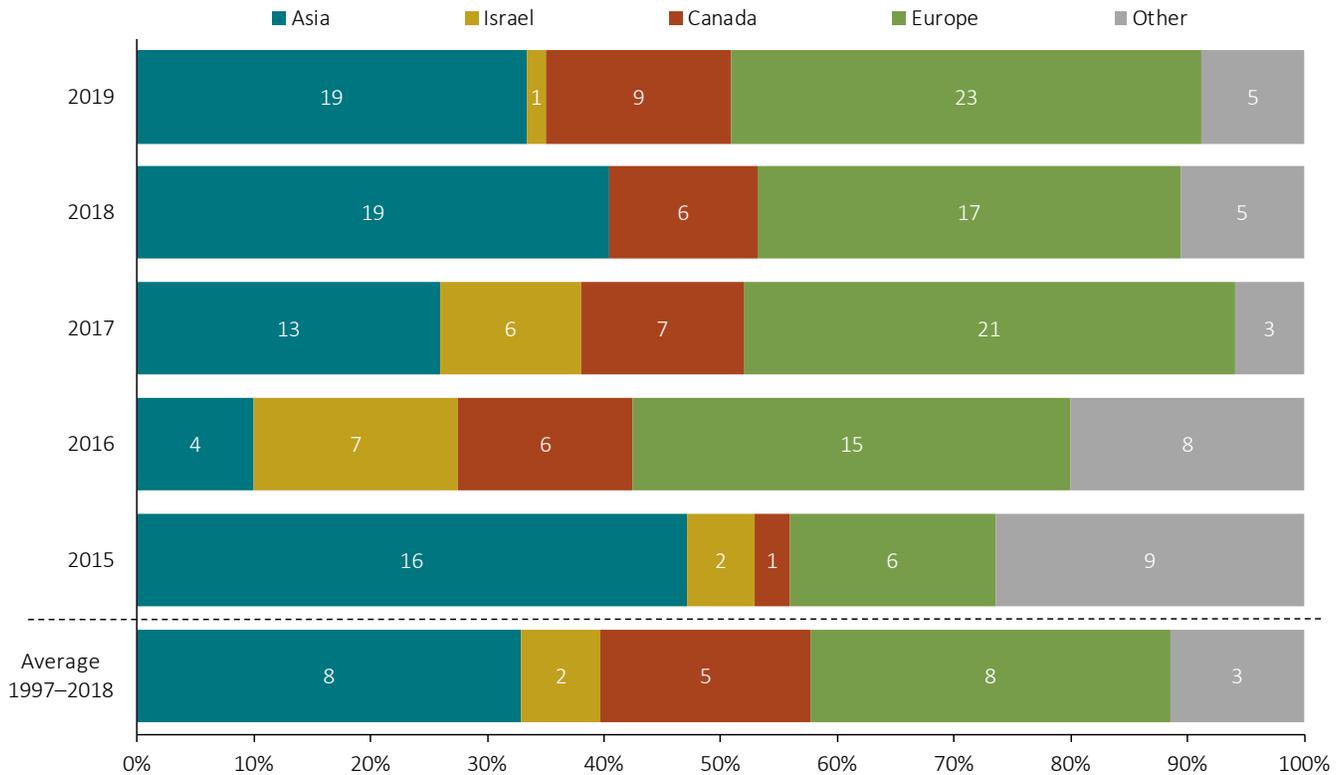
Figure 29: Annual Number of Class Action Filings by Location of Headquarters—Core Federal Filings 2010–2019



- 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



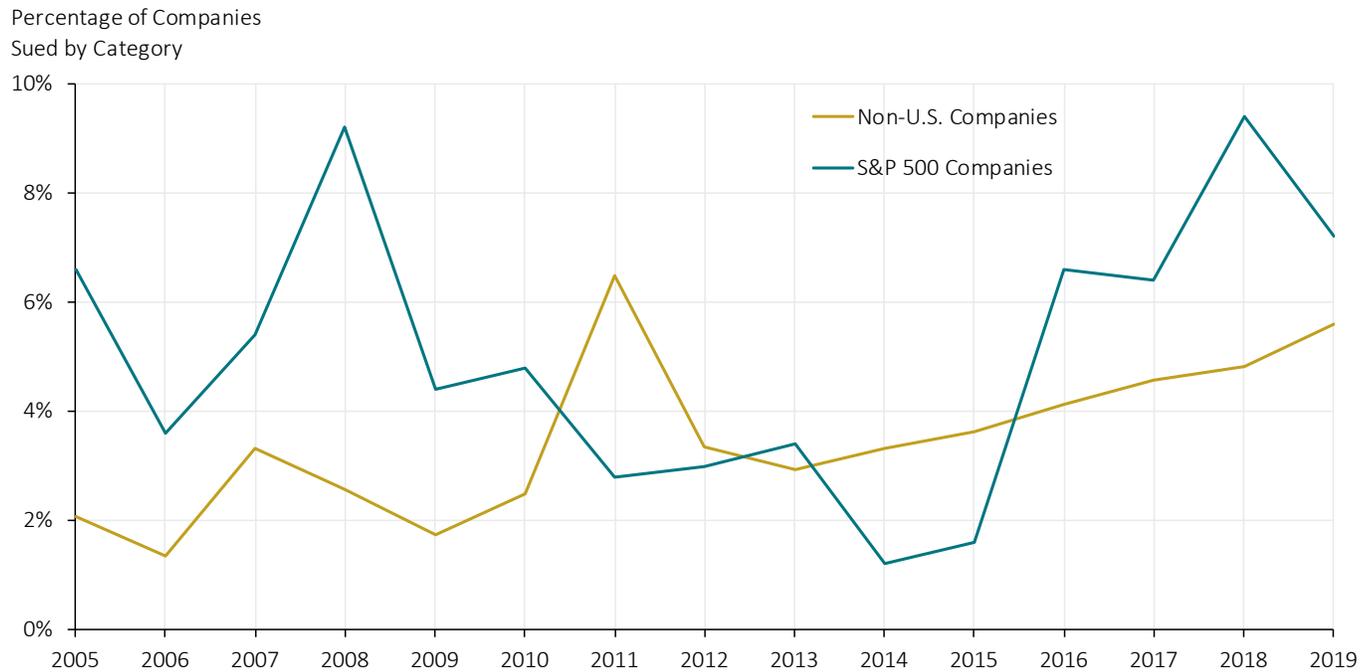
Non-U.S. Company Litigation Likelihood of Federal Filings

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.

- 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).

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.

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) Filings¹				
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) Filings²				
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

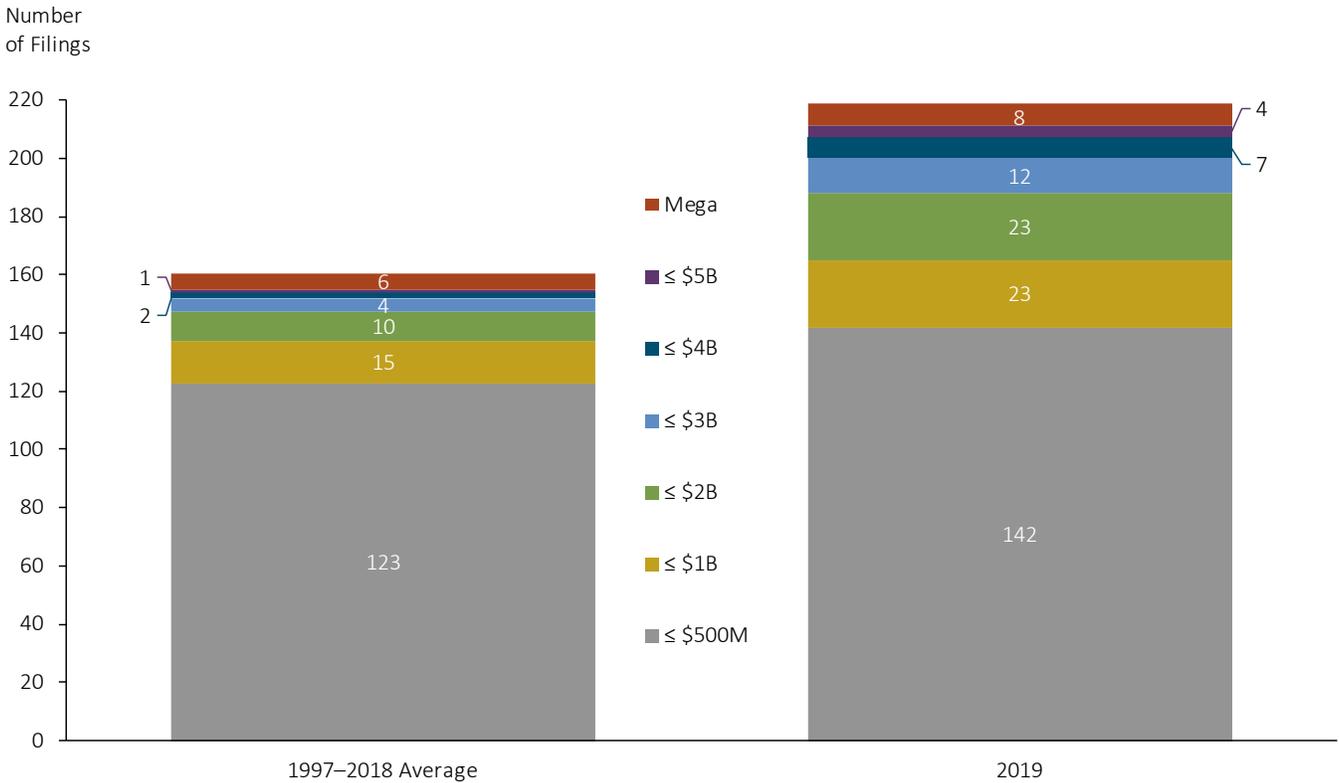
The figure below compares the distribution of DDL attributable to filings of a given size in 2019 with the historical distribution of DDL.

- 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



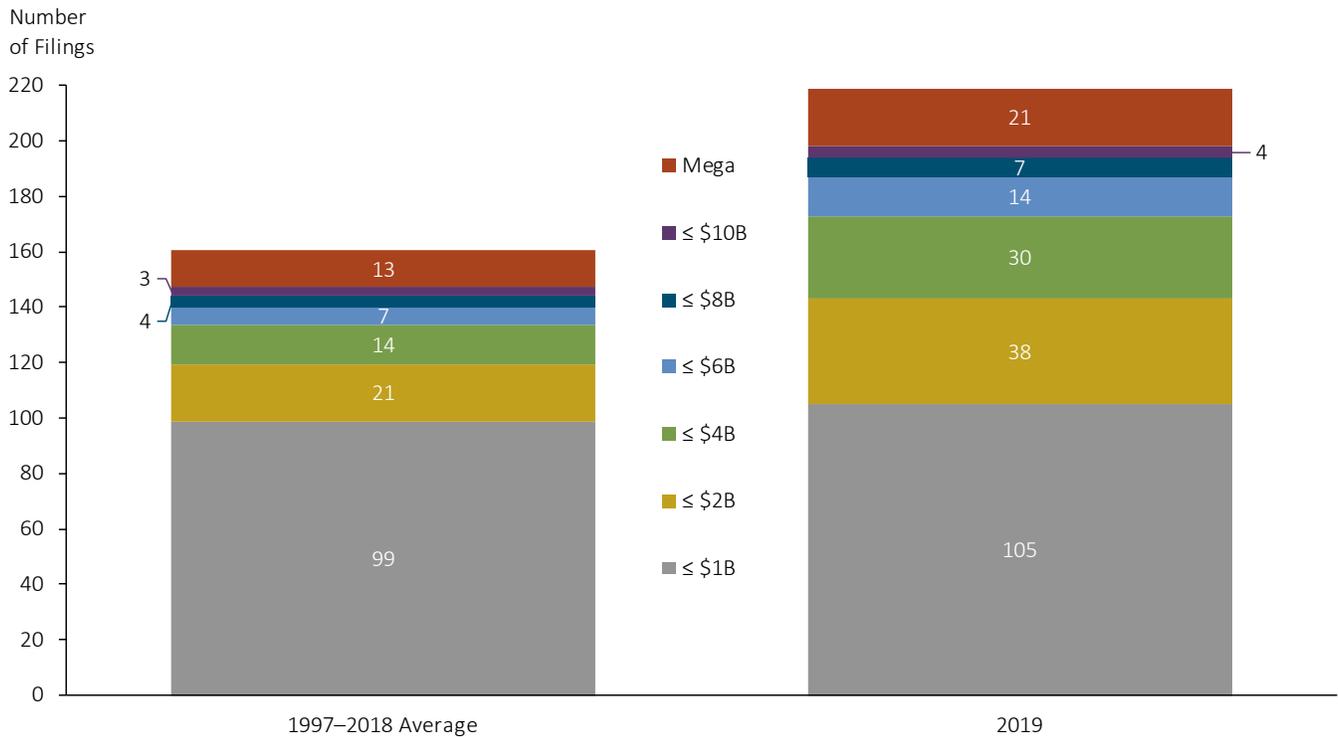
Distribution of MDL Values

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

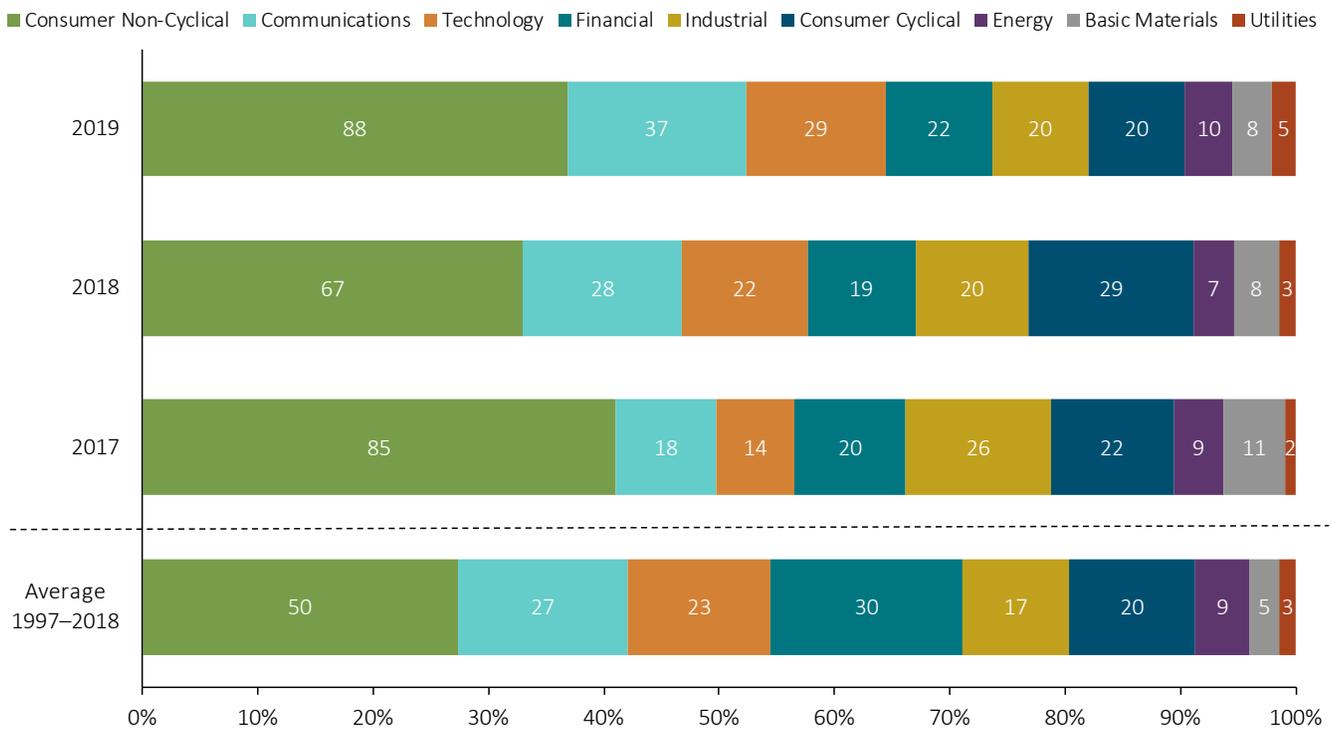
This analysis of core federal filings encompasses both the large capitalization companies of the S&P 500 and smaller companies.

- 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



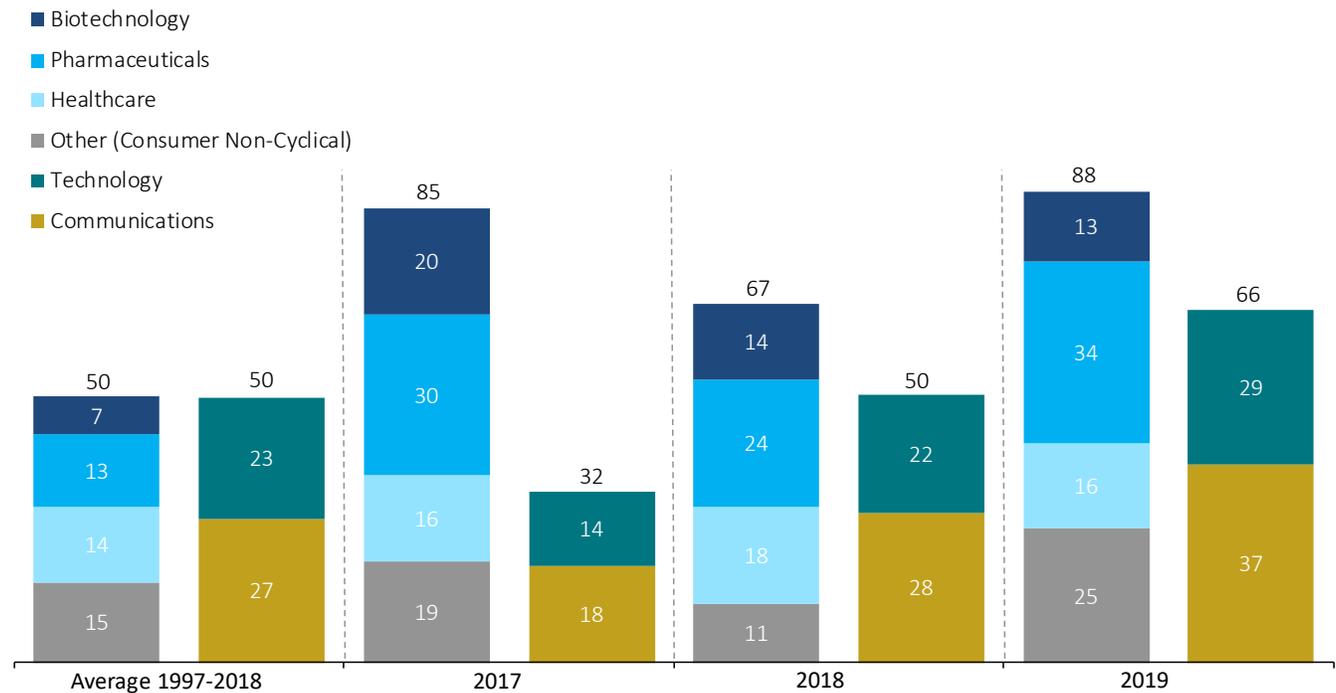
- Note:
1. Filings with missing sector information or infrequently used sectors may be excluded.
 2. Sectors are based on the Bloomberg Industry Classification System.

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:

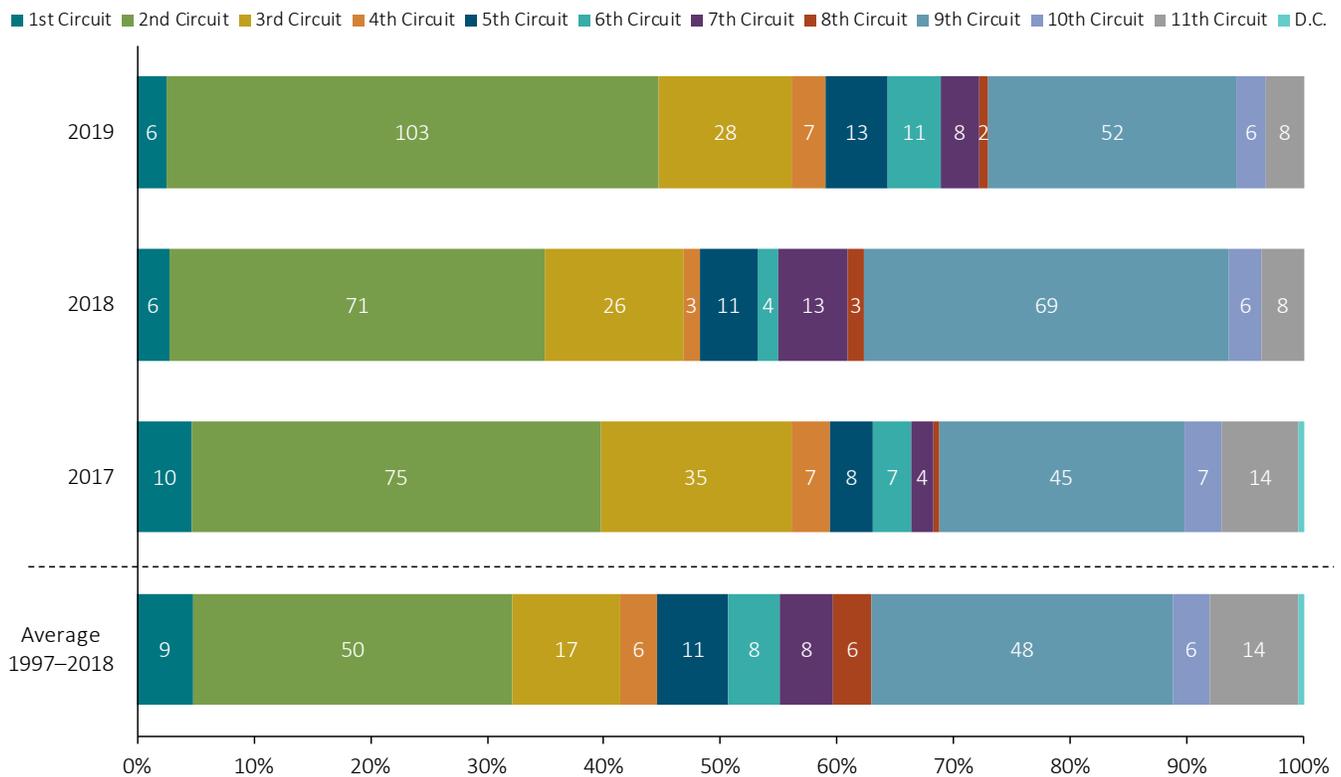
1. Sectors and subsectors are based on the Bloomberg Industry Classification System.
2. The “Other” category is a grouping primarily encompassing the Agriculture, Beverage, Commercial Services, and Food subsectors.
3. Average figures may not sum due to rounding.

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.

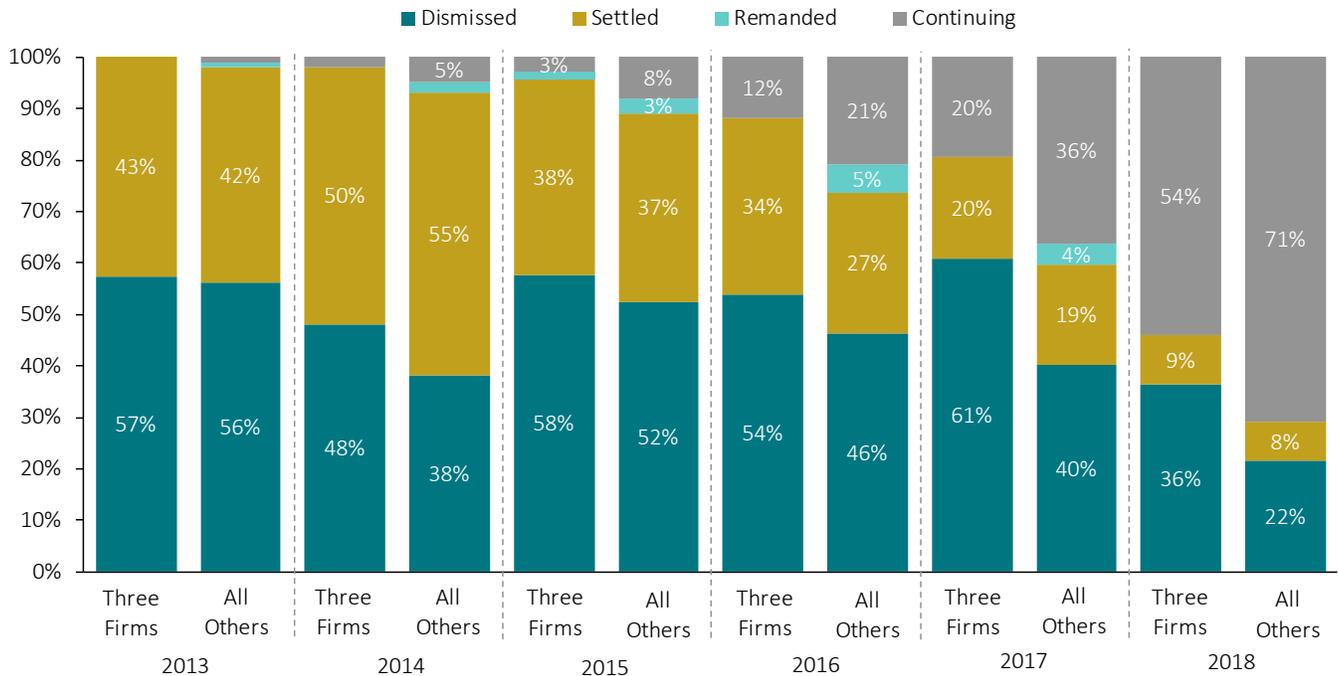
Federal Case Status by Lead Plaintiff Counsel

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.

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

Year	Class		Disclosure Dollar Loss			Maximum Dollar Loss			U.S. Exchange-Listed Firms: Core Filings		
	Action Filings	Core Filings	DDL Total (\$ Billions)	Average (\$ Millions)	Median (\$ Millions)	MDL Total (\$ Billions)	Average (\$ Millions)	Median (\$ Millions)	Number	Number of Listed Firms Sued	Percentage of Listed Firms Sued
1997	174	174	\$42	\$272	\$57	\$145	\$940	\$405	8,113	165	2.0%
1998	242	242	\$80	\$365	\$61	\$224	\$1,018	\$294	8,190	225	2.7%
1999	209	209	\$140	\$761	\$101	\$364	\$1,978	\$377	7,771	197	2.5%
2000	216	216	\$240	\$1,251	\$119	\$761	\$3,961	\$689	7,418	205	2.8%
2001	180	180	\$198	\$1,215	\$93	\$1,487	\$9,120	\$771	7,197	168	2.3%
2002	224	224	\$201	\$989	\$136	\$2,046	\$10,080	\$1,494	6,474	204	3.2%
2003	192	192	\$77	\$450	\$100	\$575	\$3,363	\$478	5,999	181	3.0%
2004	228	228	\$144	\$739	\$108	\$726	\$3,722	\$498	5,643	210	3.7%
2005	182	182	\$93	\$595	\$154	\$362	\$2,321	\$496	5,593	168	3.0%
2006	120	120	\$52	\$496	\$109	\$294	\$2,827	\$413	5,525	114	2.1%
2007	177	177	\$158	\$1,013	\$156	\$700	\$4,489	\$715	5,467	158	2.9%
2008	224	224	\$221	\$1,516	\$208	\$816	\$5,591	\$1,077	5,339	170	3.2%
2009	164	157	\$84	\$830	\$138	\$550	\$5,447	\$1,066	5,042	118	2.3%
2010	174	135	\$73	\$691	\$146	\$474	\$4,515	\$598	4,764	107	2.2%
2011	189	146	\$115	\$850	\$92	\$523	\$3,876	\$439	4,660	127	2.7%
2012	154	142	\$97	\$758	\$151	\$405	\$3,139	\$647	4,529	119	2.6%
2013	165	152	\$104	\$750	\$153	\$278	\$2,011	\$532	4,411	137	3.1%
2014	170	158	\$56	\$378	\$165	\$220	\$1,489	\$528	4,416	144	3.3%
2015	217	183	\$120	\$671	\$144	\$415	\$2,332	\$512	4,578	169	3.7%
2016	288	204	\$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	Telecom / 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%	5.9%	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	Telecom / 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%	18.5%	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

Year	M&A Filings	M&A Case Status				Case Status of Core Federal 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

Filing Year	In the First Year				In the Second Year				In the Third Year			Total Resolved within Three Years
	Settled	Dismissed	Other	Total Resolved	Settled	Dismissed	Other	Total Resolved	Settled	Dismissed	Other	
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

Year	1933 Act Filings in State Courts			Status of 1933 Act Filings in State Courts			Status of Federal Section 11–Only Filings		
	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

Years Since IPO	Cumulative Exposure			Incremental Exposure		
	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:

$$(\text{cumulative litigation exposure in year } t) = 1 - \prod_{i=1}^t (1 - p_i), \text{ where:}$$

$$p_i = \frac{\text{number of companies sued in year } i}{\text{number of companies surviving at the end of year } (i - 1)}$$

Appendix 7: Filings by Industry—Core Federal Filings

(Dollars in Billions)

Industry	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
	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

Circuit	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
	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 views expressed in this report are solely those of the authors, who are responsible for the content, and do not necessarily represent the views of Cornerstone Research.

The authors request that you reference Cornerstone Research and the Stanford Law School Securities Class Action Clearinghouse in any reprint of the information or figures included in this study.

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