

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

ISRAEL SANCHEZ, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.
NEIDORFF, and JEFFREY A.
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

**DECLARATION OF JONATHAN D. USLANER IN SUPPORT OF (I) LEAD PLAINTIFF'S
MOTION FOR FINAL APPROVAL OF SETTLEMENT AND PLAN OF ALLOCATION, AND
(II) LEAD COUNSEL'S MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

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EXHIBIT LIST

Ex. No.	Description
1	Declaration of Michelle Yoshida in Support of Motion for Final Approval of Class Action Settlement (“Yoshida Decl.”)
2	Declaration of Osey “Skip” McGee, Jr., Executive Director of the Louisiana Sheriffs’ Pension & Relief Fund, in Support of (I) Lead Plaintiff’s Motion for Final Approval of Settlement and Plan of Allocation; and (II) Lead Counsel’s Motion for Attorneys’ Fees and Litigation Expenses (“McGee Decl.”)
3	Cornerstone Research, Securities Class Action Settlements: 2019 Review and Analysis (2020)
4	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 (“Segura Decl.”)
5	Summary of Plaintiffs’ Counsel’s Lodestar and Expenses
5A	Declaration of Jonathan D. Uslaner in Support of Lead Counsel’s Motion For Attorneys’ Fees and Litigation Expenses, Filed on Behalf of Bernstein Litowitz Berger & Grossmann LLP
5B	Declaration of Michael J. Flannery in Support of Lead Counsel’s Motion For Attorneys’ Fees and Litigation Expenses, Filed on Behalf of Cuneo Gilbert & Laduca, LLP
5C	Declaration of Robert D. Klausner in Support of Lead Counsel’s Motion For Attorneys’ Fees and Litigation Expenses, Filed on Behalf of Klausner, Kaufman, Jensen & Levinson
<i>Unpublished Authorities Cited in Fee Memorandum</i>	
6	Janeen McIntosh & Svetlana Starykh, NERA Economic Consulting, Recent Trends in Securities Class Action: 2019 Full-Year Review (2020)
7	<i>Public Pension Grp. v. KV Pharm. Co.</i> , No. 4:08-cv-1859 (CEJ), slip op. (E.D. Mo. Apr. 23, 2014), ECF No. 199
8	<i>Luman v. Anderson</i> , No. 4:08-cv-00514-C-W-HFS, slip op. (W.D. Mo. July 23, 2013), ECF No. 165
9	<i>W. Wash. Laborers-Emp’rs Pension Trust v. Panera Bread Co.</i> , 4:08-cv-00120-ERW, slip op. (E.D. Mo. June 22, 2011), ECF No. 103

10	<i>In re Pemstar, Inc. Sec. Litig.</i> , No. 02-1821 (DWF/SRN), slip op. (D. Minn. May 27, 2005), ECF No. 149
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JONATHAN D. USLANER declares as follows:

1. I am a partner of the law firm of Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”). BLB&G was appointed Lead Counsel for Lead Plaintiff Louisiana Sheriffs’ Pension & Relief Fund (“Louisiana Sheriffs” or “Lead Plaintiff”) in the above-captioned action (the “Action”). I have personal knowledge of the matters set forth herein based on my active participation in the prosecution and settlement of the Action.¹

2. The proposed Settlement before the Court provides for the resolution of all claims in the Action in exchange for a cash payment of \$7,500,000.00, plus interest, for the benefit of the Settlement Class. The Settlement Amount has been paid into an escrow account and is earning interest. As detailed herein, the Settlement provides a benefit to the Settlement Class by conferring a substantial, certain, and immediate recovery while avoiding the risks of continued litigation, including the risk that the Settlement Class could recover nothing or less than the Settlement Amount after years of additional litigation, appeals, and delay.

3. The proposed Settlement is the result of extensive efforts by Lead Plaintiff and Lead Counsel, which included, among other things: (i) conducting an investigation into the alleged fraud, including interviews of dozens of former employees of Centene and a thorough review of public information such as filings with the U.S. Securities and Exchange Commission (“SEC”), analyst reports, conference call transcripts, and news articles; (ii) drafting a detailed consolidated complaint based on Lead Counsel’s investigation; (iii) successfully opposing

¹ All capitalized terms that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement dated March 5, 2020 (ECF No. 116-1) (the “Stipulation”), which was entered into by and among (i) Lead Plaintiff, on behalf of itself and the Settlement Class, and (ii) defendants Centene Corporation (“Centene” or the “Company”) and defendants Michael F. Neidorff and Jeffrey A. Schwaneke (the “Individual Defendants” and, with Centene, “Defendants”).

Defendants' motion to dismiss through briefing and argument; (iv) engaging in fact discovery, including serving comprehensive document requests to Defendants and subpoenas to thirteen third parties; (v) consulting with experts on accounting issues, market efficiency, and class-wide damages; and (vi) engaging in arm's-length settlement negotiations, which included a full-day mediation session before Michelle Yoshida, an experienced and highly respected mediator. As a result of these efforts, Lead Plaintiff and Lead Counsel were well informed of the strengths and weaknesses of the claims and defenses in the Action at the time they achieved the proposed Settlement.

4. The \$7.5 million Settlement was based on a mediator's recommendation, which the Parties accepted, made by the mediator, Michelle Yoshida, at the end of an in-person mediation session and after months of arm's-length settlement negotiations. *See* Declaration of Michelle Yoshida in Support of Motion for Final Approval of Class Action Settlement, attached hereto as Exhibit 1, at ¶¶ 6-9.

5. Lead Plaintiff is a sophisticated institutional investor, who actively participated in the Action, closely supervised the work of Lead Counsel, and endorses the approval of the Settlement. *See* Declaration of Osey "Skip" McGee, Jr., Executive Director of Louisiana Sheriffs' Pension & Relief Fund ("McGee Decl."), attached hereto as Exhibit 2, at ¶¶ 3-7.

6. As discussed in further detail below, the proposed Plan of Allocation, which was developed with the assistance of Lead Plaintiff's damages expert, provides for the equitable distribution of the Net Settlement Fund to Settlement Class Members who submit Claim Forms that are approved for payment by the Court on a *pro rata* basis, fairly based on losses attributable to the alleged fraud.

7. Lead Counsel prosecuted this case on a fully contingent basis. For its efforts in achieving the Settlement, Lead Counsel is applying for an award of attorneys' fees for 25% of the Settlement Fund for Plaintiffs' Counsel and for payment of litigation expenses that it incurred in connection with the institution, prosecution, and settlement of the Action in the amount of \$81,134.49. As discussed in the Fee Memorandum, the requested fee percentage of 25% is reasonable 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 1.2 on Plaintiff's Counsel's total lodestar, which is on the low end of the range of multipliers typically awarded in class actions with contingency risks.

I. HISTORY OF THE ACTION

A. The Commencement of the Action and the Appointment of Lead Plaintiff and Lead Counsel

8. On November 14, 2016, an initial class action complaint (the "Initial Complaint") was filed in this matter in the United States District Court for the Central District of California. (ECF No. 1.) The Initial Complaint asserted violations of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and SEC Rule 10b-5 against Centene and the Individual Defendants, and of Section 20(a) of the Exchange Act against the Individual Defendants.

9. In accordance with the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4 (the "PSLRA"), notice was published in a national newswire service on November 14, 2016 advising potential class members of the pendency of the action, the claims asserted, and the deadline by which putative class members could move the Court for appointment as lead plaintiff.

10. Louisiana Sheriffs, represented by Lead Counsel, moved for appointment as Lead Plaintiff on January 13, 2017. (ECF No. 27.) Three other movants filed competing motions for appointment as lead plaintiff on the same day. (ECF Nos. 15, 18, 23.)

11. Pursuant to 28 U.S.C. § 1404, Defendants moved to change venue to the Eastern District of Missouri on January 18, 2017. (ECF No. 28.) On February 6, 2017, Lead Plaintiff filed and served its opposition to Defendants' motion to change venue. (ECF No. 40.) On March 1, 2017, the Honorable André Birotte Jr. of the Central District of California granted Defendants' motion to transfer venue to the Eastern District of Missouri. (ECF No. 43.)

12. Louisiana Sheriffs, represented by Lead Counsel, moved for appointment in this District as Lead Plaintiff on March 23, 2017. (ECF No. 55.)

13. On May 1, 2017, the Court entered an Order appointing Louisiana Sheriffs as Lead Plaintiff for the Action; and approving Lead Plaintiff's selection of BLB&G as Lead Counsel. (ECF No. 61.)

B. The Investigation and Filing of the Consolidated Complaint

14. Beginning prior to the filing of the Initial Complaint and continuing through preparation of the consolidated complaint on behalf of Lead Plaintiff, Lead Counsel undertook an extensive investigation into the alleged fraud and potential claims that could be asserted in this Action. Lead Counsel's investigation included a review and analysis of: (a) Centene's and Health Net, Inc.'s public filings with the SEC; (b) research reports by securities and financial analysts; (c) transcripts of Centene's and Health Net's conference calls with analysts and investors; (d) Centene and Health Net presentations, press releases, and reports; (e) Centene and Health Net marketing materials; (f) news and media reports concerning Centene, Health Net, and other facts related to this action, including Health Net's cessation of payments to substance abuse treatment facilities; (g) video interviews of Centene executives; (h) Centene's and Health Net's filings with

state regulatory bodies; (i) accounting rules, standards and concepts, including Generally Accepted Accounting Principles (“GAAP”); (j) price and volume data for Centene securities; (k) information from consultations with experts; and (l) pleadings in lawsuits arising from Health Net’s insurance policies.

15. In addition, in connection with its investigation, Lead Counsel and its in-house investigators conducted an extensive search to locate former employees of Centene and industry participants who might have relevant information pertaining to the claims asserted in the Action. This included developing a database of over 5,000 potential witness and contacting 222 former Centene and Health Net employees who were believed to have potentially relevant information. Lead Counsel’s in-house investigators spoke to over 110 of these individuals.

16. In connection with the preparation of the consolidated complaint, Lead Counsel also consulted with Chad Coffman of Global Economics LLC, a Chartered Financial Analyst with substantial experience in providing expert analysis and testimony regarding loss causation and damages in securities class actions. Lead Counsel consulted with Mr. Coffman concerning the impact of Defendants’ alleged misstatements and omissions on the market price of Centene’s common stock, and the damages suffered by Centene shareholders.

17. On July 17, 2017, Lead Plaintiff filed and served the Consolidated Class Action Complaint (ECF No. 66) (the “Consolidated Complaint” or “Complaint”). The detailed Complaint asserts claims against all Defendants under Section 10(b) of Exchange Act and Rule 10b-5, and against the Individual Defendants under Section 20(a) of the Exchange Act. The Complaint alleges that, from April 26, 2016 through July 25, 2016, Defendants made materially false and misleading statements about Centene’s merger with Health Net, and the value of Health Net’s assets and liabilities and Centene’s reserves on April 26, May 24, and June 17, 2016. The

Complaint further alleges that Defendants' statements during the Class Period understated Health Net's liabilities by approximately \$400 million. The Complaint also alleges that Defendants' statements reassuring investors about the Health Net merger were false and misleading because they omitted Health Net's rapidly mounting liabilities from increasing claims for drug and alcohol treatment and that Health Net had taken extreme measures to conceal these rising liabilities. The Complaint additionally alleges that Centene's financial statements were false and misleading because Defendants had violated GAAP rules and standards, as well as SEC regulations. The Complaint further alleges that the price of Centene common stock was artificially inflated as a result of Defendants' allegedly false and misleading statements and declined when the truth was revealed through a July 26, 2016 disclosure.

C. Defendants' Motion to Dismiss

18. On September 15, 2017, Defendants filed and served a motion to dismiss the Complaint. (ECF Nos. 71-73.) Defendants' motion to dismiss was accompanied by over 600 pages of exhibits. (ECF No. 73.) Defendants argued that the Complaint should be dismissed because Lead Plaintiff had not alleged any materially false and misleading statements made by Defendants during the Class Period; that certain challenged statements were non-actionable because they were opinions or puffery; that Defendants had no duty to disclose the allegedly omitted facts; and that the Complaint failed to allege facts giving rise to a strong inference of scienter. Specifically, Defendants argued that:

- (a) Defendants' April 26, 2016 statements to investors about the Company's preliminary estimates of Health Net's liabilities were not false or misleading because the estimates were based on information available to Defendants at the time;

- (b) Defendants' April 26, 2016 statements to investors about the Company's preliminary estimates of Health Net's liabilities were opinions that were objectively and subjectively held;
- (c) Defendants' April 26, 2016 Annual Report on Form 10-Q did not violate GAAP or SEC regulations, and even if it did, this was insufficient to plead a securities fraud claim;
- (d) Defendants had no duty to disclose the allegedly omitted information because the information was either unnecessary to make the statement not misleading, already public, unknown to the Defendants at the time, or accompanied by sufficient cautionary language;
- (e) Lead Plaintiff's theory of the case was purportedly implausible because it was not logical that Defendants would purchase a company that they secretly knew was not profitable and then seek to prop up the price of Centene stock in the short term when they knew that the truth would be revealed; and
- (f) Lead Plaintiff did not sufficiently plead a motive or opportunity because there were no allegations of insider trading.

19. On October 30, 2017, Lead Plaintiff filed and served its memorandum of law in opposition to Defendants' motion to dismiss the Complaint. (ECF No. 77.) Lead Plaintiff explained that the Complaint adequately identified the false and misleading statements and omissions, detailed the reasons why each challenged statement was false or omitted material facts, and raised a strong inference of scienter. Among other things, Lead Plaintiff argued that:

- (a) Defendants' statements to investors about the Health Net merger, including Health Net's liabilities and the adequacy of Centene's reserves for those claims,

were false because Defendants had contemporaneous access to information that contradicted their positive statements;

- (b) Defendants' statements were not opinions, as the statements related to liabilities for past claims, omitted material facts, and conveyed false, embedded facts;
- (c) Defendants' accounting for the Health Net acquisition violated GAAP standards for purchase accounting, and Defendants' assertions to the contrary relied on factual disputes improper for resolution at the motion to dismiss stage;
- (d) Defendants had a duty to disclose that Health Net's policies required policy redesign with regulators;
- (e) the Complaint's myriad allegations raised a strong inference of scienter; and
- (f) the Complaint alleged that the Defendants were motivated to conceal from regulators and investors Health Net's liabilities to close the Merger.

20. On November 29, 2017, Defendants filed and served their reply memorandum in support of their motion to dismiss. (ECF No. 78.)

21. The Court held oral argument on Defendants' motion to dismiss on February 22, 2018. (ECF Nos. 80, 81.)

22. On August 30, 2019, the Court entered an Order granting in part and denying in part Defendants' motion to dismiss. (ECF No. 89.) Consistent with Lead Plaintiff's arguments, the Court found that Plaintiff adequately alleged that Defendants' May 24 and June 17, 2016 statements were false and misleading when made. The Court found that Lead Plaintiff had sufficiently alleged, for purposes of surviving a motion to dismiss, that Defendants' admissions demonstrated that they knew of the undisclosed facts about Health Net's liabilities before the merger. The Court further rejected Defendants' arguments that their misrepresentations were

“opinions” and “puffery,” that “cautionary language” made the alleged misrepresentations immaterial, and that alternative theories of scienter were more compelling at the pleading stage. *See id.*, at 6, 15, 19, 21-25.

23. In its motion to dismiss order, the Court accepted Defendants’ arguments, however, that Defendants’ April 26, 2016 statements were not inconsistent with their later admissions. *See id.* at 12. Based on the finding that the Complaint’s allegations were insufficient to state a PSLRA claim as to Defendants’ April 26, 2016 statements, the Court dismissed those statements and shortened the Class Period to a two-month period, from May 24, 2016 to July 25, 2016. *Id.* at 26.

24. On September 27, 2019, Defendants filed their Answer to the Complaint. (ECF No. 96.) In their Answer, Defendants denied that any of the statements at issue were materially false or misleading, or made with scienter. Defendants additionally asserted thirteen affirmative defenses, including that their statements were protected by the PSLRA safe harbor for forward-looking statements; that the alleged misrepresentations or omissions were based on good faith; that the alleged omissions were known in the market; and that Defendants acted at all times exercised reasonable care and did not know, and in the exercise of reasonable care could not have known, of any alleged misconduct, untruth, omission, or any other action alleged in the Complaint.

D. The Parties Conduct Fact Discovery

25. Discovery in the Action commenced in September 2019, following the Court’s denial of Defendants’ motion to dismiss.

26. On September 10, 2019, the parties conducted a conference in accordance with Federal Rule of Civil Procedure 26(f).

27. The Parties exchanged their Initial Disclosure Statements pursuant to Rule 26(a)(1) of the Federal Rules of Civil Procedure on November 8, 2019.

28. The Parties also negotiated and drafted a Joint Proposed Scheduling Plan, which was submitted to the Court on September 17, 2019. The Joint Proposed Scheduling Plan set forth the Parties' views on the scope of discovery to be conducted, e-discovery procedures, and proposed scheduling. (ECF No. 95.)

29. The Court held a case management conference and entered a Case Management Order on October 16, 2019. (ECF No. 100.) The deadlines set forth in that order included that Lead Plaintiff's motion of class certification was to be filed by February 3, 2020, that fact discovery, including depositions, was to be completed by July 2, 2020, and that trial would be held on April 12, 2021. (*Id.*)

30. The Parties also negotiated the terms of the protective order governing the treatment of documents and other information produced in discovery, which the Parties submitted to the Court on October 23, 2019. (ECF No. 104.) The Court entered the stipulated protective order on October 24, 2019. (ECF No. 105.)

31. Lead Plaintiff served its First Set of Requests for the Production of Documents to all Defendants on October 17, 2019, requesting 49 categories of documents.

32. Defendants served their Responses and Objections to Lead Plaintiff's First Request for Production of Documents on November 18, 2019. In the months that followed, Lead Counsel engaged in numerous meet and confers with Defendants' Counsel by telephone and conducted extensive negotiations over the scope and adequacy of Defendants' discovery responses, including relating to the search terms to be used and custodians whose documents should be searched. Lead Counsel and Defendants' Counsel exchanged numerous letters in

furtherance of these efforts. After extensive, hard-fought negotiations, Defendants agreed to conduct searches of over 14 custodians, including their central files, hardcopy files, emails, and text messages. Defendants also agreed to conduct searches in shared drives and folders and to produce board materials.

33. In December 2019, in response to the requests for production of documents, Defendants produced their board materials to Lead Plaintiff.

34. Lead Plaintiff also issued extensive discovery requests to various non-parties who might possess relevant information. In total, Lead Plaintiff issued subpoenas to thirteen non-parties, including former members of Centene's Board of Directors. Lead Counsel conducted meet-and-confer sessions and negotiated with counsel from the non-parties regarding the scope of the documents to be produced.

35. Defendants served their First Request for Production of Documents to Lead Plaintiff on November 12, 2019, which requested thirty nine categories of documents, including those concerning Lead Plaintiff's transactions in Centene and any related communications, Lead Plaintiff's involvement in the Action, and its engagement of Lead Counsel. Lead Plaintiff filed its Responses and Objections to Defendants' requests on December 12, 2019. Defendants also served subpoenas on three of Lead Plaintiff's investment advisors.

E. Work with Experts

36. Lead Plaintiff retained and consulted with highly qualified experts and consultants in disciplines including accounting, damages, and loss causation to assist in the prosecution of this Action. Lead Plaintiff's experts and consultants included: (a) Keith Mautner, of Failsafe CPA, PC, who provided Lead Plaintiff with expert advice on accounting, including acquisition accounting and accounting for Health Care entities; and (b) Chad Coffman, of Global Economics Group, who provided Lead Plaintiff with expert advice on damages and loss causation issues.

37. After the Settlement was reached, Lead Counsel worked with Mr. Coffman and his team at Global Economics Group to develop the Plan of Allocation.

F. The Parties' Mediation Efforts and the Settlement of the Action

38. Pursuant to the Case Management Order (ECF No. 100), the case was referred to alternative dispute resolution on December 30, 2019. (ECF No. 108.) In accordance with E.D. Mo. L.R. 6.01-6.05, Lead Counsel worked with Defendants to reach agreement on a mediator, as well as a date, time, and location for the initial ADR conference. (*Id.*)

39. The Parties reached agreement on a designated neutral, Michelle Yoshida of Phillips ADR. Ms. Yoshida is an experienced mediator of securities class actions and other complex litigation. *See* Yoshida Decl. (Ex. 1) at ¶¶ 3-4. Pursuant to E.D. Mo. L.R. 6.03(B)(2), on January 10, 2020, the Parties jointly moved for leave to designate Ms. Yoshida as the neutral for this Action. (ECF No. 111.)

40. The Court entered an order on January 13, 2020 granting the Parties' Joint Motion for Leave to Designate Ms. Yoshida as mediator. (ECF No. 112.)

41. Mediation was scheduled for January 29, 2020. In advance of the mediation, the Parties sent confidential detailed mediation statements addressing the Parties' positions with numerous exhibits to Ms. Yoshida. At the mediation session, the Parties engaged in vigorous settlement negotiations with the assistance of Ms. Yoshida.

42. At the conclusion of that mediation session, Ms. Yoshida issued a mediator's recommendation to the Parties that the Action be resolved in exchange for payment of \$7,500,000.00 in cash for the benefit of the Settlement Class. The proposal was issued on a double-blind basis, meaning that if one of the parties had rejected the proposal, they would not

find out whether the other party had accepted the proposal. Both Lead Plaintiff and Defendants informed Ms. Yoshida that they accepted the proposal.

43. In the ensuing weeks, the Parties negotiated the full terms of the Settlement and drafted the Settlement Agreement and related papers, including the notices to be provided to potential members of the Settlement Class. On March 5, 2020, the Parties executed the Stipulation and Agreement of Settlement (ECF No. 116-1) (the “Stipulation”), which set forth the terms of the Parties’ agreement to settle all claims asserted in the Action for \$7,500,000.00, subject to the approval of the Court.

44. On March 5, 2020, the Parties also executed a confidential Supplemental Agreement setting forth the conditions under which Defendants can terminate the Settlement if the requests for exclusion from the Settlement Class exceed an agreed-upon threshold.

G. The Court Grants Preliminary Approval of the Settlement

45. On March 12, 2020, Lead Plaintiff filed a motion for preliminary approval of the Settlement. (ECF No. 116.)

46. Following a hearing on June 16, 2020, Lead Plaintiff filed a revised preliminary approval order. (ECF No. 121.) The Court entered the Order Preliminarily Approving Settlement and Authorizing Dissemination of Notice of Settlement (ECF No. 122) (the “Preliminary Approval Order”) which, among other things: (a) preliminarily approved the Settlement; (b) approved the form of Notice, Summary Notice, and Claim Form, and authorized notice to be given to Settlement Class Members through mailing of the Notice and Claim Form, posting of the Notice and Claim Form on a Settlement website, and publication of the Summary Notice in *Investor’s Business Daily* and over the *PR Newswire* and *BusinessWire*; (c) established procedures and deadlines by which Settlement Class Members could participate in the Settlement, request exclusion from the Settlement Class, or object to the Settlement, the proposed Plan of

Allocation, and/or the fee and expense application; and (d) set a schedule for the filing of opening papers and reply papers in support of the proposed Settlement, Plan of Allocation, and the Fee and Expense Application. The Preliminary Approval Order also scheduled the Settlement Hearing for October 26, 2020 at 10:00 a.m. to determine, among other things, whether the Settlement should be finally approved.

II. RISKS OF CONTINUED LITIGATION

47. The Settlement provides an immediate and certain benefit to the Settlement Class in the form of a \$7,500,000.00 cash payment. Lead Plaintiff and Lead Counsel believe that the proposed Settlement is a fair and favorable result for the Settlement Class.

48. As explained below, Lead Plaintiff faced meaningful risks with respect to proving liability and recovering full damages in this case. Absent a settlement, Lead Plaintiff would still need to prevail at several additional stages of the litigation, including defeating Defendants' anticipated motion for summary judgment, at trial, and on appeal. Even after any trial, Lead Plaintiff would have faced post-trial motions, including a potential motion for judgment as a matter of law, as well as further appeals that might have prevented Lead Plaintiff from successfully obtaining a recovery for the class.

A. Risks Concerning Liability

49. Lead Plaintiff and Lead Counsel believe the claims asserted against Defendants in the Action are meritorious. They recognize, however, that this Action presented a number of risks to establishing Defendants' liability. As discussed further below, Defendants vigorously argue that their challenged statements about Health Net's reserves were not false or misleading when made, and, in any event, even if any of their statements were false or misleading, Defendants did not have any intent to mislead investors.

1. Falsity

50. Lead Plaintiff and Lead Counsel recognize that, while they prevailed at the motion to dismiss stage in part, they may be unable to convince a jury of Defendants' liability. Among other things, Lead Plaintiff recognizes the challenges in proving that Defendants' statements were materially false and misleading when made. Neither the SEC nor any other governmental entity brought a formal investigation or asserted a parallel enforcement action concerning the claims asserted, and Centene never restated its financial statements. To the contrary, Defendants have consistently asserted that their statements to investors were accurate when made. Defendants would likely vigorously contend that their statements were not false or misleading at summary judgment, at trial, and on appeal.

51. Defendants would also likely argue that they made their statements based on information available at the time, and updated the market as Defendants learned more information.

52. As to their statements to investors on May 24, 2016, Defendants would likely continue to argue that their statements were couched in cautionary language so as to render them immaterial, and therefore not misleading. Defendants also would likely continue to argue that, at the time of their statements, Defendants believed, based on the valuations available at the time, that their accounting reserves were accurate. Defendants would also likely continue to argue that even if Defendants knew about any increased liabilities owed to their plan deficiencies, Defendants accurately reported Centene's then-current valuation of its liabilities and accurately reported updates as Centene's valuation progressed. There was a meaningful risk that a fact-finder might find these arguments persuasive and determine that Defendants' statements were not false or misleading.

53. As to Defendants' June 17, 2016 statements, Defendants would likely continue to argue that these statements were also couched in cautionary language so as to render them immaterial and therefore not misleading. Defendants would also likely argue that the public already knew about rising substance-abuse center claims leading to Health Net's rising liabilities as early as January 2016, and thus Defendants' statements were not misleading. Defendants would also likely contend they did not omit anything when they spoke to investors, but rather candidly disclosed to investors that Centene was making changes to Health Net's products.

54. In support of their arguments, Lead Counsel anticipates that Defendants would attempt to point to the fact that the price of Centene's stock has fully recovered since the Class Period. Centene's stock declined by \$6.39 per share, or approximately 8.5%, closing as \$34.44 at the end of the Class Period on July 26, 2018 and rebounded to a high of over \$73 per share in August 2018. Lead Counsel further anticipates that Defendants would point to the fact that the Health Net merger has been very successful for Centene, realizing targeted accretion levels and aiding Centene to meet or beat expected revenue and earnings for many consecutive quarters, expanding Centene's commercial business into California and Oregon, and making Centene a TRICARE vendor providing healthcare services and programs to United States Armed Forces military personnel, retirees and their dependents in a majority of the United States.

2. Scier

55. If able to prove that Defendants' statements were false or misleading, Lead Plaintiff would still need to prove to a jury that Defendants made the alleged false statements with the intent to mislead investors or with deliberate recklessness. Among other things, Defendants would likely point to their absence of insider stock sales as evidence of a lack of intent. They would also likely point to the absence of any "whistleblowers" or SEC inquiry or criticism as further evidence of an absence of scier. Defendants asserted—and would likely continue to

assert to a jury—that they had no motive to commit fraud and there was no logical basis for Defendants to engage in the alleged fraud.

56. Defendants would likely continue to contend that they believed, based on information available at the time, that the statements were accurate when made. They would also likely point to the fact that Centene made several cautionary statements to investors about having a year to update the accounting and possible “adjustments” in the “provisional amounts recorded” for the reserves, which, they would argue, were inconsistent with Lead Plaintiff’s allegations of intentional fraud on this issue. Lead Plaintiff and Lead Counsel recognized a risk that a trier-of-fact may accept one or more of Defendants’ scienter arguments and, as result, investors would recover nothing.

B. Risks Related to Loss Causation and Damages

57. Even if successful in demonstrating falsity and scienter, Lead Plaintiff would still need to demonstrate loss causation and damages. The Court limited the Class Period to two months in its order granting, in part, Defendants’ motion to dismiss. (ECF No. 89 at 26.) Defendants likely would have likely contended at summary judgment and trial that Lead Plaintiff could not establish a causal connection between the alleged misrepresentations and the losses investors suffered, as required by law. In support of this contention, Defendants would likely have tried to point to the fact that the price of Centene’s stock has fully rebounded since the Class Period, and that the acquisition of Health Het has proven to be extremely successful for Centene. (*See supra* ¶ 54). In addition, Defendants would likely have contended that some of the information that was disclosed could not have caused a drop in the stock price because that information was already publicly known or available to investors and therefore, the price of Centene’s stock already accounted for that information.

58. The resolution of disputed issues regarding damages and loss causation likely would have boiled down to a “battle of experts,” and Defendants would undoubtedly have presented a well-qualified expert who would opine that the class’s damages were smaller or nonexistent. If Defendants prevailed on their loss-causation and damages arguments, recoverable damages would be eliminated or significantly reduced.

C. The Settlement Amount Compared to Likely Damages that Could Be Proved at Trial

59. If not for this Settlement, the Action would have continued to be highly contested by the parties at each significant stage. Continued litigation would be complex, costly, and lengthy for the Settlement Class. Among other things, depositions would have to be taken; experts would need to be designated; and expert discovery would need to be completed. Additionally, a motion for summary judgment would likely have to be briefed and argued. A trial could take weeks to complete, even without taking into account pre- and post-trial motions.

60. The Settlement Amount—\$7.5 million in cash, plus interest—represents a significant recovery for the Settlement Class.

61. The \$7.5 million Settlement is a favorable result when considered in relation to the maximum amount of damages that could be realistically established at trial, in the event Lead Plaintiff and the Settlement Class prevailed on liability issues, including falsity and scienter. Assuming Lead Plaintiff prevailed on all liability issues (which was far from certain), Lead Counsel believes that the maximum total damages Lead Plaintiff could realistically establish at trial, assuming complete success in proving liability, was approximately \$43 million. Assuming Lead Plaintiff prevailed on all liability issues at trial and appeal, the Settlement Amount represents approximately 17% of the *maximum* recoverable damages for the Settlement Class. The Settlement percentage is over twice the percentage of the median securities class-actions with

damages estimated between \$25 and \$74 million, and almost three times the median recovery settlement of all securities fraud class actions in the Eight Circuit, regardless of the amount of estimated damages, between 2010 and 2019. *See* CORNERSTONE RESEARCH, SECURITIES CLASS ACTION SETTLEMENTS: 2019 REVIEW AND ANALYSIS (2020) at 6, 20 (attached hereto as Exhibit 3).

62. Given the meaningful litigation risks, and the immediacy and amount of the \$7,500,000.00 recovery, Lead Plaintiff and Lead Counsel believe that the Settlement is fair, reasonable, and adequate, and is in the best interest of the Settlement Class.

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

63. The Court's June 23, 2020 Preliminary Approval Order directed that the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice") and Proof of Claim and Release Form ("Claim Form") be disseminated to potential members of the Settlement Class. The Preliminary Approval Order also set October 5, 2020 as the deadline for Settlement Class Members to submit objections to the Settlement, the Plan of Allocation, or the Fee and Expense Application or to request exclusion from the Settlement Class.

64. In accordance with the Preliminary Approval Order, Lead Counsel instructed JND Legal Administration ("JND"), the Court-approved Claims Administrator, to begin disseminating copies of the Notice and the Claim Form by mail and to publish the Summary Notice. The Notice contains, among other things, a description of the Action, the Settlement, the proposed Plan of Allocation, and Settlement Class Members' rights to participate in the Settlement, object to the Settlement, the Plan of Allocation and/or the Fee and Expense Application, or exclude themselves from the Settlement Class. The Notice also informs Settlement Class Members of Lead Counsel's

intent to apply for an award of attorneys' fees in the amount of 25% of the Settlement Fund, and for Litigation Expenses in an amount not to exceed \$200,000.

65. To disseminate the Notice and Claim Form (together, the "Notice Packet"), JND obtained information from Centene and from banks, brokers, and other nominees regarding the names and addresses of potential Settlement Class Members. The accompanying Declaration of Luiggy Segura, attached hereto as Exhibit 4, provides additional information about JND's distribution of the Notice Packet. *See* Segura Decl. ¶¶ 2-9.

66. JND began mailing copies of the Notice Packet to potential Settlement Class Members and nominee owners on July 14, 2020. *Id.* ¶¶ 3-6. As of September 17, 2020, JND had disseminated a total of 79,774 Notice Packets to potential Settlement Class Members and nominees. *Id.* ¶ 9.

67. In accordance with the Preliminary Approval Order, JND caused the Summary Notice to be transmitted over the *PR Newswire* on July 22, 2020; and to be published in *Investor's Business Daily* and transmitted over *BusinessWire* on July 27, 2020. *Id.* ¶ 10.

68. Lead Counsel also caused JND to establish a dedicated settlement website, CenteneSecuritiesLitigation.com, to provide potential Settlement Class Members with information concerning the Settlement and access to copies of the Notice and Claim Form, as well as copies of other relevant documents, including the Complaint, the Stipulation, Lead Plaintiff's memorandum of law in support of preliminary approval of the Settlement, and the Preliminary Approval Order. *See* Segura Decl. ¶ 12. That website became operational on July 14, 2020. *Id.* Lead Counsel also made copies of the Notice and Claim Form and the other relevant documents available on its own website, blbglaw.com, at that time. Lead Counsel and JND will continue to monitor and to update the settlement website as the settlement process continues. For

example, Lead Plaintiff's papers in support of its motion for final approval of the Settlement and Lead Counsel's papers in support of its motion for attorneys' fees and litigation expenses will be made available on the website after they are filed, and any orders entered by the Court in connection with the motions will also be posted.

69. As set forth above, the deadline for Settlement Class Members to file objections to the Settlement, Plan of Allocation, or Fee and Expense Application, or to request exclusion from the Settlement Class is October 5, 2020. To date, three requests for exclusion from the Settlement Class, totaling under 100 shares, have been received, *see* Segura Decl. ¶ 13, and no objections to the Settlement, Plan of Allocation, or Lead Counsel's Fee and Expense Application have been received. Lead Counsel will file reply papers on or before October 19, 2020, that will address all requests for exclusion and any objections that may be received.

IV. ALLOCATION OF THE PROCEEDS OF THE SETTLEMENT

70. Pursuant to the Preliminary Approval Order, and as set forth in the Notice, all Settlement Class Members who want to be eligible to participate in the distribution of the Net Settlement Fund must submit a valid Claim Form with all required information postmarked no later than October 13, 2020. As set forth in the Notice, the Net Settlement Fund will be distributed among Settlement Class Members who submit eligible claims according to the plan of allocation approved by the Court.

71. Lead Counsel consulted with Lead Plaintiff's damages expert, Chad Coffman, in developing the proposed plan of allocation for the Net Settlement Fund (the "Plan of Allocation"). 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 result of the conduct alleged in the Action.

72. The Plan of Allocation is set forth at pages 12 to 16 of the Notice. *See* Segura Decl., Ex. A at pp. 12-16. As described in the Notice, calculations under the Plan of Allocation are intended as 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. *See* Notice ¶ 49.

73. In developing the Plan of Allocation, Lead Plaintiff's damages expert calculated the estimated amount of artificial inflation in Centene common stock during the Class Period that was allegedly caused by Defendants' alleged false and misleading statements and material omissions. *See* Notice ¶ 50. In calculating the estimated artificial inflation, Lead Plaintiff's expert considered price changes in the stock in reaction to the public disclosures allegedly revealing the truth concerning Defendants' alleged misrepresentations and material omissions, adjusting for price changes on that day that were attributable to market or industry forces. *Id.*

74. Recognized Loss Amounts are calculated under the Plan of Allocation for each purchase of Centene common stock that is listed on a Claimant's Claim Form and for which adequate documentation is provided. In general, Recognized Loss Amounts are calculated as the lesser of: (a) the difference between the amount of alleged artificial inflation in Centene common stock at the time of purchase and the time of sale, or (b) the difference between the purchase price and the sale price for the shares. *See* Notice ¶¶ 52, 54. Claimants who purchased and then sold their Centene shares before the end of the Class Period—the close of trading on July 25, 2016—have no Recognized Loss Amount under the Plan of Allocation with respect to those transactions because any loss suffered on those sales would not be the result of the alleged misstatements in the Action.² *See* Notice ¶¶ 52, 54(a).

² The disclosure which allegedly removed the artificial inflation from the price of Centene common stock occurred before the opening of trading on July 26, 2016.

75. As stated in the Notice, and in accordance with the PSLRA, Recognized Loss Amounts for shares of Centene common stock sold during the 90-day period after the end of the Class Period are further limited to the difference between the purchase price and the average closing price of the stock from the end of the Class Period to the date of sale. Notice ¶ 54(b)(iii). Recognized Loss Amounts for Centene common stock purchased during the Class Period and still held as of the close of trading on October 21, 2016, the end of the 90-day period, will be the lesser of (a) the amount of alleged artificial inflation in the share on the date of purchase (\$6.20 per share) or (b) the difference between the purchase price and \$67.00, the average closing price for the stock during that 90-day period. *Id.* ¶ 54(c).

76. The sum of a Claimant's Recognized Loss Amounts for all of his, her, or its purchases of Centene common stock during the Class Period is the Claimant's "Recognized Claim." Notice ¶ 57. The Net Settlement Fund will be allocated to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Notice ¶ 63. If an Authorized Claimant's *pro rata* distribution amount calculates to less than ten dollars, no payment will be made to that Authorized Claimant. *Id.* ¶ 64. Those funds will be included in the distribution to the Authorized Claimants whose payments exceed the ten-dollar minimum.

77. The entire Net Settlement Fund will be distributed to Authorized Claimants. If any funds remain after the initial *pro rata* distribution, as a result of uncashed or returned checks or other reasons, subsequent cost-effective distributions to Authorized Claimants will be conducted. Notice ¶ 65. Only when the residual amount left for re-distribution to Settlement Class Members is so small that a further re-distribution would not be cost effective (for example, where the administrative costs of conducting the additional distribution would largely subsume

the funds available), will those funds be donated to one or more non-sectarian, not-for-profit, 501(c)(3) organizations, to be recommended by Lead Counsel and approved by the Court. *Id.*

78. The Plan of Allocation was designed to fairly and rationally allocate the proceeds of the Net Settlement Fund among Settlement Class Members based on damages they suffered on purchases of Centene common stock that were attributable to the misconduct alleged in the Action, and to date, no objections to the proposed Plan of Allocation have been received.

V. THE FEE AND EXPENSE APPLICATION

79. In addition to seeking final approval of the Settlement and Plan of Allocation, Lead Counsel is applying to the Court for an award of attorneys' fees to Plaintiffs' Counsel of 25% of the Settlement Fund (the "Fee Application").³ Lead Counsel also requests payment for expenses that Lead Counsel incurred in connection with the prosecution of the Action from the Settlement Fund in the amount of \$81,134.49.

80. The legal authorities supporting the requested fee and expenses are set forth in Lead Counsel's Fee Memorandum. The primary factual bases for the requested fee and expenses are summarized below.

A. The Fee Application

81. For the efforts of Plaintiffs' 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 Fee Memorandum, a 25% fee award is well within the range of percentages awarded in securities class actions in this Circuit with comparable settlements, and is fair and reasonable given the facts and circumstances of this case.

³ Plaintiff's Counsel are Lead Counsel BLB&G; liaison counsel Cuneo Gilbert & LaDuca, LLP; and additional counsel for Lead Plaintiff, Klausner, Kaufman, Jensen & Levinson.

1. Lead Plaintiff Has Authorized and Supports the Fee Application

82. Lead Plaintiff Louisiana Sheriffs is a sophisticated institutional investor that closely supervised, monitored, and actively participated in the prosecution and settlement of the Action. *See* McGee Decl., attached hereto as Exhibit 2, at ¶¶ 3-6. Lead Plaintiff has evaluated the Fee Application and fully supports the fee requested. *Id.* ¶¶ 8-9. Lead Plaintiff has reviewed and approved the proposed fee and believes it is fair and reasonable in light of the result obtained for the Settlement Class, the substantial risks in the litigation, and the work performed by Plaintiffs' Counsel. *Id.*

2. The Time and Labor Devoted to the Action by Plaintiff's Counsel

83. Plaintiff's Counsel devoted substantial time to the prosecution of the Action. As described above in greater detail, the work that Plaintiff's Counsel performed in this Action included: (i) conducting an extensive investigation into the alleged fraud, including interviews of dozens of former employees of Centene and Health Net and a thorough review of public information such as SEC filings, analyst reports, conference call transcripts, and news articles; (ii) drafting a detailed consolidated complaint based on Lead Counsel's investigation; (iii) successfully opposing Defendants' motion to dismiss through briefing and argument; (iv) engaging in fact discovery, including serving comprehensive document requests to Defendants and subpoenas to thirteen third parties; (v) consulting with experts on accounting issues, market efficiency, and class-wide damages; and (vi) engaging in arm's-length settlement negotiations, including a full-day mediation session to achieve the Settlement.

84. Throughout the litigation, Plaintiff's Counsel maintained an appropriate level of staffing that avoided unnecessary duplication of effort and ensured the efficient prosecution of this litigation. I personally monitored and maintained control of work performed by Plaintiff's

Counsel. Other experienced attorneys at Plaintiff's Counsel were also involved in the drafting of pleadings, motion papers, and in the settlement negotiations. More junior attorneys and paralegals worked on matters appropriate to their skill and experience level.

85. Attached hereto as Exhibits 5A, 5B, and 5C, respectively, are my declaration on behalf of BLB&G, the declaration of Michael J. Flannery on behalf of Cuneo Gilbert & LaDuca, LLP, and the declaration of Robert D. Klausner on behalf of Klausner, Kaufman, Jensen & Levinson in support of Lead Counsel's motion for an award of attorneys' fees and litigation expenses (the "Fee and Expense Declarations"). Each of the Fee and Expense Declarations includes information about the lodestar of the firm. 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, Exhibit 5A-2 sets forth summary descriptions of the principal tasks performed by each attorney at Lead Counsel who was involved in the Action. The first page of Exhibit 5 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

86. As set forth in Exhibit 5, Plaintiffs' Counsel collectively expended a total of 2,727.25 hours in the investigation and prosecution of the Action from its inception through August 31, 2020. The resulting lodestar is \$1,555,442.50. The vast majority of the total lodestar—92%—was incurred by Lead Counsel.

87. The requested fee of 25% of the Settlement Fund is \$1,875,000 plus interest accrued at the same rate as the Settlement Fund, and therefore represents a multiplier of approximately 1.2 of Plaintiffs' Counsel's total lodestar. As discussed in further detail in the Fee

Memorandum, the requested multiplier cross-check is on the low end of 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

88. As demonstrated by the firm resume included as Exhibit 5A-4 hereto, Lead Counsel BLB&G is among the most experienced and skilled law firms in the securities litigation field, with a long and successful track record representing investors in such cases, and is consistently ranked among the top plaintiffs' firms in the country. Further, BLB&G has taken complex cases such as this to trial, and it is among the few firms with experience doing so on behalf of plaintiffs in securities class actions. I believe this willingness and ability added valuable leverage during the settlement negotiations.

4. The Standing and Caliber of Defendants' Counsel

89. The quality of the work performed by Lead Counsel in attaining the Settlement should also be evaluated in light of the quality of the opposition. Here, Defendants were represented by experienced and extremely able counsel Skadden, Arps, Slate, Meagher & Flom LLP, which vigorously represented its clients. In the face of this skillful and well-financed opposition, Lead Counsel was nonetheless able to persuade Defendants to settle the case on terms that are very favorable to the Settlement Class.

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

90. This prosecution was undertaken by Lead Counsel entirely on a contingent basis and without any assurance of compensation or reimbursement of expenses. The risks assumed by Lead Counsel in prosecuting these claims to a successful conclusion.

91. From the outset of its retention, Lead Counsel understood that it was embarking on a complex, expensive, and lengthy litigation with no guarantee of ever being compensated for the substantial investment of time and money the case would require. In undertaking that responsibility, Lead Counsel was obligated to ensure that sufficient resources were dedicated to the prosecution of the Action, and that funds were available to compensate staff and to cover the considerable litigation costs that a case such as this requires. With an average lag time of several years for these cases to conclude, the financial burden on contingent-fee counsel is far greater than on a firm that is paid on an ongoing basis. Indeed, Lead Counsel and the other Plaintiffs' Counsel received no compensation during the course of the Action and have incurred over \$81,000 in litigation expenses in prosecuting the Action for the benefit of the Settlement Class.

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

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

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

94. As stated above, as of September 17, 2020, 79,774 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 25% of the Settlement Fund. *See Segura Decl.* ¶ 9

& Ex. A (Notice) at ¶¶ 5, 68. In addition, the Court-approved Summary Notice was published in *Investor's Business Daily* and transmitted over the *PR Newswire* and *BusinessWire*. *Id.* ¶ 10. To date, no objection to the request for attorneys' fees and expenses has been received by Lead Counsel. Any objection that may be received will be addressed in Lead Counsel's reply papers to be filed on October 19, 2020, after the deadline for submitting objections has passed.

B. The Litigation Expense Application

95. Lead Counsel also seeks payment from the Settlement Fund of \$81,134.49 in litigation expenses that were reasonably incurred by Lead Counsel in connection with commencing, litigating, and settling the claims asserted in the Action.

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

97. Lead Counsel has incurred a total of \$81,134.49 in litigation expenses in connection with the prosecution of the Action. The expenses are summarized in Exhibit 5A-3, which identifies each category of expense, *e.g.*, expert fees, mediation costs, and on-line research, and the amount incurred for each category. These expense items are billed separately by Lead Counsel, and such charges are not duplicated in Lead Counsel's hourly rates.

98. The largest category of expenses was for the retention of experts, in the amount of \$34,011.25, or 42% of the total litigation expenses. As noted above, Lead Counsel consulted with experts in the fields of accounting, loss causation, and damages during its investigation and the preparation of the Complaint, and in connection with the development of the proposed Plan of Allocation.

99. Another large component of the litigation expenses was for online legal and factual research, which was necessary to conduct the factual investigation and identify potential witnesses, prepare the Complaint, research the law pertaining to the claims asserted in the Action, oppose Defendants' motion to dismiss, and prepare Lead Plaintiff's mediation submissions. The charges for on-line research amounted to \$32,296.50 or 40% of the total amount of expenses. Lead Counsel also incurred \$7,500.00 for its share of the mediation fees of Ms. Yoshida, which represented 9% of the total litigation expenses.

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

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

102. The Notice informed potential Settlement Class Members that Lead Counsel would be seeking payment for Litigation Expenses in an amount not to exceed \$200,000. The total amount requested, \$81,134.49, is significantly below the \$200,000 that Settlement Class

Members were advised could be sought. To date, no objections to the request for expenses has been received.

VI. CONCLUSION

103. For all the reasons set forth above, Lead Plaintiff and Lead Counsel respectfully submit that the Settlement and the Plan of Allocation are fair, reasonable, and adequate. Lead Counsel further submits that the requested fee in the amount of 25% of the Settlement Fund is fair and reasonable, as is the request for reimbursement of Litigation Expenses.

I declare, under penalty of perjury, that the foregoing is true and correct. Executed on September 21, 2020.

/s Jonathan D. Uslaner
Jonathan D. Uslaner

Exhibit 1

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

ISRAEL SANCHEZ, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.
NEIDORFF, and JEFFREY A.
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

**DECLARATION OF MICHELLE YOSHIDA IN SUPPORT OF
MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT**

I, MICHELLE YOSHIDA, declare under penalty of perjury as follows:

1. I submit this Declaration in my capacity as the mediator in the above-captioned securities class action (“Action”) and in connection with the proposed settlement of claims asserted in the Action (the “Settlement”).

2. All of the parties, entities, and individuals who were represented at the mediation session and in the negotiations (the “Parties”) executed a Confidentiality Agreement stating that the mediation process was to be regarded as settlement negotiations under Rule 408 of the Federal Rules of Evidence, protecting disclosures made during such process from later discovery, dissemination, publication and/or use in evidence. The Parties further agreed that the Confidentiality Agreement extends to all statements made during the course of the mediation or any materials generated for the purpose of the mediation. By making this declaration, neither the Parties nor I waive in any way the provisions of the Confidentiality Agreement or the protections of Rule 408. While I cannot disclose the contents of the mediation negotiations, the Parties have

authorized me to inform the Court of the procedural and substantive matters set forth below to be used in support of their Motion for Final Approval of the Class Action Settlement. Thus, without in any way waiving the mediation privilege, I make this declaration based on personal knowledge and I am competent to testify as to the matters set forth herein.

I. BACKGROUND AND QUALIFICATIONS

3. I am a full-time mediator, arbitrator and special master with Phillips ADR Enterprises, P.C. ("PADRE"), based in Corona del Mar, California. I joined PADRE at its founding in November 2014. Immediately prior to joining PADRE, I worked as a full-time mediator, arbitrator and special master with Weinstein Melnick LLC. Before becoming a neutral, I was a trial attorney in private practice, litigating complex business matters.

4. Over the past 13 years, I have been involved as a mediator in connection with numerous large, complex cases, including securities cases such as this one. I have successfully mediated hundreds of disputes, involving a myriad of diverse matters, including financial and accounting cases, securities and derivative matters, insurance coverage, regulatory matters, professional liability, employment, ERISA, and trustee issues.

5. I provide my professional background to provide context for the statements in my Declaration and to establish that my perspective on the negotiations and settlement of this securities action is grounded in my significant experience in resolving complex litigation.

II. ARM'S-LENGTH SETTLEMENT NEGOTIATIONS

6. On January 29, 2020, a full-day mediation was held before me in Los Angeles. Counsel for all Parties were in attendance, as well as Principal and Carrier Representatives for the Defense.

7. In advance of the mediation session, the Parties exchanged and submitted detailed mediation statements and supporting exhibits addressing liability and damages. During the

mediation, counsel for Lead Plaintiff and the Defendants presented arguments regarding their clients' positions. The work that went into the mediation statements and competing presentations and arguments was substantial. The mediation lasted a full day, concluding in the evening.

8. During the mediation session, I engaged in extensive discussions with counsel on both sides in an effort to find common ground between the Parties' respective positions. I developed an understanding of the full range of disputes, the respective positions of the various participants, and the relative strengths and weaknesses of those positions, as well as the risks, rewards, and costs of continued litigation. During these discussions, I challenged each side separately to address potential weaknesses in each of their positions and arguments. At the conclusion of the mediation session, I made a Mediator's Recommendation that the Parties settle the Action in return for a cash payment for the benefit of the Settlement Class of \$7,500,000. After careful consideration, this double-blind Mediator's Recommendation was accepted by the Parties.

9. Because the Parties submitted their mediation statements and arguments in the context of a confidential mediation process pursuant to the PADRE Confidentiality Agreement and Federal Rule of Evidence 408, I cannot reveal their content. I can say, however, that the arguments and positions asserted by all involved were the product of substantial work, they were complex and adversarial, and reflected a detailed understanding of the strengths and potential weaknesses of the claims and defenses at issue in this case. The mediation process was a hard-fought negotiation from beginning to end and was conducted by experienced and able counsel on both sides. Throughout the mediation process, the negotiations between the Parties was vigorous and conducted at arm's length and in good faith.

III. CONCLUSION

10. While the Court will make its own determination as to the proposed settlement's fairness under applicable legal standards, from my viewpoint as a mediator, I believe the proposed Settlement represents a recovery and outcome that is reasonable and fair for the Settlement Class and all Parties involved. I support and respectfully recommend the Court's approval of the Settlement in all respects.

11. Lastly, the advocacy on both sides of the case was excellent. All counsel displayed the highest level of professionalism in zealously and capably representing their respective clients.

I declare under penalty of perjury that the foregoing facts are true and correct and that this Declaration was executed this 12th day of September, 2020.



Michelle Yoshida, Esq.
Phillips ADR Enterprises, P.C.

Exhibit 2

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

ISRAEL SANCHEZ, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.
NEIDORFF, and JEFFREY A.
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

**DECLARATION OF OSEY “SKIP” MCGEE, JR., EXECUTIVE DIRECTOR
OF LOUISIANA SHERIFFS’ PENSION AND RELIEF FUND, IN SUPPORT
OF: (I) LEAD PLAINTIFF’S MOTION FOR FINAL APPROVAL OF
SETTLEMENT AND PLAN OF ALLOCATION; AND (II) LEAD COUNSEL’S
MOTION FOR ATTORNEYS’ FEES AND LITIGATION EXPENSES**

I, Osey “Skip” McGee, Jr., hereby affirms as follows:

1. I am Executive Director of the Louisiana Sheriffs’ Pension and Relief Fund (“Louisiana Sheriffs”), the Court-appointed Lead Plaintiff in the above-captioned securities class action (the “Action”).¹ I submit this Declaration in support of (i) Lead Plaintiff’s motion for final approval of the proposed Settlement and approval of the proposed Plan of Allocation; and (ii) Lead Counsel’s motion for attorneys’ fees and Litigation Expenses.

2. I am aware of and understand the requirements and responsibilities of a class representative in a securities class action, including those set forth in the Private Securities Litigation Reform Act of 1995 (“PSLRA”). I have personal knowledge of the matters set forth in

¹ Unless otherwise defined in this Declaration, all capitalized terms have the meanings set out in the Stipulation and Agreement of Settlement dated March 5, 2020 (ECF No. 116-1).

this Declaration, as I, along with my colleagues and outside legal counsel, have been directly involved in monitoring and overseeing the prosecution of the Action, as well as the negotiations leading to the Settlement, and I could and would testify competently to these matters.

I. Louisiana Sheriffs' Oversight of the Action

3. Louisiana Sheriffs is a multi-employer, defined benefit, governmental retirement plan providing retirement, disability, and death benefits to approximately 20,000 active and retired employees of the sheriff's offices in all 64 Louisiana parishes. Louisiana Sheriffs' principal offices are located at 1225 Nicholson Drive, Baton Rouge, LA 70802.

4. On May 1, 2017, the Court issued an Order appointing Louisiana Sheriffs as the Lead Plaintiff in the Action pursuant to the PSLRA, and approved Louisiana Sheriffs' selection of Bernstein Litowitz Berger & Grossmann LLP ("BLB&G") as Lead Counsel for the class.

5. Louisiana Sheriffs closely supervised, carefully monitored, and was actively involved in all material aspects of the prosecution and resolution of the Action. On behalf of the Louisiana Sheriffs, I had communication during the litigation with Lead Counsel BLB&G and Robert Klausner of Klausner, Kaufman, Jensen & Levinson ("Klausner Kaufman"), Louisiana Sheriffs' outside fiduciary counsel. I received periodic status reports from counsel on case developments and participated in regular discussions with concerning the prosecution of the Action, the strengths of and risks to the claims, and potential settlement. In particular, throughout the course of this Action, I and other Louisiana Sheriffs personnel: (a) regularly communicated with counsel by email and telephone calls regarding the posture and progress of the case; (b) reviewed all significant pleadings and briefs filed in the Action; (c) consulted with counsel concerning the settlement negotiations as they progressed; and (d) evaluated and approved the proposed Settlement.

6. Louisiana Sheriffs was kept informed of the progress of the mediation process and settlement negotiations. Prior to and during the mediation process, I conferred with counsel regarding the Parties' respective positions.

II. Louisiana Sheriffs Strongly Endorses Approval of the Settlement

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

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

8. Louisiana Sheriffs believes that the request for an award of attorneys' fees in the amount of 25% of the Settlement Fund is fair and reasonable in light of the work that Plaintiffs' Counsel performed on behalf of the Settlement Class. Louisiana Sheriffs takes seriously its role as a class representative to ensure that the attorneys' fees are fair in light of the result achieved in the action and reasonably compensate Plaintiffs' Counsel for the work involved and the substantial risks they undertook in litigating the action. Louisiana Sheriffs approves the amount of attorney's fees requested by Lead Counsel as fair and reasonable in light of the work performed by Plaintiff's Counsel, the risks of the litigation, and the substantial recovery obtained for the Settlement Class in this Action.

9. Louisiana Sheriffs further believes that Plaintiffs' Counsel's Litigation Expenses are reasonable and represent costs and expenses necessary for the prosecution and resolution of the claims in the Action. Based on the foregoing, and consistent with its obligation to the class to

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

IV. Conclusion

10. In conclusion, Louisiana Sheriffs, a Court-appointed Lead Plaintiff, which was actively involved throughout the prosecution and settlement of the Action, strongly endorses the Settlement as fair, reasonable, and adequate, and believes it represents a favorable recovery for the Settlement Class in light of the risks of continued litigation. Louisiana Sheriffs further supports Lead Counsel's motion for attorneys' fees and Litigation Expenses and believes that it represents fair and reasonable compensation for counsel in light of the recovery obtained for the Settlement Class, the substantial work conducted, and the litigation risks. Accordingly, Louisiana Sheriffs 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.

Based on the review of the case results with counsel and in reliance on their explanations and representations to me, I affirm under the laws of the United States of America that the foregoing is true and correct, to the best of my knowledge and belief, and that I have authority to execute this Declaration on behalf of Louisiana Sheriffs.

Executed this 3rd day of September, 2020.



Osey "Skip" McGee, Jr.
Executive Director
Louisiana Sheriffs' Pension and Relief Fund

#1403953

Exhibit 3

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

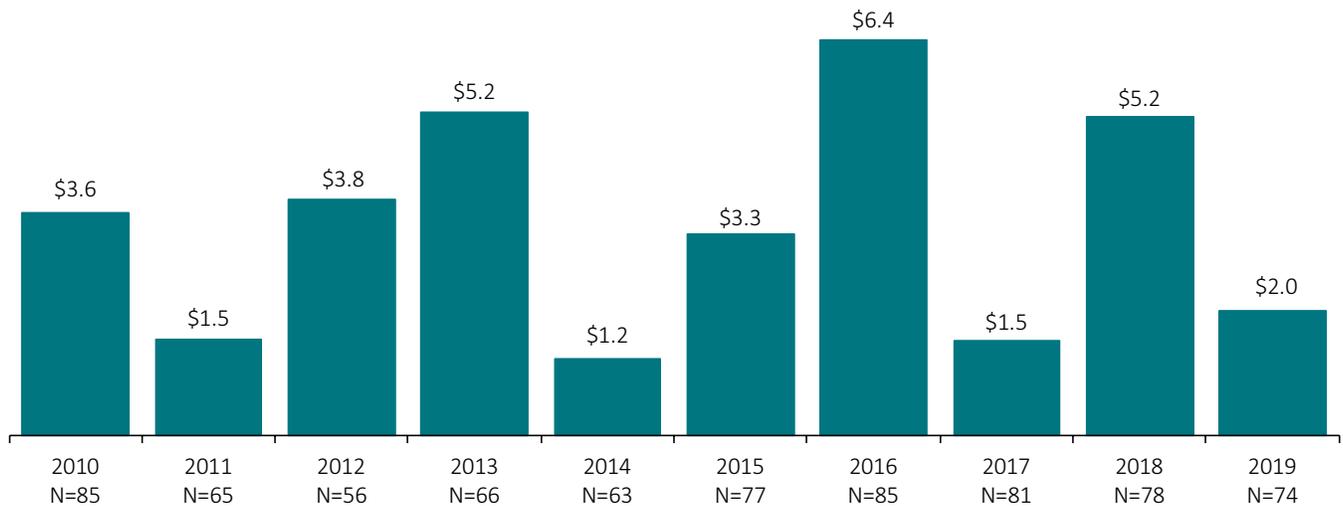
- The total value of settlements approved by courts in 2019 declined dramatically from 2018 due to the absence of very large settlements. Excluding 2018 settlements over \$1 billion, however, total settlement dollars declined by a modest 3 percent in 2019 (adjusted for inflation).
- The median settlement 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.

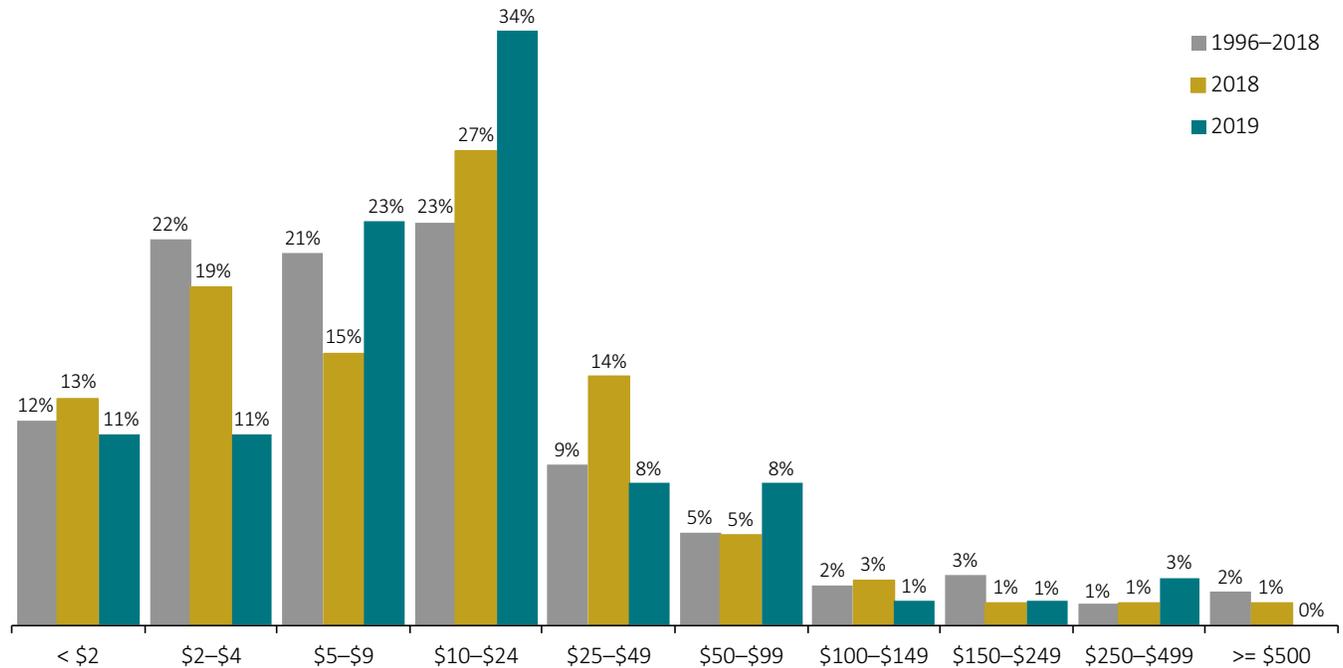
- The average settlement amount in 2019 was \$27.4 million, 43 percent lower than the average over the prior nine years. (See Appendix 1 for an analysis of settlements by percentiles.)
- If settlements exceeding \$1 billion are excluded from the prior nine-year average, the decline in 2019 was 16 percent.
- 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.

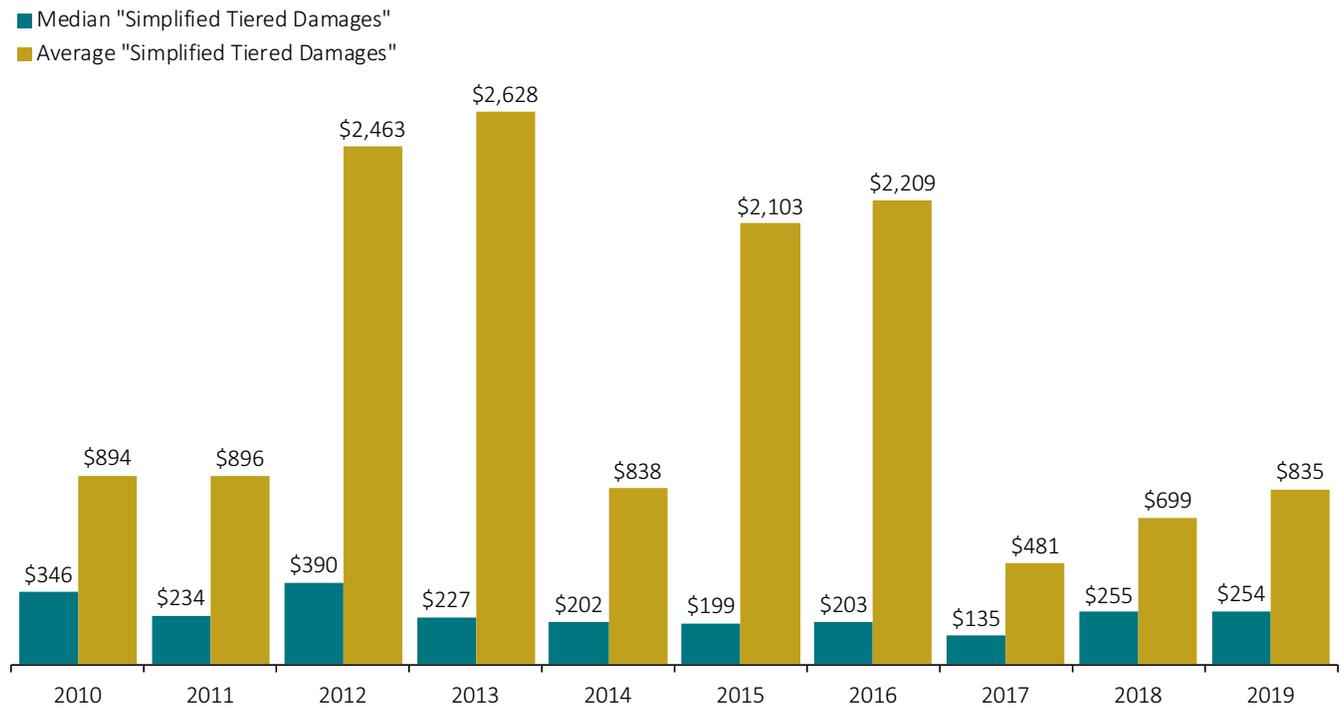
- Median “simplified tiered damages” was largely unchanged from the prior year. (See Appendix 5 for additional information on the median and average settlements as a percentage of “simplified tiered damages.”)

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).

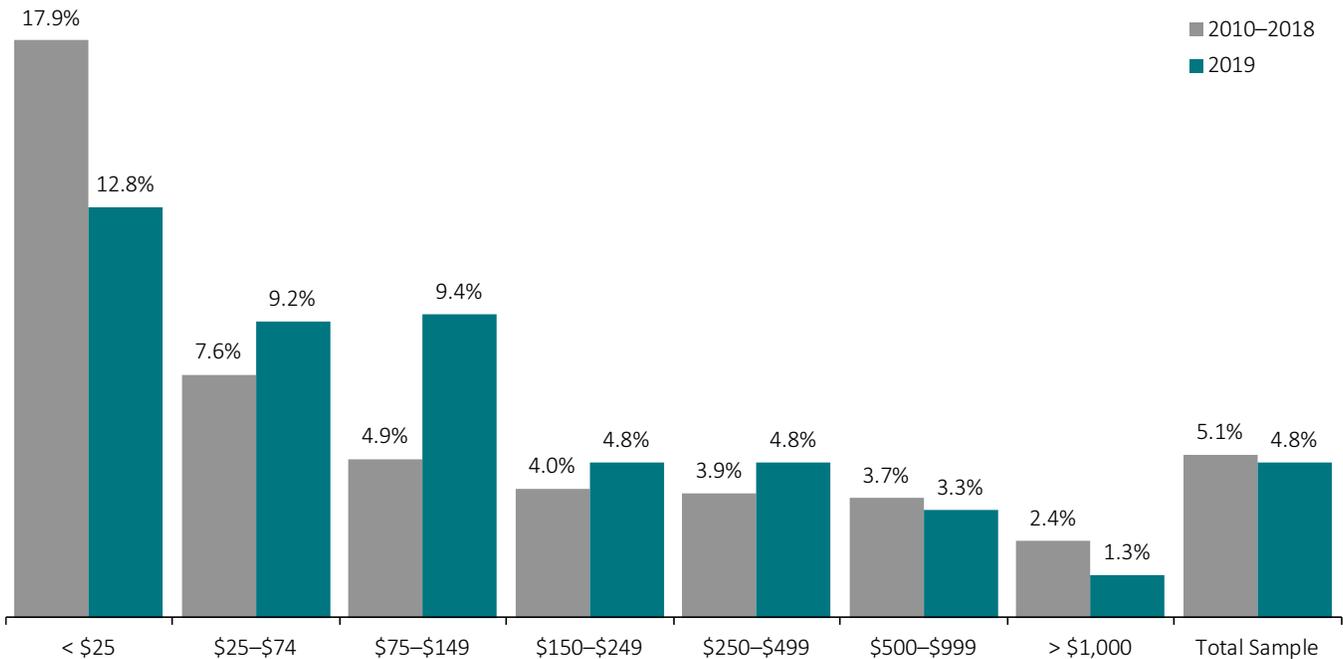
- Larger cases, as measured by “simplified tiered damages,” typically settle for a smaller percentage of damages.
- Smaller cases (less than \$25 million in “simplified tiered damages”) are less likely to include factors such as institutional lead plaintiffs and/or related actions by the Securities and 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.

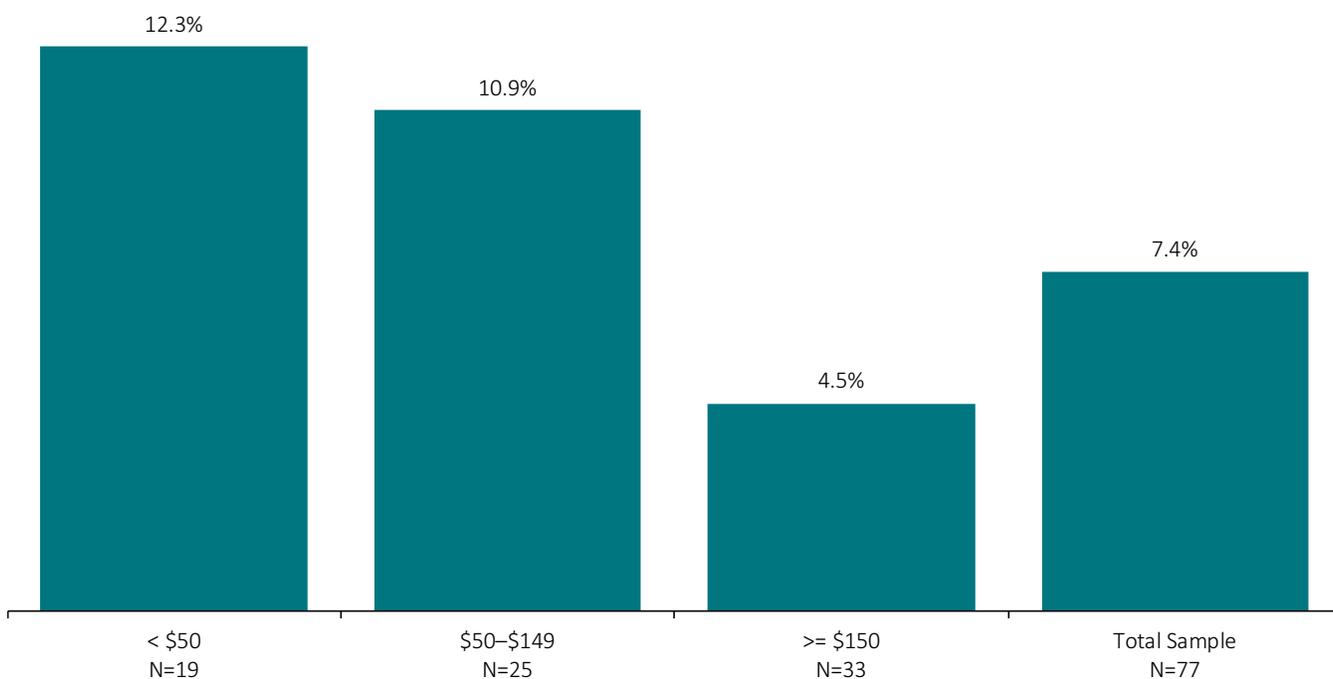
- Settlements as a percentage of “simplified statutory damages” are smaller for cases that have larger estimated damages. This finding holds for cases with ‘33 Act claims only, as well as those with Rule 10b-5 claims.

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

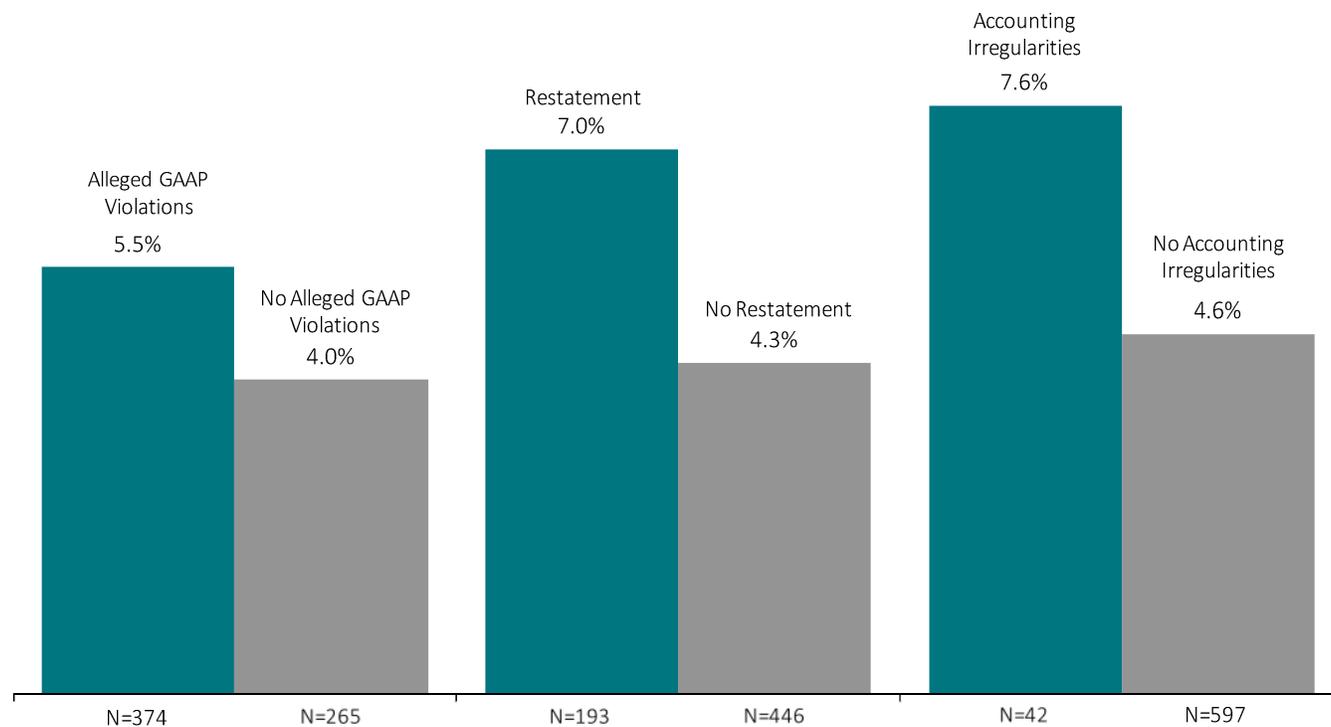
This analysis examines accounting allegations related to issues among securities class actions involving Rule 10b-5 claims: alleged Generally Accepted Accounting Principles (GAAP) violations, violations of other reporting standards, auditing violations, or weaknesses in internal controls over financial 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

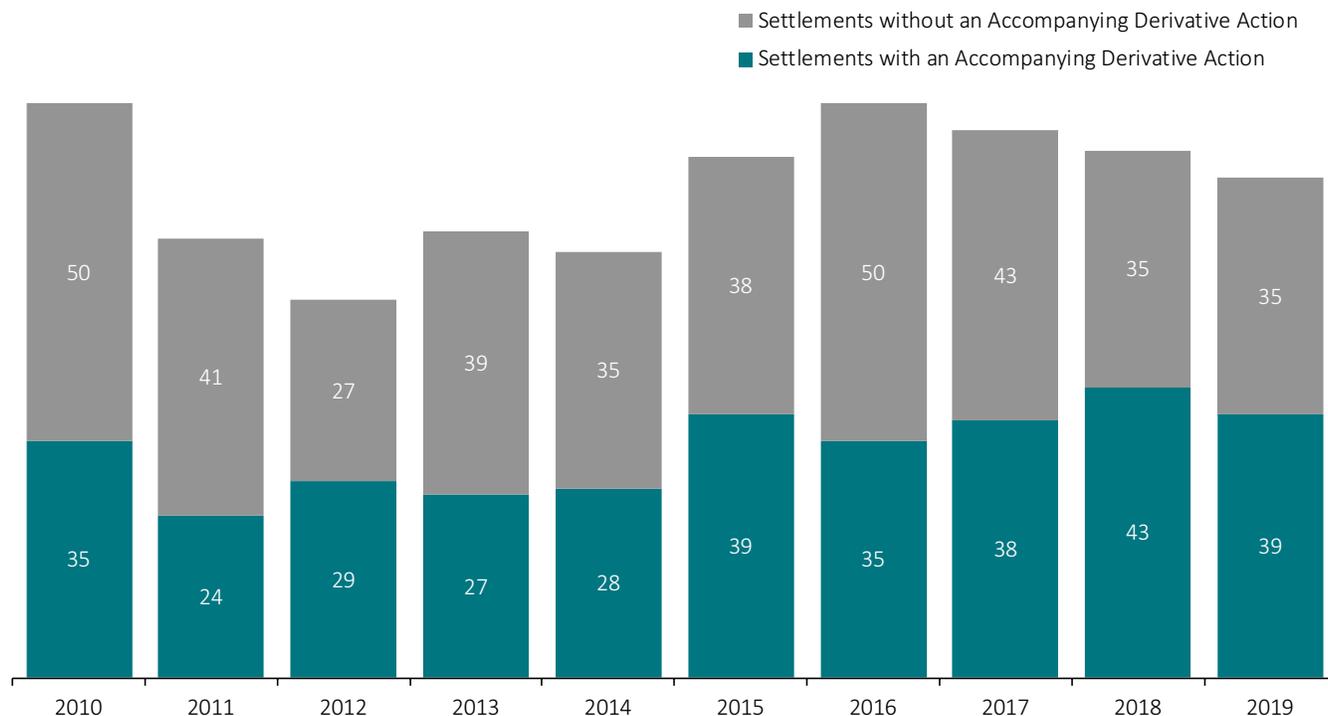
While settled cases involving an accompanying derivative action are typically associated with both larger cases (measured by “simplified tiered damages”) and larger settlement amounts, this was not true in 2019.

- 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

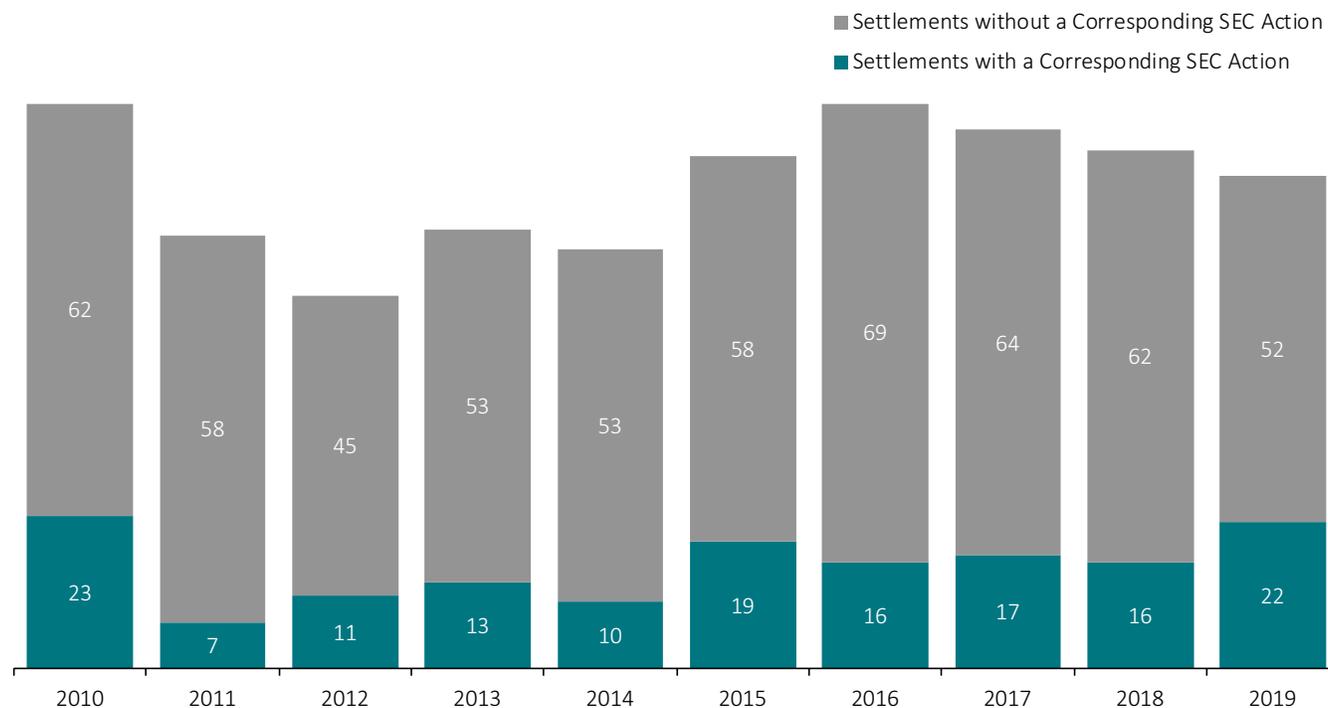
Cases with an SEC action related to the allegations are typically associated with significantly higher settlement amounts and higher settlements as a percentage of “simplified tiered damages.”¹¹

- 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

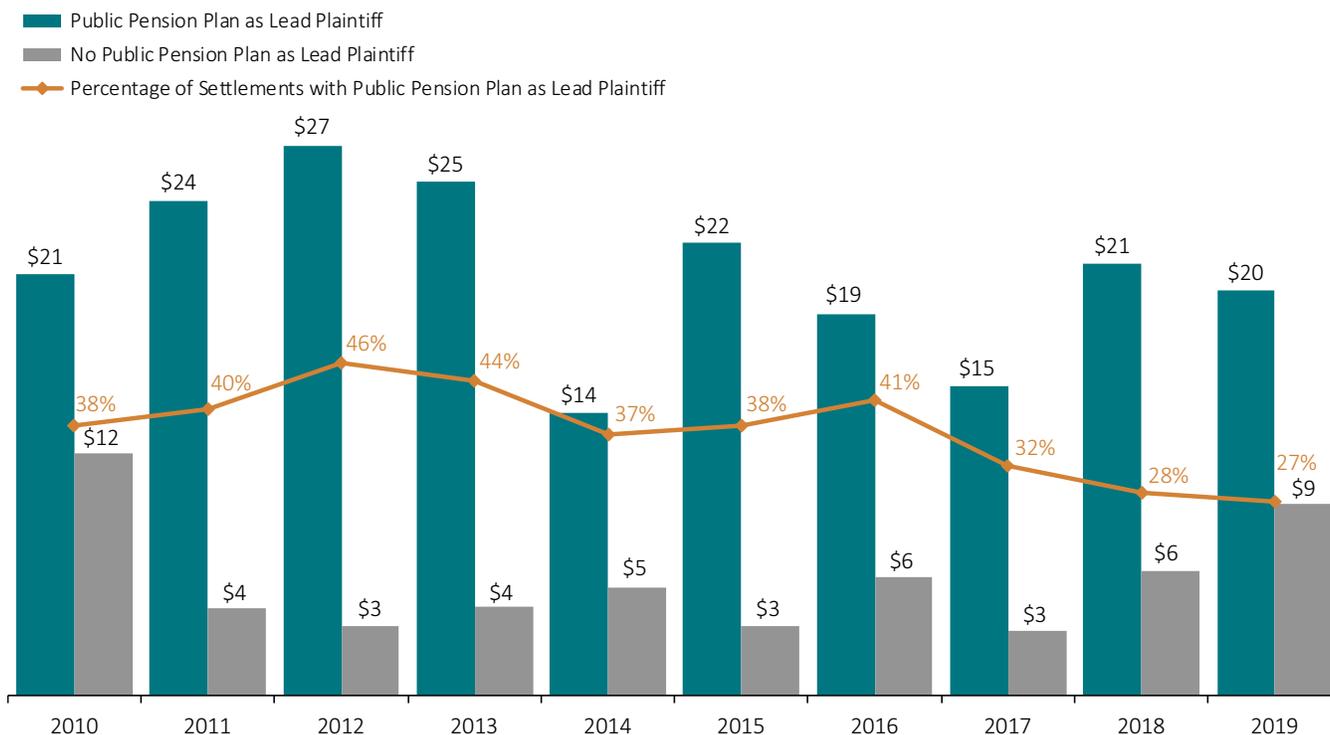
- Institutional investors, including public pension plans (a subset of institutional investors), tend to be involved in larger cases, that is, cases with higher “simplified tiered damages.”
- Median “simplified tiered damages” for cases involving a public pension as a lead plaintiff in 2019 were more 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

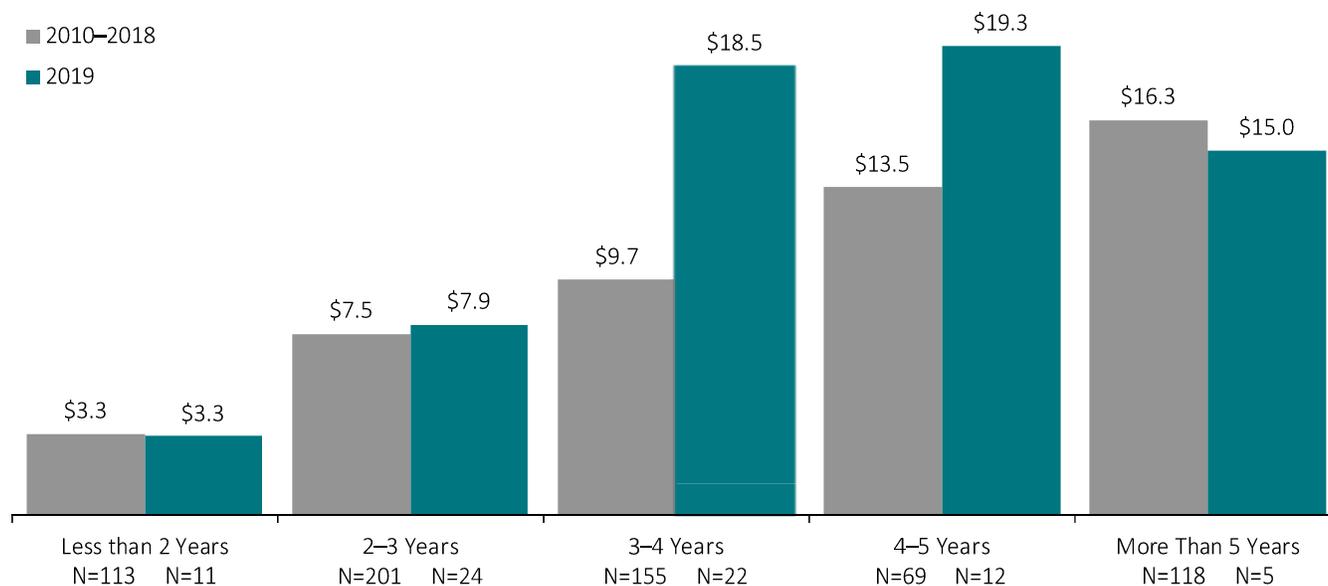
- In 2019, 15 percent of cases settled within two years of filing, consistent with the rate over the last 10 years. The average time from filing to settlement in 2019 was 3.3 years.
- Compared to cases that settled more quickly, cases that required three to five years to settle in 2019 had a higher frequency 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.

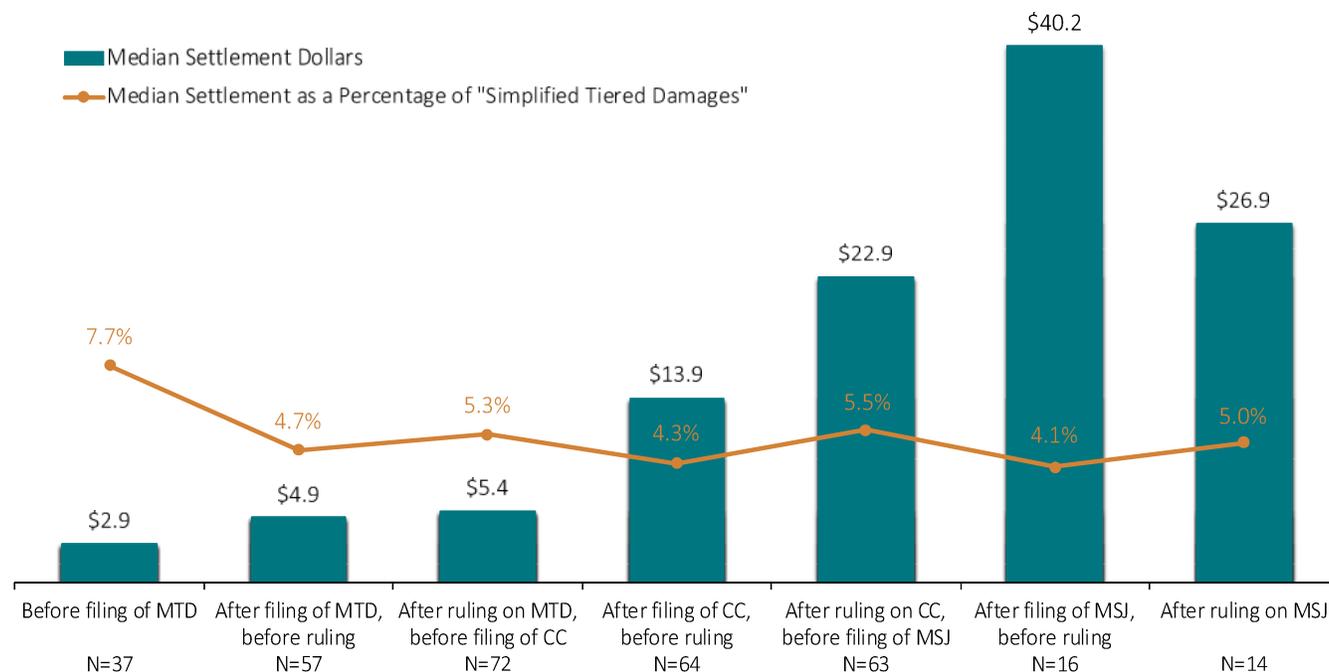
- In 2019, cases settled after a motion to dismiss (MTD) was filed but prior to a ruling on the MTD had a median settlement of \$8.5 million, significantly lower than for cases settled at later stages.
- In addition, among 2019 settlements, median total assets of issuer defendants at the time of settlement 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**

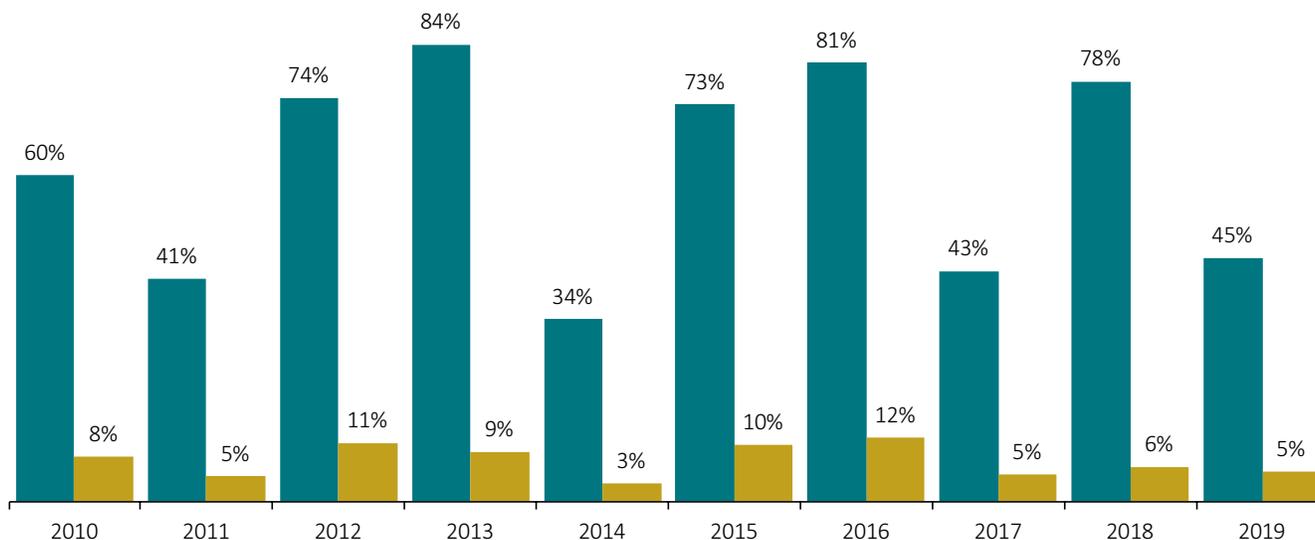
(Dollars in millions)

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%

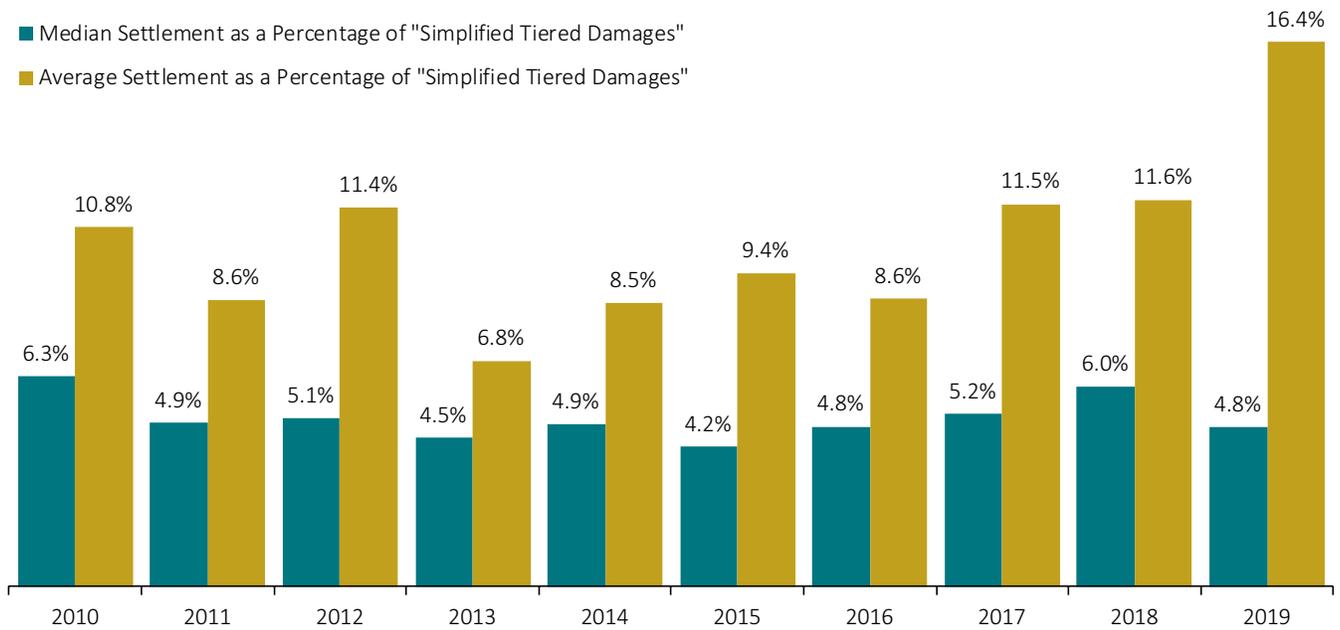
Note: Settlement dollars are adjusted for inflation; 2019 dollar equivalent figures are used. Settlements as a percentage of “simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims.

**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



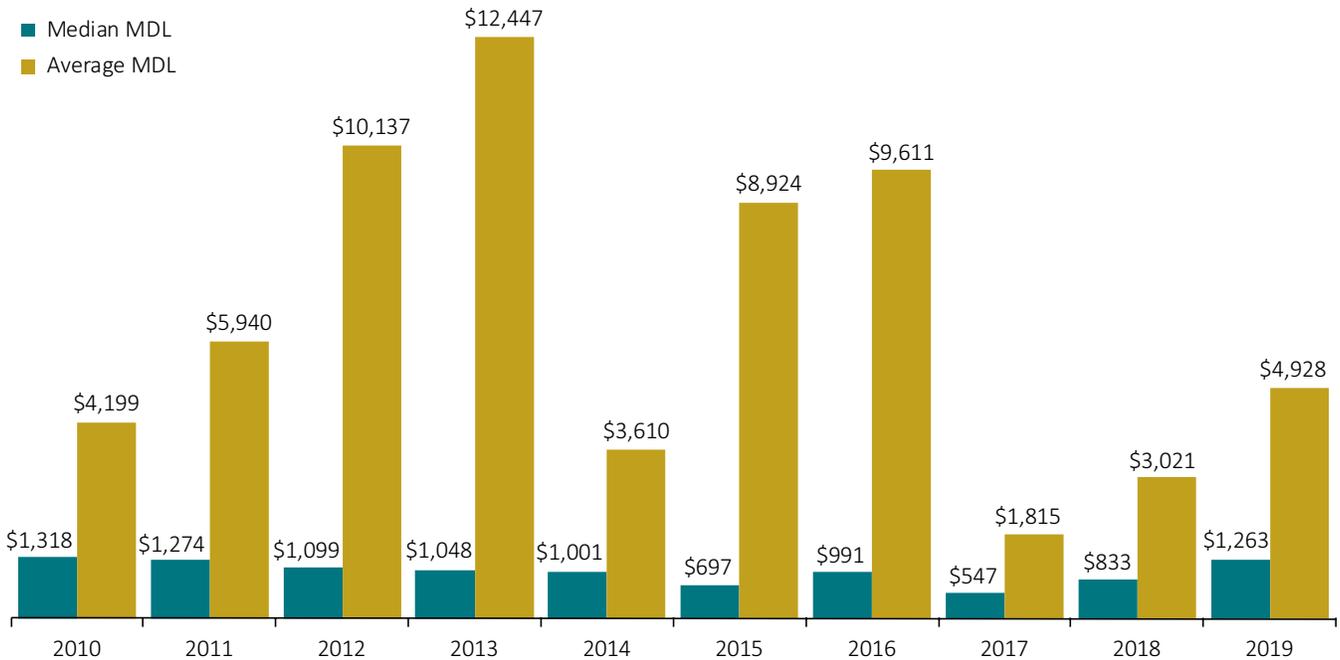
Appendix 5: Median and Average Settlements as a Percentage of "Simplified Tiered Damages"
 2010–2019



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

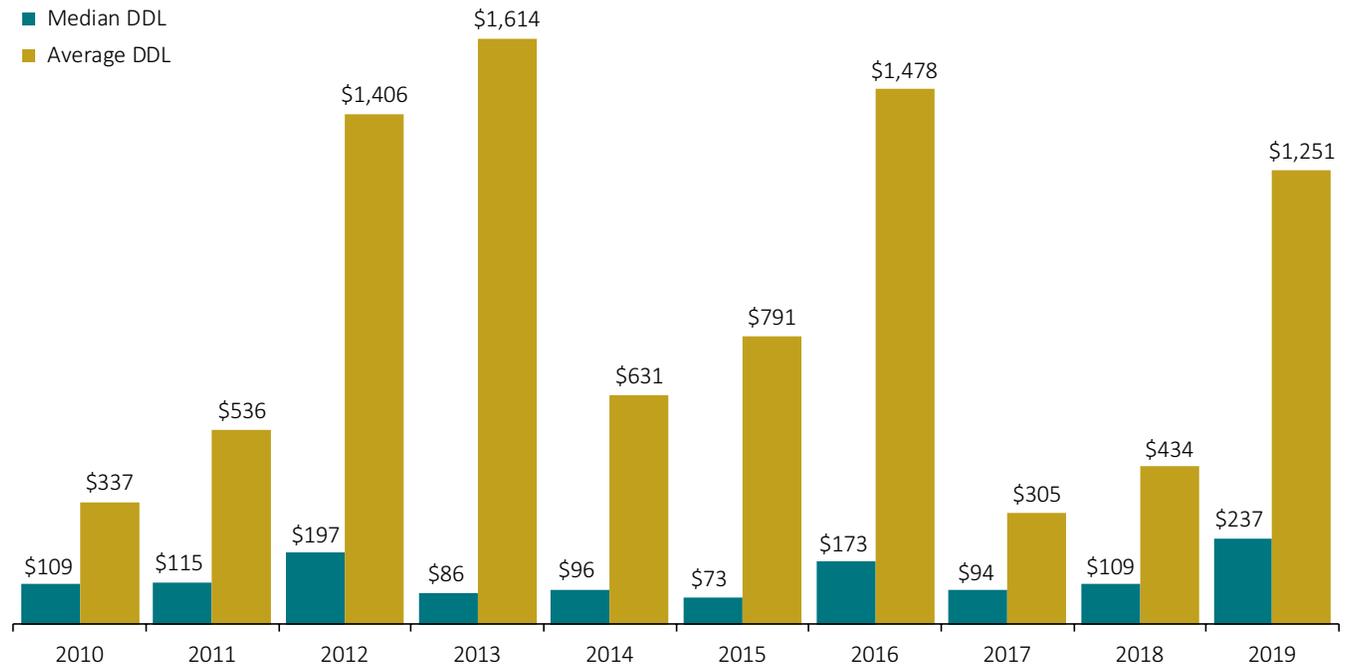
(Dollars in millions)



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**

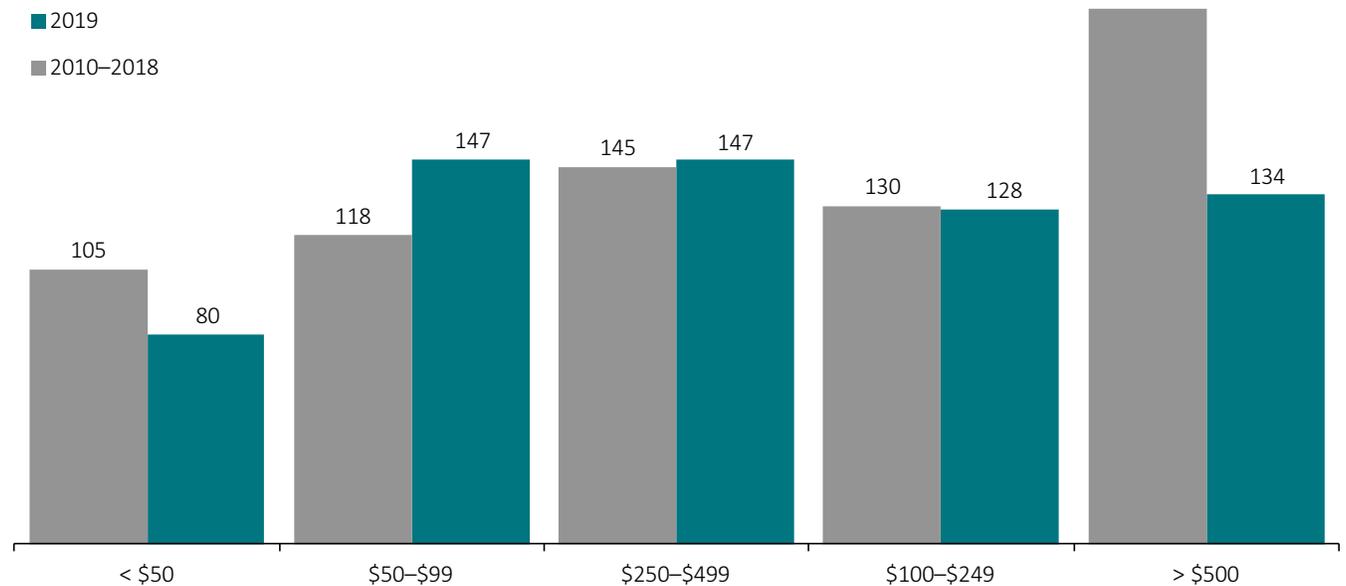
(Dollars in millions)



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.

About the Authors

Laarni T. Bulan

Ph.D., Columbia University; M.Phil., Columbia University; B.S., University of the Philippines

Laarni Bulan is a principal in Cornerstone Research's Boston office, where she specializes in finance. Her work has focused on securities damages and class certification issues, insider trading, merger valuation, risk management, market manipulation and trading behavior, and real estate markets. She has also consulted on cases related to financial institutions and the credit crisis, municipal bond mutual funds, asset-backed commercial paper conduits, credit default swaps, foreign exchange, and securities clearing and settlement.

Dr. Bulan has published several academic articles in peer-reviewed journals. Her research covers topics in dividend policy, capital structure, executive compensation, corporate governance, and real options. Prior to joining Cornerstone Research, Dr. Bulan had a joint appointment at Brandeis University as an assistant professor of finance in its International Business School and in the economics department.

Laura E. Simmons

Ph.D., University of North Carolina at Chapel Hill; M.B.A., University of Houston; B.B.A., University of Texas at Austin

Laura Simmons is a senior advisor with Cornerstone Research. She is a certified public accountant and has more than 25 years of experience in accounting practice and economic and financial consulting. Dr. Simmons has focused on damage and liability issues in securities and ERISA litigation, as well as on accounting issues arising in a variety of complex commercial litigation matters. She has served as a testifying expert in litigation involving accounting analyses, securities case damages, ERISA matters, and research on securities lawsuits.

Dr. Simmons's research on pre- and post-Reform Act securities litigation settlements has been published in a number of reports and is frequently cited in the public press and legal journals. She has spoken at various conferences and appeared as a guest on CNBC addressing the topic of securities case settlements. She has also published in academic journals, including research focusing on the intersection of accounting and litigation. Dr. Simmons was previously an accounting faculty member at the Mason School of Business at the College of William & Mary. From 1986 to 1991, she was an accountant with Price Waterhouse.

The authors acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research in the writing and preparation of this annual update.

Many publications quote, cite, or reproduce data, charts, or tables from Cornerstone Research reports. The authors request that you reference Cornerstone Research in any reprint, quotation, or citation of the charts, tables, or data reported in this study.

Please direct any questions and requests for additional information to the settlement database administrator at settlementdatabase@cornerstone.com.

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London

+44.20.3655.0900

Los Angeles

213.553.2500

New York

212.605.5000

San Francisco

415.229.8100

Silicon Valley

650.853.1660

Washington

202.912.8900

www.cornerstone.com



Exhibit 4

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

ISRAEL SANCHEZ, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.
NEIDORFF, and JEFFREY A.
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

**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, declare as follows:

1. I am a Director at JND Legal Administration (“JND”). Pursuant to the Court’s June 23, 2020 Order Preliminarily Approving Settlement and Authorizing Dissemination of Notice of Settlement (ECF No. 122) (the “Preliminary Approval Order”), JND was authorized to act as the Claims Administrator in connection with the Settlement of the above-captioned action (the “Action”).¹ I am over 21 years of age and am not a party to the Action. I have personal knowledge of the facts set forth herein and, if called as a witness, could and would testify competently thereto.

¹ Unless otherwise defined herein, all capitalized terms have the meanings set forth in the Stipulation and Agreement of Settlement dated March 5, 2020 (ECF No. 116-1) (the “Stipulation”).

DISSEMINATION OF THE NOTICE PACKET

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

3. On June 24, 2020, JND received a data file provided by Lead Counsel containing a total of 1,130 unique names and addresses of persons or entities who were identified by Centene's transfer agent as registered holders of Centene common stock during the Class Period.

4. JND maintains a proprietary database with names and addresses of the largest and most common brokerage firms, banks, and other institutions (referred to as "nominees" or "records holders") that purchase securities in "street name" on behalf of the beneficial owners. At the time of the initial mailing, JND's database of nominees contained 4,093 mailing records.

5. 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 Centene common stock during the Class Period. Based on this research, 851 address records were added to the list of potential Settlement Class Members.

6. In total, 6,074 Notice Packets were mailed to potential Settlement Class Members and nominees by first-class mail on July 14, 2020.

7. The Notice directed those who purchased Centene common stock during the Class Period for the beneficial interest of a person or entity other than themselves, within seven (7) calendar days of receipt of the Notice, to either: (a) request from the Claims Administrator

sufficient copies of the Notice Packet to forward to all such beneficial owners and, within seven (7) calendar days of receipt of those Notice Packets, forward them to all such beneficial owners; or (b) provide a list of the names, mailing addresses, and, if available, email addresses, of all such beneficial owners to JND (who would then mail copies of the Notice Packet to those persons). *See* Notice ¶ 83.

8. As of September 17, 2020, JND has received 27,684 additional names and addresses of potential Settlement Class Members from individuals or brokerage firms, banks, institutions, and other nominees. JND has also received requests from brokers and other nominee holders for 46,016 Notice Packets to be forwarded directly by the nominees to their customers. All such requests have been, and will continue to be, complied with and addressed in a timely manner.

9. As of September 17, 2020, a total of 79,774 Notice Packets have been mailed to potential Settlement Class Members and nominees. In addition, JND has re-mailed 330 Notice Packets to persons whose original mailings were returned by the U.S. Postal Service (“USPS”) and for whom updated addresses were provided to JND by the USPS and/or through an advance search.

PUBLICATION OF THE SUMMARY NOTICE

10. In accordance with Paragraph 7(e) of 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 Attorneys’ Fees and Litigation Expenses (the “Summary Notice”) to be released via *PR Newswire* on July 22, 2020 and released over *BusinessWire* and published in *Investor’s Business Daily* on July 27, 2020. Copies of proof of publication of the

Summary Notice over *PR Newswire* and *BusinessWire* and in the *Investor's Business Daily*, are attached hereto as Exhibits B, C, and D, respectively.

TELEPHONE HELPLINE

11. On July 14, 2020, JND established a case-specific, toll-free telephone helpline, 1-888-964-0670, with an interactive voice response system and live operators, to accommodate potential 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 through the administration of the Settlement.

WEBSITE

12. On July 14, 2020, JND established a website dedicated to the Settlement, www.CenteneSecuritiesLitigation.com, to assist potential Settlement Class Members. The website includes information regarding the Action and the proposed Settlement, including the exclusion, objection, and claim filing deadlines, and details about the Court's Settlement Hearing. Copies of the Notice, Claim Form, Stipulation, Preliminary Approval Order, Complaint, memorandum of law in support of preliminary approval of the Settlement, and other documents related to the Action are posted on the website and are available for downloading. The website became operational on July 14, 2020, and is accessible 24 hours a day, 7 days a week. JND will update the website as necessary through the administration of the Settlement.

REPORT ON REQUESTS FOR EXCLUSION RECEIVED TO DATE

13. The Notice informs potential Settlement Class Members that requests for exclusion from the Settlement Class are to be sent to the Claims Administrator, such that they are received

no later than October 5, 2020. The Notice also sets forth the information that must be included in each request for exclusion. As of September 17, 2020, JND has received three (3) requests for exclusion. JND will submit a supplemental declaration after the October 5, 2020 deadline for requesting exclusion that will address all requests received.

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

Executed this 18th day of September 2020, at New Hyde Park, New York.



LUIGGY SEGURA

EXHIBIT A

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

ISRAEL SANCHEZ, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.
NEIDORFF, and JEFFREY A.
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

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

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

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”) pending in the United States District Court for the Eastern District of Missouri (the “Court”), if you purchased or otherwise acquired common stock of Centene Corporation (“Centene”) during the period from May 24, 2016 through July 25, 2016, inclusive (the “Class Period”), and were damaged thereby.¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff, Louisiana Sheriffs’ Pension & Relief Fund, on behalf of itself and the Settlement Class (as defined in ¶ 20 below), has reached a proposed settlement of the Action for \$7,500,000 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, Centene, the other Defendants in the Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 86 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 March 5, 2020 (the “Stipulation”). The Stipulation is available at www.CenteneSecuritiesLitigation.com.

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 Centene and certain of its officers, Michael F. Neidorff and Jeffrey A. Schwaneke (collectively, the “Individual Defendants,” and, together with Centene, “Defendants”) violated the federal securities laws by making false and misleading statements concerning Centene’s merger with Health Net, Inc. (“Health Net”). A more detailed description of the Action is set forth in ¶¶ 11-19 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in ¶ 20 below.

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 \$7,500,000 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 ¶¶ 49-67 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 Centene 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 \$0.55 per affected share. Settlement Class Members should note, however, that the foregoing average recovery is only an estimate. Some Settlement Class Members may recover more or less than the estimated amount depending on, among other factors, when and at what prices they purchased or sold their shares, and the total number and value of valid Claim Forms submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* ¶¶ 49-67 below) or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share of Centene common stock that would be recoverable if Lead Plaintiff were to prevail in the Action. Among other things, Defendants vigorously deny 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 alleged conduct. Lead Plaintiff’s expert has estimated that, assuming Lead Plaintiff’s complete success in proving liability, the maximum, aggregate class-wide damages for the Settlement Class that could be established at trial would be approximately \$43 million. Accordingly, applying this estimate, the Settlement Amount of \$7,500,000 would represent approximately 17% of this maximum class-wide damages. Defendants dispute that the Settlement Class would be entitled to any recovery and dispute the amount of recoverable damages. The risks and potential recovery in the Action are further discussed in Lead Plaintiff’s memorandum of law in support of its motion for preliminary approval of the Settlement, which is available at www.CenteneSecuritiesLitigation.com.

5. **Attorneys’ Fees and Expenses Sought:** Plaintiffs’ Counsel, which have been prosecuting the Action on a wholly contingent basis, have not received any payment of

attorneys’ fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action.² Lead Counsel will apply to the Court for an award of attorneys’ fees for all Plaintiffs’ Counsel in an amount not to exceed 25% of the Settlement Fund. In addition, Lead Counsel will apply for payment of Litigation Expenses paid or incurred by Plaintiffs’ Counsel in connection with the institution, prosecution, and resolution of the Action in an amount not to exceed \$200,000, which may include an application for payment 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”), 15 U.S.C. § 78(a)(4). Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. The estimated average cost for such fees and expenses, if the Court approves Lead Counsel’s fee and expense application, is \$0.15 per affected share.

6. **Identification of Attorneys’ Representatives:** Lead Plaintiff and the Settlement Class are represented by Jonathan D. Uslander of Bernstein Litowitz Berger & Grossmann LLP, 2121 Avenue of the Stars, Suite 2575, Los Angeles, CA 90067, 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 risk or the delays inherent in further litigation. Moreover, the substantial recovery provided under the Settlement must be considered against the significant risk that a smaller recovery—or indeed no recovery at all—might be achieved after contested motions, a trial of the Action, and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN OCTOBER 13, 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 do not exclude yourself from the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs’ Claims (defined in ¶ 31 below) that you have against Defendants and the other Defendants’ Releasees (defined in ¶ 32 below), so it is in your interest to submit a Claim Form.

² Plaintiffs’ Counsel include Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP (“Lead Counsel”), (ii) additional counsel for Lead Plaintiff, Klausner, Kaufman, Jensen & Levinson; and (iii) liaison counsel, Cuneo Gilbert & Laduca.

<p>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN OCTOBER 5, 2020.</p>	<p>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 Plaintiffs’ Claims.</p>
<p>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN OCTOBER 5, 2020.</p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for 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.</p>
<p>GO TO A HEARING ON OCTOBER 26, 2020 AT 10:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS <i>RECEIVED</i> NO LATER THAN OCTOBER 5, 2020.</p>	<p>Filing a written objection and notice of intention to appear by October 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. In the Court’s discretion, the October 26, 2020 hearing may be conducted telephonically (<i>see</i> ¶ 74 below). If you submit a written objection, you may (but you do not have to) participate in the hearing and, at the discretion of the Court, speak to the Court about your objection.</p>
<p>DO NOTHING.</p>	<p>If you are a member of the Settlement Class and you do not submit a valid Claim Form or request for exclusion, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

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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 Centene 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; 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 Hearing"); and how to object to the Settlement, Plan of Allocation, or motion for fees and expenses. See ¶¶ 73-75 below for details about the Settlement Hearing, including the date and location of the hearing, and ¶¶ 76-77 for details on how to submit an objection.

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. Centene is a health insurance company that, during the Class Period, sold health insurance in several states in the United States. The Company's common stock trades on the New York Stock Exchange under the symbol "CNC" In July 2015, Centene announced its intention to acquire Health Net, another publicly-traded health insurance company, and completed that acquisition in March 2016. Lead Plaintiff alleges that Defendants made false and

misleading statements during the Class Period regarding Centene’s merger with Health Net, including substantially understating Health Net’s liabilities at the time of the merger.

12. In November 2016, a class action complaint was filed in the United States District Court for the Central District of California, styled *Sanchez v. Centene Corp.* Defendants moved to transfer the Action to the United States District Court for the Eastern District of Missouri (the “Court”) in January 2017, and Central District of California granted the motion to transfer in March 2017.

13. In May 2017, the Court appointed Louisiana Sheriffs’ Pension & Relief Fund as Lead Plaintiff for the Action; and approved Lead Plaintiff’s selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel for the class.

14. In July 2017, Lead Plaintiff filed and served the Consolidated Class Action Complaint (the “Complaint”) asserting claims against all Defendants under Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, and against the Individual Defendants under Section 20(a) of the Exchange Act.

15. In September 2017, Defendants served and filed a motion to dismiss the Complaint. The Parties fully briefed the motion and the Court held oral argument on the motion in February 2018. In August 2019, the Court issued a Memorandum Opinion and Order granting in part and denying in part Defendants’ motion to dismiss the Complaint. In September 2019, Defendants filed and served their Answer to the Complaint.

16. Discovery in the Action commenced in September 2019. Defendants served Lead Plaintiff with 39 document requests. Lead Plaintiff served Defendants with 49 document requests. Lead Plaintiff and Defendants also served 16 subpoenas to third parties. Defendants produced Centene’s board of director materials.

17. In late 2019, the Parties agreed to engage in private mediation in an attempt to resolve the Action and further agreed to the appointment of Michelle Yoshida of Phillips ADR to act as mediator. A mediation session before Ms. Yoshida was held on January 29, 2020. At the conclusion of the mediation session, the Parties accepted Ms. Yoshida’s mediator’s recommendation to settle the Action and release all claims against Defendants and Defendants’ Releasees in return for a cash payment by or on behalf of Defendants of \$7,500,000 for the benefit of the Settlement Class.

18. On March 5, 2020, the Parties entered into the Stipulation and Agreement of Settlement, which sets forth the terms and conditions of the Settlement. The Stipulation is available at www.CenteneSecuritiesLitigation.com.

19. On June 23, 2020, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

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

20. 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 the common stock of Centene during the period from May 24, 2016 through July 25, 2016, inclusive (the “Class Period”) and who were damaged thereby

Excluded from the Settlement Class are: (i) Defendants; (ii) members of the Immediate Family of each Individual Defendant; (iii) any person who was an Officer or director of Centene; (iv) any firm or entity in which any Defendant has or had a controlling interest; (v) any person who participated in the wrongdoing alleged; (vi) Defendants’ liability insurance carriers; (vii) any affiliates, parents, or subsidiaries of Centene; (viii) all Centene plans that are covered by the Employee Retirement Income Security Act of 1974 (“ERISA”); and (ix) the legal representatives, agents, affiliates, heirs, beneficiaries, successors-in-interest, or assigns of any excluded person or entity, in their respective capacity as such. 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 16 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 believe 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 October 13, 2020.

WHAT ARE LEAD PLAINTIFF’S REASONS FOR THE SETTLEMENT?

21. 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 summary judgment, trial, and appeals, as well as the very substantial risks they would face in establishing liability and damages. For example, those risks include challenges in establishing that Defendants’ statements about the Health Net merger were false or misleading and that the Individual Defendants knew that the statements were false or were reckless in making them. Defendants have contended—and would have contended at summary judgment or trial—that their statements were neither false nor misleading and not made with intent to mislead.

22. Lead Plaintiff also faced risks relating to loss causation and damages. Defendants would have contended at summary judgment and trial, that Lead Plaintiff could not establish a causal connection between the alleged misrepresentations and the losses investors allegedly suffered, as required by law.

23. 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 \$7,500,000 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.

24. Defendants have vigorously denied and continue to deny each and all of 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 expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been 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?

25. If there were no Settlement, the litigation would have continued. Lead Plaintiff faced a number of substantial risks in the litigation, including at summary judgment, trial, and on appeal. If, for example, 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 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. If, however, Lead Plaintiff overcame these risks and succeeded in establishing Defendants' liability at trial for all of the claims asserted in the Action, as well as defeated any appeals, it is possible that members of the Settlement Class may have recovered more than their *pro rata* share of the Settlement. As noted, Lead Plaintiff's expert has estimated that, assuming Lead Plaintiff's complete success in proving liability, the maximum, aggregate class-wide damages for the Settlement Class that could be established at trial would be approximately \$43 million.

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

26. 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.

27. 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.

28. 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.

29. 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, will have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs’ Claim (as defined in ¶ 31 below) against Defendants and all of the Defendants’ Releasees (as defined in ¶ 32 below), and will forever be barred and enjoined from bringing, asserting, or prosecuting any or all of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees.

30. Any Plan of Allocation, request for an award of attorneys’ fees and expenses, or an award to Lead Plaintiff pursuant to 15 U.S.C. § 78(a)(4) in connection with their representation of the Settlement Class, will in no way disturb or affect the Judgment and are each considered separate from the Judgment. Any order or proceeding relating to the Plan of Allocation, any order entered regarding any award of attorneys’ fees and expenses or award to Lead Plaintiff, or any appeal from any order relating thereto or reversal or modification thereof, shall not effect or delay the finality of the Judgment.

31. “Released Plaintiffs’ Claims” means, to the fullest extent that the law permits their release, all claims, suits, actions, appeals, causes of action, damages (including, without limitation, compensatory, punitive, exemplary, rescissory, direct, consequential, or special damages, and restitution and disgorgement), demands, rights, debts, penalties, costs, expenses, fees, injunctive relief, attorneys’ fees, expert or consulting fees, prejudgment interest, indemnities, duties, liabilities, losses, or obligations of every nature and description whatsoever, whether known or unknown, whether or not concealed or hidden, fixed or contingent, direct or indirect, anticipated or unanticipated, whether legal, contractual, rescissory, statutory, or equitable in nature, whether arising under federal, state, common, or foreign law, that Lead Plaintiff or any member of the Settlement Class asserted or could have asserted in any forum that are based upon, arise from, or relate to: (i) the allegations, transactions, facts, matters, events, disclosures, public filings, acts, occurrences, representations, statements, omissions or failures to act that were alleged in the Complaint or any other filing in this Action; and (ii) the purchase of Centene common stock during the Class Period. For the avoidance of doubt, this release does not release or impair (i) any claims asserted in any ERISA or derivative action, including without limitation the claims asserted in *Carpenters Pension Fund of Illinois, et al. v. Neidorff, et al.*, Case No. 4:18-cv-00113-CDP, or any cases consolidated into that action; (ii) any claims by any governmental entity that arise out of any governmental investigation of Defendants relating to the conduct alleged in the Action; or (iii) any claims relating to the enforcement of the Settlement. “Released Plaintiffs’ Claims” include “Unknown Claims,” as defined below in ¶ 33.

32. “Defendants’ Releasees” means Defendants and their current and former parents, affiliates, subsidiaries, controlling persons, associates, related or affiliated entities, and each and all of their respective past or present officers, directors, employees, partners, members, principals, agents, representatives, attorneys, financial or investment advisors, consultants, underwriters, investment bankers, commercial bankers, advisors, insurers, reinsurers, heirs, spouses, executors, trustees, general or limited partners or partnerships, limited liability

companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, or any member of their Immediate Family, marital communities, or any trusts for which any of them are trustees, settlors or beneficiaries or anyone acting or purporting to act for or on behalf of them or their successors or collectively.

33. “Unknown Claims” means any Released Plaintiffs’ 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 does not know or suspect to exist in his 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 shall be deemed to have waived, and by operation of the Judgment 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, any Settlement Class Member, or any Defendant may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Plaintiffs’ Claims and the Released Defendants’ Claims, but the Parties shall expressly, fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Settlement Class Member shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Effective Date and by operation of the Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Plaintiffs’ Claims and Released Defendants’ Claims, as applicable, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiff and Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

34. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, will have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants’ Claim (as defined in ¶ 35 below) against Lead Plaintiff and all of the Plaintiffs’ Releasees (as defined in ¶ 36 below), and will forever be barred and enjoined from bringing, asserting, or prosecuting any or all of the Released Defendants’ Claims against any of the Plaintiffs’ Releasees.

35. “Released Defendants’ Claims” means, to the fullest extent that the law permits their release, all claims and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against the Defendants, except for (i) claims relating to the enforcement of the Settlement or this Stipulation, or (ii) any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court. “Released Defendants’ Claims” include “Unknown Claims,” as defined in ¶ 33 above.

36. “Plaintiffs’ 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, controlling persons, associates, related or affiliated entities, and each and all of their respective past or present officers, directors, employees, partners, members, principals, agents, representatives, attorneys, financial or investment advisors, consultants, underwriters, investment bankers, commercial bankers, advisors, insurers, reinsurers, heirs, spouses, executors, trustees, general or limited partners or partnerships, limited liability companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, or any member of their Immediate Family, marital communities, or any trusts for which any of them are trustees, settlors or beneficiaries or anyone acting or purporting to act for or on behalf of them or their successors or collectively.

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

37. 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 October 13, 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.CenteneSecuritiesLitigation.com. You may also request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-888-964-0670 or by emailing the Claims Administrator at info@CenteneSecuritiesLitigation.com. Please retain all records of your ownership of and transactions in Centene common stock, as they will be needed to document your Claim. The Parties and Claims Administrator do not have information about your transactions in Centene common stock.

38. 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?

39. 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.

40. Pursuant to the Settlement, Defendants have agreed to pay or caused to be paid a total of \$7,500,000 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.

41. 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.

42. 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, any actions of the Escrow Agent, or the Plan of Allocation.

43. 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.

44. Unless the Court otherwise orders, any Settlement Class Member who or which fails to submit a Claim Form *postmarked on or before October 13, 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 Plaintiffs' Claims (as defined in ¶ 31 above) against the Defendants' Releasees (as defined in ¶ 32 above) and will be barred and enjoined from prosecuting any of the Released Plaintiffs' Claims against any of the Defendants' Releasees whether or not such Settlement Class Member submits a Claim Form.

45. Participants in, and beneficiaries of, any Centene employee benefit plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in a Centene common stock held through the ERISA Plan in any Claim Form that they submit in this Action.

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

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

48. Only members of the Settlement Class 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 Centene common stock.

PROPOSED PLAN OF ALLOCATION

49. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Settlement Class Members who suffered economic losses as a proximate 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.

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

51. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the Centene common stock. In this case, Lead Plaintiff alleges that Defendants made false statements and omitted material facts during the period from May 24, 2016 through July 25, 2016, inclusive, which had the effect of artificially inflating the price of Centene common stock. Lead Plaintiff further alleges that corrective information was released to the market on July 26, 2016 (before the opening of trading), which removed the artificial inflation from the price of the Centene common stock.

52. Recognized Loss Amounts for transactions in Centene common stock are calculated under the Plan of Allocation based primarily on the difference in the amount of alleged artificial inflation in the price of Centene common stock at the time of purchase and the time of sale or the difference between the actual purchase price and sale price. In order to have a Recognized Loss Amount, a Settlement Class Member who purchased Centene common stock during the Class Period must have held his, her, or its shares through the end of the Class Period (the close of trading on July 25, 2016).

CALCULATION OF RECOGNIZED LOSS AMOUNTS

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

54. For each share of Centene common stock purchased during the period from May 24, 2016 through July 25, 2016, inclusive, and

- a) sold before the close of trading on July 25, 2016, the Recognized Loss Amount is zero;
- b) sold from July 26, 2016 through the close of trading on October 21, 2016, the Recognized Loss Amount is **the least of:** (i) \$6.20 per share; (ii) the purchase price per share *less* the sales price per share, or (iii) the purchase price per share *less* the average closing price per share applicable to the date of sale as found in Table A at the end of this Notice;

- c) held at the end of trading on October 21, 2016, the Recognized Loss Amount is equal to **the lesser of:** (i) \$6.20 per share; or (ii) the purchase price per share *less* \$67.00.³

55. In February 2019, Centene common stock experienced a 2-for-1 reverse stock split. The per-share values listed above in ¶ 54 and in Table A are based on the price of Centene shares in effect during the period from May 24, 2016 through October 21, 2016 (prior to the reverse stock split). In the Claim Form, Claimants should report purchase and sale prices and numbers of shares purchased, sold, or held based on the share prices and share amounts in effect at the time of those transactions or holding dates (*i.e.*, without taking the subsequent reverse stock split into account).

ADDITIONAL PROVISIONS

56. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in paragraph 63 below) is \$10.00 or greater.

57. **Calculation of Claimant’s “Recognized Claim”:** A Claimant’s “Recognized Claim” will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to all purchases of Centene common stock during the Class Period.

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

59. **“Purchase/Sale” Dates:** Purchases and sales of Centene common stock will be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. “Purchases” eligible under the Settlement and this Plan of Allocation include all purchases or other acquisitions of Centene common stock in exchange for value and are not limited to purchases made on or through a stock exchange, as long as the purchase is adequately documented. However, the receipt or grant by gift, inheritance, or operation of law of Centene common stock during the Class Period shall not be deemed a purchase or sale for the calculation of a Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/sale of the stock unless (i) the donor or decedent purchased the Centene common stock during the Class Period; (ii) the instrument of gift or

³ Pursuant to Section 21(D)(e)(1) of the Exchange Act, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” This 90-day period is known as the “90-day look-back period.” The average (mean) closing price of Centene common stock during the 90-day look-back period from July 26, 2016 through October 21, 2016, inclusive, was \$67.00.

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 those shares.

60. **Short Sales:** The date of covering a “short sale” is deemed to be the date of purchase of the Centene common stock. The date of a “short sale” is deemed to be the date of sale of the Centene 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.

61. In the event that a Claimant has an opening short position in Centene common stock, the earliest purchases or acquisitions of Centene 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.

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

63. **Determination of Distribution Amount:** The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which shall be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

64. If an Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

65. 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 seven (7) months after the initial distribution, will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining 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.

66. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Claimants. No person or entity shall have any claim against Lead Plaintiff, Lead Counsel, the Claims Administrator, or any other agent

designated by Lead Counsel, or Defendants' Releasees and/or their respective counsel, arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or any order of the Court. Lead Plaintiff and Defendants, and their respective counsel, and all other Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator, the payment or withholding of Taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith

67. The Plan of Allocation set forth 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 case website, www.CenteneSecuritiesLitigation.com.

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

68. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Settlement Class, nor have Plaintiffs' Counsel been paid for their litigation expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 25% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for payment of Litigation Expenses paid or incurred by Plaintiffs' Counsel in an amount not to exceed \$200,000, which may include an application for the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class, pursuant to 15 U.S.C. § 78(a)(4) of 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?

69. 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 *Centene Securities Litigation*, EXCLUSIONS, c/o JND Legal Administration, P.O. Box 91364, Seattle, WA 98111. The Request for Exclusion must be **received no later than October 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 *Sanchez v. Centene Corp.*, Case No. 4:17-cv-00806-AGF (E.D. Mo.)"; (iii) state the number of shares of Centene common stock that the person or entity requesting exclusion (A) owned as of the opening of trading on May 24, 2016 and (B) purchased/acquired and/or sold during the Class Period (*i.e.*, from May 24, 2016 through July 25, 2016), as well as the dates 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 shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court. If you exclude yourself from the Settlement Class, you should understand that Defendants and the other Defendants' Releasees will have the right to assert any and all defenses they may have to any claims that you may seek to assert, including, without limitation, the defense that any such claims are untimely under applicable statutes of limitations and statutes of repose.

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

71. 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.

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

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

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

75. The Settlement Hearing will be held on **October 26, 2020 at 10:00 a.m.**, before the Honorable Audrey G. Fleissig at the United States District Court for the Eastern District of Missouri, Courtroom 12 South, Thomas F. Eagleton U.S. Courthouse, 111 South 10th Street, St. Louis, MO 63102 to determine, among other things, (i) whether the proposed Settlement on the

terms and conditions provided 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 motion 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 attorneys' fees and Litigation Expenses; and/or consider any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

76. 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. To object, you must: **(1)** file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Eastern District of Missouri at the address set forth below **on or before October 5, 2020**; **(2)** serve the papers on Lead Counsel and on Defendants' Counsel at the addresses set forth below so that the papers are **received on or before October 5, 2020**; and **(3)** email a copy of your objection to settlements@blbgllaw.com by **October 5, 2020**.

<u>Clerk's Office</u>	<u>Lead Counsel</u>	<u>Defendants' Counsel</u>
United States District Court Eastern District of Missouri Thomas F. Eagleton U.S. Courthouse 111 South 10th Street St. Louis, MO 63102	Bernstein Litowitz Berger & Grossmann LLP Jonathan D. Uslander, Esq. 2121 Avenue of the Stars, Suite 2575 Los Angeles, CA 90067	Skadden, Arps, Slate, Meagher & Flom LLP Peter B. Morrison, Esq. 300 South Grand Avenue, Suite 3400 Los Angeles, CA 90071

77. Any objection must (i) identify the case name and docket number, *Sanchez v. Centene Corp.*, Case No. 4:17-cv-00806-AGF; (ii) state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (iii) state with specificity the grounds for the Settlement Class Member's objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention and whether the objection applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class; and (iv) include documents sufficient to prove membership in the Settlement Class, including documents showing the number of shares of Centene common stock that the objecting Settlement Class Member (A) owned as of the opening of trading on May 24, 2016 and (B) purchased/acquired and/or sold during the Class Period (*i.e.*, from May 24, 2016 through July 25, 2016, inclusive), as well as the dates 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 the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement. 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.

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

79. If you wish to be heard orally at the 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 with the Clerk's Office and serve it on Lead Counsel and on Defendants' Counsel at the addresses set forth in ¶ 76 above so that it is **received on or before October 5, 2020**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

80. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 76 above so that the notice is **received on or before October 5, 2020**.

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

82. 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 Hearing or take any other action to indicate their approval.

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

83. If you purchased or otherwise acquired Centene common stock during the period from May 24, 2016 through July 25, 2016, 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, addresses, and email addresses (if available) of all such beneficial owners to *Centene Securities Litigation*, c/o JND Legal Administration, P.O. Box 91364, Seattle, WA 98111.

84. If you choose the first option, you must send a statement to the Claims Administrator confirming that the mailing was made as directed and retain the list of names and addresses for use in connection with any possible future notice to the Settlement Class. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners.

85. 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.CenteneSecuritiesLitigation.com, by calling the Claims Administrator toll-free at 1-888-964-0670, or by emailing the Claims Administrator at info@CenteneSecuritiesLitigation.com.

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

86. 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 Eastern District of Missouri, Thomas F. Eagleton U.S. Courthouse, 111 South 10th Street, St. Louis, MO 63102. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the Settlement website, www.CenteneSecuritiesLitigation.com.

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

<i>Centene Securities Litigation</i>	and/or	Jonathan D. Uslander, Esq.
c/o JND Legal Administration		Bernstein Litowitz Berger
P.O. Box 91364		& Grossmann LLP
Seattle, WA 98111		2121 Avenue of the Stars, Suite 2575
1-888-964-0670		Los Angeles, CA 90067
info@CenteneSecuritiesLitigation.com		1-800-380-8496
www.CenteneSecuritiesLitigation.com		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: July 15, 2020

By Order of the Court
United States District Court
Eastern District of Missouri

Table A
Centene Common Stock Closing Price and Average Closing Price
July 26, 2016 – October 21, 2016

Date	Closing Price	Average Closing Price between July 26, 2016 and Date Shown	Date	Closing Price	Average Closing Price between July 26, 2016 and Date Shown
7/26/2016	\$68.87	\$68.87	9/9/2016	\$66.85	\$69.08
7/27/2016	\$67.41	\$68.14	9/12/2016	\$68.04	\$69.05
7/28/2016	\$69.96	\$68.75	9/13/2016	\$66.78	\$68.99
7/29/2016	\$70.55	\$69.20	9/14/2016	\$66.16	\$68.91
8/1/2016	\$69.44	\$69.25	9/15/2016	\$67.24	\$68.86
8/2/2016	\$68.86	\$69.18	9/16/2016	\$67.30	\$68.82
8/3/2016	\$71.54	\$69.52	9/19/2016	\$67.42	\$68.79
8/4/2016	\$71.27	\$69.74	9/20/2016	\$66.89	\$68.74
8/5/2016	\$70.95	\$69.87	9/21/2016	\$68.28	\$68.73
8/8/2016	\$70.29	\$69.91	9/22/2016	\$69.00	\$68.73
8/9/2016	\$70.41	\$69.96	9/23/2016	\$68.55	\$68.73
8/10/2016	\$70.09	\$69.97	9/26/2016	\$68.13	\$68.72
8/11/2016	\$69.58	\$69.94	9/27/2016	\$69.08	\$68.72
8/12/2016	\$70.24	\$69.96	9/28/2016	\$69.04	\$68.73
8/15/2016	\$70.96	\$70.03	9/29/2016	\$67.65	\$68.71
8/16/2016	\$69.50	\$70.00	9/30/2016	\$66.96	\$68.67
8/17/2016	\$68.17	\$69.89	10/3/2016	\$63.31	\$68.56
8/18/2016	\$69.43	\$69.86	10/4/2016	\$62.30	\$68.44
8/19/2016	\$70.08	\$69.87	10/5/2016	\$61.90	\$68.31
8/22/2016	\$70.64	\$69.91	10/6/2016	\$62.10	\$68.19
8/23/2016	\$69.93	\$69.91	10/7/2016	\$61.92	\$68.07
8/24/2016	\$68.74	\$69.86	10/10/2016	\$63.08	\$67.98
8/25/2016	\$67.70	\$69.77	10/11/2016	\$61.70	\$67.86
8/26/2016	\$67.66	\$69.68	10/12/2016	\$60.83	\$67.74
8/29/2016	\$67.48	\$69.59	10/13/2016	\$60.22	\$67.61
8/30/2016	\$68.85	\$69.56	10/14/2016	\$60.06	\$67.48
8/31/2016	\$68.29	\$69.51	10/17/2016	\$59.73	\$67.35
9/1/2016	\$67.34	\$69.44	10/18/2016	\$61.41	\$67.25
9/2/2016	\$68.62	\$69.41	10/19/2016	\$62.19	\$67.16
9/6/2016	\$65.30	\$69.27	10/20/2016	\$61.93	\$67.08
9/7/2016	\$67.04	\$69.20	10/21/2016	\$62.10	\$67.00
9/8/2016	\$67.67	\$69.15			

PROOF OF CLAIM AND RELEASE

Centene Securities Litigation

Toll-Free Number: 1-888-964-0670

Email: info@CenteneSecuritiesLitigation.com

Website: www.CenteneSecuritiesLitigation.com

To be 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 October 13, 2020**.

Mail to: *Centene Securities Litigation*
c/o JND Legal Administration
PO Box 91364
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 CENTENE COMMON STOCK
(NYSE TICKER: CNC, CUSIP: 15135B101)
- 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 (executor, administrator, trustee, c/o, etc.), if different from Beneficial Owner

Last 4 digits of Social Security Number or Taxpayer Identification Number

Street Address

City

State/Province

Zip Code

Foreign Postal Code (if applicable)

Foreign Country (if applicable)

Telephone Number (Day)

Telephone Number (Evening)

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

Type of Beneficial Owner:

Specify one of the following:

- Individual(s)
- Corporation
- UGMA Custodian
- IRA
- Partnership
- Estate
- Trust
- Other (describe): _____

PART II – GENERAL INSTRUCTIONS

1. It is important that you completely read and understand the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice") that accompanies this Claim Form, including the Plan of Allocation of the Net Settlement 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 pages 6 to 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, common stock of Centene Corporation ("Centene"). On this schedule, provide all of the requested information with respect to your holdings, purchases, acquisitions, and sales of Centene 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 Centene common stock purchased during the Class Period (*i.e.*, from May 24, 2016 through July 25, 2016, inclusive) is eligible under the Settlement. However, sales of Centene common stock during the period from July 26, 2016 through and including the close of trading on October 21, 2016, 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 and sale/disposition 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 Centene common stock as set forth in the Schedule of Transactions in Part III of this Claim Form. Documentation may consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from your broker containing the transactional and holding information found in a broker confirmation slip or account statement. The Parties and the Claims Administrator do not independently have information about your investments in Centene common stock. **IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OF THE DOCUMENTS OR EQUIVALENT DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN**

THE REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. **Please keep a copy of all documents that you send to the Claims Administrator. Also, do not highlight any portion of the Claim Form or any supporting documents.**

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

8. **One Claim should be submitted for each separate legal entity.** Separate Claim Forms should be submitted for each separate legal entity (e.g., a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made solely in the individual's name). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity 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).

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

- (a) expressly state the capacity in which they are acting;
- (b) identify the name, account number, last four digits of the Social Security Number (or taxpayer identification number), address, and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the Centene 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.)

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

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

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

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

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

14. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or the Notice, you may contact the Claims Administrator, JND Legal Administration, at the above address, by email at info@CenteneSecuritiesLitigation.com, or by toll-free phone at 1-888-964-0670, or you can visit the Settlement website, www.CenteneSecuritiesLitigation.com, where copies of the Claim Form and Notice are available for downloading.

15. **NOTICE REGARDING ELECTRONIC FILES:** Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. To obtain the **mandatory** electronic filing requirements and file layout, you may visit the Settlement website at www.CenteneSecuritiesLitigation.com or you may email the Claims Administrator's electronic filing department at CTESecurities@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 ¶ 8 above) and the **complete** name of the beneficial owner of the securities must be entered where called for (see ¶ 7 above). No electronic files will be considered to have been submitted unless the Claims Administrator issues an email to that effect. **Do not assume that your file has been received until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the electronic filing department at CTESecurities@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 1-888-964-0670.

PART III – SCHEDULE OF TRANSACTIONS IN CENTENE COMMON STOCK

Use this section to provide information on your holdings and trading of Centene common stock (NYSE Ticker Symbol: **CNC**, CUSIP: 15135B101) during the requested time periods. Please include proper documentation with your Claim Form as described in detail in Part II – General Instructions, ¶ 6 above.

<p>1. HOLDINGS AS OF MAY 24, 2016 – State the total number of shares of Centene common stock held as of the opening of trading on May 24, 2016. (Must be documented.) If none, write “zero” or “0.”</p> <div style="border: 1px solid black; height: 25px; width: 200px; margin: 10px 0;"></div>	<p>Confirm Proof of Position Enclosed</p> <input type="checkbox"/>			
<p>2. PURCHASES/ACQUISITIONS FROM MAY 24, 2016 THROUGH JULY 25, 2016 – Separately list each and every purchase or acquisition (including free receipts) of Centene common stock from after the opening of trading on May 24, 2016 through and including the close of trading on July 25, 2016. (Must be documented.)</p>				
<p>Date of Purchase/ Acquisition (List Chronologically) (Month/Day/Year)</p>	<p>Number of Shares Purchased/ Acquired</p>	<p>Purchase Price Per Share</p>	<p>Total Purchase Price (excluding any fees, commissions, and taxes)</p>	<p>Confirm Proof of Purchase Enclosed</p>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
<p>3. PURCHASES/ACQUISITIONS FROM JULY 26, 2016 THROUGH OCTOBER 21, 2016 – State the total number of shares of Centene common stock purchased or acquired (including free receipts) from July 26, 2016 through the close of trading on October 21, 2016. If none, write “zero” or “0.”¹</p> <div style="border: 1px solid black; height: 25px; width: 200px; margin: 10px 0;"></div>				

¹ **Please note:** Information requested with respect to your purchases and acquisitions of Centene common stock from July 26, 2016 through and including the close of trading on October 21, 2016 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 MAY 24, 2016 THROUGH OCTOBER 21, 2016 – Separately list each and every sale or disposition (including free deliveries) of Centene common stock from after the opening of trading on May 24, 2016 through and including the close of trading on October 21, 2016. (Must be documented.)				IF NONE, CHECK HERE <input type="checkbox"/>
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"/>
5. HOLDINGS AS OF OCTOBER 21, 2016 – State the total number of shares of Centene common stock held as of the close of trading on October 21, 2016. (Must be documented.) If none, write “zero” or “0.” <div style="border: 1px solid black; height: 20px; width: 200px; margin-top: 5px;"></div>				Confirm Proof of Position Enclosed <input type="checkbox"/>

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

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, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim against Defendants and the other Defendants' Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees.

CERTIFICATION

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

1. that I (we) have read and understand the contents of the Notice and this Claim Form, including the releases provided for in the Settlement and the terms of the Plan of Allocation;
2. that the claimant(s) is a (are) 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 Centene 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 Centene common stock and knows (know) of no other person having done so on the claimant's (claimants') behalf;
6. that the claimant(s) submit(s) to the jurisdiction of the Court with respect to claimant's (claimants') claim and for purposes of enforcing the releases set forth herein;
7. that I (we) agree to furnish such additional information with respect to this Claim Form as Lead Counsel, the Claims Administrator, or the Court may require;
8. that the claimant(s) waive(s) the right to trial by jury, to the extent it exists, and agree(s) to the determination by the Court of the validity or amount of this claim, and waives any right of appeal or review with respect to such determination;
9. that I (we) acknowledge that the claimant(s) will be bound by and subject to the terms of any judgment(s) that may be entered in the Action; and

10. that the claimant(s) is (are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (i) the claimant(s) is (are) exempt from backup withholding or (ii) the claimant(s) has (have) not been notified by the IRS that he, she, or it is subject to backup withholding as a result of a failure to report all interest or dividends or (iii) the IRS has notified the claimant(s) that he, she, or it is no longer subject to backup withholding. **If the IRS has notified the claimant(s) that he, she, it, or they is (are) subject to backup withholding, please strike out the language in the preceding sentence indicating that the claim is not subject to backup withholding in the certification above.**

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 ¶ 9 on page 4 of this Claim Form.)

REMINDER CHECKLIST



1. Sign the above release and certification. If this Claim Form is being made on behalf of joint claimants, then both must sign.



2. Attach only **copies** of acceptable supporting documentation as these documents will not be returned to you.



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 1-888-964-0670.**

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@CenteneSecuritiesLitigation.com, or by toll-free phone at 1-888-964-0670, or you may visit www.CenteneSecuritiesLitigation.com. DO NOT call Centene 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 OCTOBER 13, 2020, ADDRESSED AS FOLLOWS:

Centene Securities Litigation
c/o JND Legal Administration
PO Box 91364
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 October 13, 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

Notice of Pendency and Proposed Settlement of Class Action Involving Persons and Entities Who Purchased the Centene Corporation Common Stock from May 24, 2016 through July 25, 2016

NEWS PROVIDED BY
JND Legal Administration →
Jul 22, 2020, 09:22 ET

SEATTLE, July 22, 2020 /PRNewswire/ --

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

ISRAEL SANCHEZ, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.
NEIDORFF, and JEFFREY A.
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

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

This notice is for all persons and entities who purchased the common stock of Centene Corporation ("Centene") during the period from May 24, 2016 through July 25, 2016, inclusive, 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 Attorneys' Fees and Litigation Expenses (the "Notice"), available at www.CenteneSecuritiesLitigation.com.

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

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Eastern District of Missouri (the "Court"), that the above-captioned litigation (the "Action") is pending in the Court.

YOU ARE ALSO NOTIFIED that Lead Plaintiff in the Action has reached a proposed settlement of the Action for \$7,500,000 in cash (the "Settlement"), that, if approved, will resolve all claims in the Action.

A hearing will be held on **October 26, 2020 at 10:00 a.m.**, before the Honorable Audrey G. Fleissig at the United States District Court for the Eastern District of Missouri, Courtroom 12 South, Thomas F. Eagleton U.S. Courthouse, 111 South 10th Street, St. Louis, MO 63102, to determine whether: (i) the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) 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) the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in the Stipulation and Agreement of

Case: 4:17-cv-00806-AGF Doc. #: 127-4 Filed: 09/21/20 Page: 42 of 49 PageID #: 2884
Settlement dated March 5, 2020 (and in the Notice) should be granted; (iv) the proposed Plan of Allocation should be approved as fair and reasonable; and (v) 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 a payment from the Settlement. If you have not yet received the Notice and Claim Form, you may obtain copies of these documents by contacting the Claims Administrator at *Centene Securities Litigation*, c/o JND Legal Administration, P.O. Box 91364, Seattle, WA 98111; 888-964-0670; or info@CenteneSecuritiesLitigation.com. Copies of the Stipulation of Settlement, Notice and Claim Form can also be downloaded from the Settlement website, <http://www.CenteneSecuritiesLitigation.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 October 13, 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 (including the releases provided therein).

If you are a member of the Settlement Class and do not exclude yourself from the Settlement Class, you will be bound by any judgments or orders entered by the Court in the Action (including the releases provided therein). 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 October 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 litigation expenses, must be filed with the Court and delivered to Lead Counsel and Defendants' Counsel such that they are **received no later than October 5, 2020**, in accordance with the instructions set forth in the Notice.

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

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

Centene Securities Litigation

c/o JND Legal Administration

P.O. Box 91364

Seattle, WA 98111

888-964-0670

www.CenteneSecuritiesLitigation.com

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

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

Jonathan D. Uslaner, Esq.

2121 Avenue of the Stars, Suite 2575

Los Angeles, CA 90067

800-380-8496

settlements@blbglaw.com

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI

SOURCE JND Legal Administration

EXHIBIT C



Bernstein Litowitz Berger & Grossmann LLP Announce a Notice of Pendency and Proposed Settlement of Class Action Involving Persons and Entities Who Purchased the Centene Corporation Common Stock from May 24, 2016 through July 25, 2016

July 27, 2020 09:27 AM Eastern Daylight Time

SEATTLE--(BUSINESS WIRE)--Bernstein Litowitz Berger & Grossmann LLP:

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

ISRAEL SANCHEZ, Individually and
On Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F. NEIDORFF,
and JEFFREY A. SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

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

This notice is for all persons and entities who purchased the common stock of Centene Corporation ("Centene") during the period from May 24, 2016 through July 25, 2016, inclusive, 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 Attorneys' Fees and Litigation Expenses (the "Notice"), available at www.CenteneSecuritiesLitigation.com.

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

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Eastern District of Missouri (the "Court"), that the above-captioned litigation (the "Action") is pending in the Court.

YOU ARE ALSO NOTIFIED that Lead Plaintiff in the Action has reached a proposed settlement of the Action for \$7,500,000 in cash (the "Settlement"), that, if approved, will resolve all claims in the Action.

A hearing will be held on **October 26, 2020 at 10:00 a.m.**, before the Honorable Audrey G. Fleissig at the United States District Court for the Eastern District of Missouri, Courtroom 12 South, Thomas F. Eagleton U.S. Courthouse, 111 South 10th Street, St. Louis, MO 63102, to determine whether: (i) the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) 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) the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in the Stipulation and Agreement of Settlement dated March 5, 2020 (and in the Notice) should be granted; (iv) the proposed Plan of Allocation should be approved as fair and reasonable; and (v) 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 a payment from the Settlement. If you have not yet received the Notice and Claim Form, you may obtain copies of these documents by contacting the Claims Administrator at *Centene Securities Litigation*, c/o JND Legal Administration, P.O. Box 91364, Seattle, WA 98111; 888-964-0670; or info@CenteneSecuritiesLitigation.com. Copies of the Stipulation of Settlement, Notice and Claim Form can also be downloaded from the Settlement website, www.CenteneSecuritiesLitigation.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 October 13, 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 (including the releases provided therein).

If you are a member of the Settlement Class and do not exclude yourself from the Settlement Class, you will be bound by any judgments or orders entered by the Court in the Action (including the releases provided therein). 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 October 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 litigation expenses, must be filed with the Court and delivered to Lead Counsel and Defendants' Counsel such that they are **received no later than October 5, 2020**, in accordance with the instructions set forth in the Notice.

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

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

Centene Securities Litigation
c/o JND Legal Administration
P.O. Box 91364
Seattle, WA 98111
888-964-0670
www.CenteneSecuritiesLitigation.com

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

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP
Jonathan D. Uslaner, Esq.
2121 Avenue of the Stars, Suite 2575
Los Angeles, CA 90067
800-380-8496
settlements@blbglaw.com

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI

Contacts

Bernstein Litowitz Berger & Grossmann LLP
Jonathan D. Uslaner, Esq.
800-380-8496
settlements@blbglaw.com

EXHIBIT D

Table with columns: SMALL-CAP GROWTH FUNDS, BIG-CAP GROWTH FUNDS, and Value Funds. Lists various fund names and their performance metrics.

Table with columns: Growth Funds, Value Funds, and Performance metrics. Lists various fund names and their performance metrics.

Table with columns: Net Performance, % After Asset Mgmt Fees, and Net Assets. Lists various fund names and their performance metrics.

Table with columns: Net Performance, % After Asset Mgmt Fees, and Net Assets. Lists various fund names and their performance metrics.

When the line is heading up, Small-Cap Growth Funds are outperforming Big-Cap.

When the line is heading up, Growth Funds are outperforming Value Funds.

Legend for the performance line chart: OCT, JAN, 2020, APR, JUL.

Legend for the performance line chart: OCT, JAN, 2020, APR, JUL.

Top Industry & Sector Funds

Best % change in last 4, 8 & 12 weeks on a total return basis. * indicates funds in a different week's lists.

Table listing Top Industry & Sector Funds with columns: Mutual Fund, Best % Change Last 4 Weeks, Best % Change Last 8 Weeks, Best % Change Last 12 Weeks.

Top Industry & Sector Funds

Best % change in last 16 & 39 weeks on a total return basis. * indicates funds in a different week's lists.

Table listing Top Industry & Sector Funds with columns: Mutual Fund, Best % Change Last 16 Weeks, Best % Change Last 39 Weeks.

U.S. Stock Fund Cash Position High (1700) 4.2% Low (1219) 2.1%

Table showing U.S. Stock Fund Cash Position High and Low for various dates from Dec 18 to May 20.

Net Performance % After Asset Mgmt Fees

Table showing Net Performance % After Asset Mgmt Fees for various fund categories.

Net Assets

Table showing Net Assets for various fund categories.

Net Assets

Table showing Net Assets for various fund categories.

Net Assets

Table showing Net Assets for various fund categories.

Net Assets

Table showing Net Assets for various fund categories.

Net Assets

Table showing Net Assets for various fund categories.

U.S. Stock Fund Cash Position High (1700) 4.2% Low (1219) 2.1%

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Net Performance % After Asset Mgmt Fees

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Net Assets

Table showing Net Assets for various fund categories.

Net Performance % After Asset Mgmt Fees

Table showing Net Performance % After Asset Mgmt Fees for various fund categories.

Net Assets

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Table showing Net Assets for various fund categories.

Net Performance % After Asset Mgmt Fees

Table showing Net Performance % After Asset Mgmt Fees for various fund categories.

Net Assets

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Table showing Net Assets for various fund categories.

Net Assets

Table showing Net Assets for various fund categories.

Net Assets

Table showing Net Assets for various fund categories.

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK. SUMMARY NOTICE OF PENDENCY OF CLASS ACTION. TO ALL PERSONS AND ENTITIES WHO PURCHASED GREENSKY CLASS A COMMON STOCK PURSUANT AND/OR TRACEABLE TO THE REGISTRATION STATEMENT AND SECURITIES ISSUES IN CONNECTION WITH THE OFFERING OF CLASS A COMMON STOCK...

UNITED STATES DISTRICT COURT EASTERN DISTRICT OF MISSOURI EASTERN DIVISION. ISRAEL SANCHEZ, Individually and On Behalf of All Others Similarly Situated, Plaintiff, vs. CENTENE CORP., MICHAEL F. NEEDLES and JEFFREY A. SCHWANE, Defendants.

LEGAL NOTICE. have not yet received the Notice and Claim Form, you may obtain copies of these documents by contacting the Settlement Administrator, Centene Securities Litigation, c/o JND Legal Administration, P.O. Box 91364, Seattle, WA 98111; 888-964-0670; or info@CenteneSecuritiesLitigation.com...

UNITED STATES DISTRICT COURT EASTERN DISTRICT OF MISSOURI EASTERN DIVISION. 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...

Exhibit 5

EXHIBIT 5

Sanchez v. Centene Corp.,
No. 4:17-cv-00806-AGF (E.D. Mo.)

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

Exh.	FIRM	HOURS	LODESTAR	EXPENSES
5A	Bernstein Litowitz Berger & Grossmann LLP	2,585.25	\$1,434,030.00	\$81,134.49
5B	Cuneo Gilbert & Laduca, LLP	117.50	\$105,162.50	\$0.00
5C	Klausner, Kaufman, Jensen & Levinson	25.00	\$16,250.00	\$0.00
	TOTAL:	2,727.75	\$1,555,442.50	\$81,134.49

Exhibit 5A

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

ISRAEL SANCHEZ, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.
NEIDORFF, and JEFFREY A.
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

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

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

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

2. My firm, as Court-appointed in the Action and counsel for Lead Plaintiff, Louisiana Sheriffs' Pension and Relief Fund, 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

¹ Unless otherwise defined in this Declaration, all capitalized terms have the meanings set out in the Stipulation of Settlement dated March 5, 2020 (ECF No. 116-1).

of Settlement and Plan of Allocation and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses, filed herewith.

3. Attached hereto as Exhibit 1 is a detailed summary indicating the amount of time spent by each BLB&G attorney and professional support staff employee involved in this Action from its inception through and including August 31, 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 a 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. Certain attorneys and all professional staff employees who devoted fewer than 10 hours to the Action have been removed. 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 August 31, 2020, is 2,585.25 hours. The total lodestar for my firm for that period is \$1,434,030.00. My firm's lodestar figures are based upon the firm's hourly rates, which do not include costs for expense items.

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

10. None of the attorneys listed in the exhibits to this Declaration and included in my firm's lodestar for the Action were "contract attorneys." Except for the partners listed in the attached schedule, all of the other attorneys and professional support staff listed in the schedule 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 were fully supervised by the firm's partners and 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 \$81,134.49 in expenses incurred in connection with the prosecution of this Action from its inception through and including August 31, 2020.

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

a. **Experts** (\$34,011.25). Lead Counsel retained Keith Mautner, of Failsafe CPA, PC, who provided Lead Plaintiff with expert advice on accounting, including acquisition accounting and accounting for Health Care entities. Lead Counsel also retained Chad Coffman of Global Economics Group LLC to provide expert advice on damages and loss causation issues. Lead Counsel consulted with Mr. Coffman throughout the litigation of the Action, including the investigation and preparation of the Complaint and the settlement negotiations and worked with Mr. Coffman and his team in developing the proposed Plan of Allocation.

b. **Online Legal Research** (\$18,230.46) and **Online Factual Research** (\$14,066.04). The charges reflected are for out-of-pocket payments to vendors such as Westlaw, Lexis/Nexis, ALM Media, Thomson Reuters, Bureau of National Affairs, and PACER for research done in connection with this litigation. These resources were used to obtain access to court filings, to conduct legal research and cite-checking of briefs, and to obtain factual information regarding the claims asserted through access to various financial databases and other factual databases. These expenses represent the actual expenses incurred by BLB&G for use of these services in connection with this litigation. There are no administrative charges included in these figures. Online research is billed to each case based on actual usage at a charge set by the vendor. When BLB&G utilizes online services provided by a vendor with a flat-rate contract, access to the service is by a billing code entered for the specific case being litigated. At the end of each billing period, BLB&G's costs for such services are allocated to specific cases based on the percentage of use in connection with that specific case in the billing period.

c. **Internal Copying & Printing** (\$1,046.90). Our firm charges \$0.10 per page for in-house copying and for printing of documents.

d. **Out-of-Town Travel** (\$3,593.94). In connection with the prosecution of this case, the firm has paid for travel expenses for its attorneys to attend oral argument before the Court and

to attend the mediation. The expenses reflected in Exhibit 2 are the expenses actually incurred by my firm and 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 2); and (iii) meals while traveling are capped at \$20 per person for breakfast, \$25 per person for lunch, and \$50 per person for dinner.

e. **Mediation** (\$7,500.00). This represents Lead Plaintiff’s share of fees paid to Phillips ADR for the services of the mediator, Michelle Yoshida. Ms. Yoshida conducted the full-day mediation session that lead to the settlement of the Action.

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

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

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

Executed on September 21, 2020

/s/ Jonathan D. Uslaner
JONATHAN D. USLANER

EXHIBIT 1

Sanchez v. Centene Corp.,
No. 4:17-cv-00806-AGF (E.D. Mo.)

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

Inception through August 31, 2020

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Max W. Berger	6.25	\$1,300	8,125.00
Avi Josefson	18.50	\$950	17,575.00
Gerald H. Silk	36.00	\$1,100	39,600.00
David Stickney	155.75	\$975	151,856.25
Jonathan D. Uslaner	123.00	\$850	104,550.00
Senior Counsel			
David L. Duncan	75.25	\$750	56,437.50
Richard D. Gluck	18.00	\$800	14,400.00
Brandon Marsh	468.00	\$775	362,700.00
Associates			
Lauren Cruz	80.00	\$500	40,000.00
Julia Johnson	309.50	\$475	147,012.50
Ross Shikowitz	139.75	\$600	83,850.00
Staff Attorneys			
Michelle Arellano	45.75	\$395	18,071.25
Christine Koo	54.50	\$375	20,437.50
Financial Analysts			
Nick DeFilippis	14.00	\$600	8,400.00
Michelle Miklus	13.00	\$325	4,225.00
Sam Jones	35.00	\$350	12,250.00
Adam Weinschel	22.00	\$525	11,550.00
Investigators			
Chris Altieri	57.50	\$255	14,662.50
Amy Bitkower	55.25	\$550	30,387.50
Joelle Landino	270.75	\$375	101,531.25

NAME	HOURS	HOURLY RATE	LODESTAR
Paralegals and Case Managers			
Jessica Cuccurullo	20.50	\$300	6,150.00
Janielle Lattimore	20.25	\$350	7,087.50
Ashley Lee	284.00	\$300	85,200.00
Matthew Mahady	65.00	\$350	22,750.00
Kaye A. Martin	138.75	\$335	46,481.25
Lisa Napoleon	29.00	\$300	8,700.00
Managing Clerk			
Mahiri Buffong	18.50	\$350	6,475.00
Errol Hall	11.50	\$310	3,565.00
TOTALS	2,585.25		\$1,434,030.00

EXHIBIT 2

Sanchez v. Centene Corp.,
No. 4:17-cv-00806-AGF (E.D. Mo.)

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

SUMMARY DESCRIPTIONS OF WORK PERFORMED

PARTNERS

Max W. Berger (6.25 hours): Mr. Berger, Managing Partner and a founder of BLB&G, was involved in developing litigation strategy and participated in settlement strategy.

Avi Josefson (18.50 hours): Mr. Josefson was primarily responsible for analyzing Lead Plaintiff's potential claims during the early stages of the litigation. He was also involved in drafting the submissions made in support of the motions for appointment of the Lead Plaintiff.

Gerald H. Silk (36.00 hours): Mr. Silk is a BLB&G partner, member of its management committee, and the head of the Firm's New Matters department. Mr. Silk was principally involved in analyzing Lead Plaintiff's claims and supervising the investigation. He also supervised the submissions made in support of the motions for appointment of the Lead Plaintiff. Mr. Silk also participated in strategic and tactical decisions throughout the litigation.

David Stickney (155.75 hours): Mr. Stickney, a former partner at BLB&G, supervised the day-to-day handling and strategy of the litigation and oversaw aspects of case management and prosecution. Mr. Stickney oversaw the investigation of the claims, the drafting of the Complaint, and the briefing related to Defendant's motions to dismiss. He was also responsible for strategy relating to case management issues and a principal point of contact for the experts retained by Lead Plaintiff.

Jonathan Uslander (123.00 hours): Mr. Uslander was significantly involved in the case and responsible for the day-to-day handling and strategy of the litigation and oversaw all aspects of case management and prosecution following the Court's order largely denying Defendants' motion to dismiss. Mr. Uslander was heavily involved in discovery efforts on Defendants and third parties. Mr. Uslander was responsible for strategy relating to case management issues and was also a principal point of contact for the experts retained by Lead Plaintiff. Mr. Uslander prepared Lead Plaintiff's mediation submissions and attended and actively participated in the mediation and negotiations, negotiated the terms of the Stipulation of Settlement, and prepared Lead Plaintiff's motions for preliminary and final approval of the Settlement.

SENIOR COUNSEL

David L. Duncan (75.25 hours): Mr. Duncan is a member of the Firm's Settlement Department. Mr. Duncan's primary role at the Firm is to manage and implement class action settlements. In that capacity, Mr. Duncan had responsibility for drafting, editing, and coordinating the settlement

documentation, including the Stipulation of Settlement and related exhibits. Mr. Duncan was also responsible for coordinating with the administrator regarding dissemination of notice to the Settlement Class and assisted Mr. Uslaner with Lead Plaintiff's motions for preliminary and final approval of the Settlement.

Richard D. Gluck (18.00 hours): Mr. Gluck participated in preparing Lead Plaintiff's mediation submissions and took part in the mediation. He was also involved in the preparation of papers in support of preliminary approval of the Settlement.

Brandon Marsh (468.00 hours): Mr. Marsh, a former senior counsel at BLB&G, was significantly involved in the investigation and drafting of the Complaint and researching and drafting the opposition to Defendants' motions to dismiss. Mr. Marsh prepared for and argued the motion to dismiss.

ASSOCIATES

Lauren Cruz (80.00 hours): Ms. Cruz was primarily involved in fact discovery, including drafting Lead Plaintiff's Request for Production of Documents, Initial Disclosures, subpoenas to third parties, responses and objections to Defendants' document request and engaging in meet and confers with Defendants and third parties concerning discovery matters. Ms. Cruz also participated in preparing Lead Plaintiff's mediation submissions and participated in the mediation and was involved in the preparation of papers in support of preliminary and final approval of the Settlement.

Julia Johnson (309.50 hours): Ms. Johnson, a former associate at BLB&G, was involved in multiple aspects of the litigation, including, among other things: factual and legal research for the Complaint; and research and drafting in connection with the opposition to Defendants' motions to dismiss.

Ross Shikowitz (139.75 hours): Mr. Shikowitz, a former associate in the Firm's New Matters department, assisted in the research and drafting of the submissions made in support of the motions for appointment of the Lead Plaintiff and the opposition to Defendants' motion to transfer.

STAFF ATTORNEYS

Michelle Arellano (45.75 hours): Ms. Arellano was primarily involved in fact discovery, including assisting in the drafting of subpoenas to third parties, including Centene's auditors and directors, and reviewing and analyzing Lead Plaintiff's documents for possible production to Defendants.

Christine Koo (54.50 hours): Ms. Koo was primarily involved in fact discovery, including assisting in the preparation of initial disclosures and Lead Plaintiff's Responses to Defendants' First Request for Production of Documents, and reviewing and analyzing documents produced by Centene.

FINANCIAL ANALYSTS

Nick DeFilippis (14.00 hours), **Adam Weinschel** (22.0 hours), **Michelle Miklus** (13.00 hours), and **Sam Jones** (35.00 hours): Mr. DeFilippis, Director of Financial Analysis, Mr. Weinschel, Director of Institutional Investor Services at BLB&G, Ms. Miklus, a former Financial Analyst at BLB&G, and Mr. Jones, a former Case 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 (55.25 hours), **Chris Altiery** (57.50 hours), and **Joelle Landino** (270.75 hours): Ms. Bitkower, Director of Investigations at BLB&G, Mr. Altiery, a former Investigator at BLB&G, and Ms. Landino, a Senior Investigator at BLB&G, conducted an investigation into the claims asserted in the Complaint by interviewing former employees of Centene and Health Net and other knowledgeable individuals for relevant information and leads. The investigators compiled an extensive list of former employees and other individuals likely to have knowledge of the claims. The investigators, as supervised by Ms. Bitkower, spoke to numerous former employees concerning the issues in this lawsuit and drafted reports for the review of the attorneys working on the case.

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

Jessica Cuccurullo (20.50 hours); **Janielle Lattimore** (20.25 hours), **Ashley Lee** (284.00 hours), **Matthew Mahady** (65.00 hours), **Kaye A. Martin** (138.75 hours), and **Lisa Napoleon** (29.00 hours): Ms. Cuccurullo, Ms. Lattimore, Ms. Lee, Mr. Mahady, Ms. Martin, and Ms. Napoleon are all current or former members of the Firm's Paralegal Department. Mr. Mahady is a Senior Case Manager; Ms. Lattimore is a Case Manager; Ms. Martin is a former Case Manager; and Ms. Cuccurullo, Ms. Lee, and Ms. Napoleon are former Paralegals. All of these individuals performed paralegal work in this case, including collecting and organizing research materials related to the case (*e.g.*, SEC filings, press reports), preparing documents for submission to the Court, cite-checking and proofreading court filings, monitoring the news and related case dockets to keep the case team apprised of relevant developments, and maintaining physical and electronic case materials.

Mahiri Buffong (18.5 hours) and **Errol Hall** (11.5 hours): Mr. Buffong is BLB&G's Managing Clerk and Mr. Hall is BLB&G's former Managing Clerk. In this case, Mr. Buffong and Mr. Hall were principally responsible for maintaining the Firm's calendar and "tickler" system related to all case deadlines, electronically filing documents with the Court, and supervising those filings for conformity with local rules, procedures, and electronic-filing requirements.

EXHIBIT 3

Sanchez v. Centene Corp.,
No. 4:17-cv-00806-AGF (E.D. Mo.)

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

CATEGORY	AMOUNT
Court Fees	\$ 644.00
Service of Process	659.30
On-Line Legal Research	18,230.46
On-Line Factual Research	14,066.04
Telephone	2.80
Postage & Express Mail	442.52
Local Transportation	362.83
Internal Copying & Printing	1,046.90
Out-of-Town Travel*	3,593.94
Court Reporting and Transcripts	574.45
Experts	34,011.25
Mediation Fees	7,500.00
TOTAL EXPENSES:	\$81,134.49

* This includes only coach fares and includes hotels in the “lower-cost” city of St. Louis, capped at \$250 per night.

EXHIBIT 4

Sanchez v. Centene Corp.,
No. 4:17-cv-00806-AGF (E.D. Mo.)

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

FIRM RESUME



Bernstein Litowitz Berger & Grossmann LLP

Attorneys at Law

Firm Resume

New York

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

California

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

Louisiana

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

Illinois

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

Delaware

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



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Associates	29
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Ross Shikowitz	29
Staff Attorneys	30
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Since our founding in 1983, Bernstein Litowitz Berger & Grossmann LLP has obtained many of the largest monetary recoveries in history – over \$33 billion on behalf of investors. Unique among our peers, the firm has obtained the largest settlements ever agreed to by public companies related to securities fraud, including three of the ten largest in history. Working with our clients, we have also used the litigation process to achieve precedent-setting reforms which have increased market transparency, held wrongdoers accountable and improved corporate business practices in groundbreaking ways.

FIRM OVERVIEW

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

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

MORE TOP SECURITIES RECOVERIES

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



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

*Source: ISS Securities Class Action Services

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

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

GIVING SHAREHOLDERS A VOICE AND CHANGING BUSINESS PRACTICES FOR THE BETTER

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

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

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

ADVOCACY FOR VICTIMS OF CORPORATE WRONGDOING

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



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

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

PRACTICE AREAS

SECURITIES FRAUD LITIGATION

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

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

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

CORPORATE GOVERNANCE AND SHAREHOLDERS' RIGHTS

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

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

EMPLOYMENT DISCRIMINATION AND CIVIL RIGHTS

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

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



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

GENERAL COMMERCIAL LITIGATION AND ALTERNATIVE DISPUTE RESOLUTION

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

DISTRESSED DEBT AND BANKRUPTCY CREDITOR NEGOTIATION

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

CONSUMER ADVOCACY

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



THE COURTS SPEAK

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

IN RE WORLD COM, INC. SECURITIES LITIGATION

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

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

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

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

IN RE CLARENT CORPORATION SECURITIES LITIGATION

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

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

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

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

LANDRY'S RESTAURANTS, INC. SHAREHOLDER LITIGATION

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

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

MCCALL V. SCOTT (COLUMBIA/HCA DERIVATIVE LITIGATION)

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

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



RECENT ACTIONS & SIGNIFICANT RECOVERIES

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

SECURITIES CLASS ACTIONS

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

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

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

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

CASE: *IN RE CENDANT CORPORATION SECURITIES LITIGATION*

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

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

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



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

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

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

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

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

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

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

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

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

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

HIGHLIGHTS: \$1.06 billion recovery for the class.

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



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

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

HIGHLIGHTS: \$1.05 billion recovery for the class.

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

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

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

HIGHLIGHTS: \$735 million in total recoveries.

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

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

CASE: *HEALTHSOUTH CORPORATION BONDHOLDER LITIGATION*

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

HIGHLIGHTS: \$804.5 million in total recoveries.

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



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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

CASE: *BEAR STEARNS MORTGAGE PASS-THROUGH LITIGATION*

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

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

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



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

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

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

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

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

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

HIGHLIGHTS: \$410 million settlement.

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

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

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

HIGHLIGHTS: Over \$407 million in total recoveries.

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



CORPORATE GOVERNANCE AND SHAREHOLDERS' RIGHTS

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

COURT: Delaware Court of Chancery

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

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

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

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

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

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



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

COURT: United States District Court for the District of Minnesota

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

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

CASE: *CAREMARK MERGER LITIGATION*

COURT: Delaware Court of Chancery – New Castle County

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

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

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

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

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

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



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

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

COURT: Delaware Court of Chancery

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

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

CASE: *IN RE DELPHI FINANCIAL GROUP SHAREHOLDER LITIGATION*

COURT: Delaware Court of Chancery – New Castle County

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

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

CASE: *QUALCOMM BOOKS & RECORDS LITIGATION*

COURT: Delaware Court of Chancery – New Castle County

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

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



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

COURT: Delaware Court of Chancery – Kent County

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

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

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

COURT: Delaware Court of Chancery – New Castle County

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

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

CASE: *IN RE DOLLAR GENERAL CORPORATION SHAREHOLDER LITIGATION*

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

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

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



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

COURT: Delaware Court of Chancery – New Castle County

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

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



EMPLOYMENT DISCRIMINATION AND CIVIL RIGHTS

CASE: *ROBERTS V. TEXACO, INC.*

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

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

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

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

COURT: Multiple jurisdictions

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

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

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

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

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

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



CLIENTS AND FEES

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

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

IN THE PUBLIC INTEREST

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

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

FIRM SPONSORSHIP OF HER JUSTICE

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

THE PAUL M. BERNSTEIN MEMORIAL SCHOLARSHIP

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

FIRM SPONSORSHIP OF CITY YEAR NEW YORK

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

MAX W. BERGER PRE-LAW PROGRAM

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

NEW YORK SAYS THANK YOU FOUNDATION

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

OUR ATTORNEYS

MEMBERS

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

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

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

Most recently, before the #metoo movement came alive, on behalf of an institutional investor client, Max handled the prosecution of an unprecedented shareholder derivative litigation against Fox News parent 21st Century Fox, Inc. arising from the systemic sexual and workplace harassment at the embattled network. After nearly 18 months of litigation, discovery, and negotiation related to the shocking misconduct and the Board's extensive alleged governance failures, the parties unveiled a landmark settlement with two key components: 1) the first ever Board-level watchdog of its kind – the "Fox News Workplace Professionalism and Inclusion Council" of experts (WPIC) – majority independent of the Murdochs, the Company and Board; and 2) one of the largest financial recoveries – \$90 million – ever obtained in a pure corporate board oversight dispute. The WPIC is expected to serve as a model for public companies in all industries.

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

One of the “100 Most Influential Lawyers in America”

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

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

Max has lectured extensively for many professional organizations, and is the author and co-author of numerous articles on developments in the securities laws and their implications for public policy. He was chosen, along with several of his BLB&G partners, to author the first chapter – “Plaintiffs’ Perspective” – of Lexis/Nexis’s seminal industry guide *Litigating Securities Class Actions*. An esteemed voice on all sides of the legal and financial markets, in 2008 the SEC and Treasury called on Max to provide guidance on regulatory changes being considered as the accounting profession was experiencing tectonic shifts shortly before the financial crisis.

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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



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

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

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

JONATHAN D. USLANER prosecutes class and direct actions on behalf of the firm's institutional investor clients.

Jonathan has litigated many of the firm's most high-profile litigations. These include, among others, *In re Bank of America Securities Litigation*, which resulted in a historic settlement shortly before trial of \$2.43 billion, one of the largest shareholder recoveries ever obtained; *In re Genworth Financial, Inc. Securities Litigation*, which settled for \$219 million, the largest recovery ever obtained in a securities class action in Virginia; *In re JPMorgan Chase & Co. Securities Litigation*, which settled for \$150 million; *In re Wells Fargo Mortgage-Backed Certificates Litigation*, which settled for \$125 million; and *In re Rayonier Securities Litigation*, which settled for \$73 million.

Jonathan is also actively involved in the firm's direct action opt-out practice. He recently represented clients in opt-out actions brought against American Realty Capital Properties, which resulted in settlements totaling \$85 million.

Jonathan has been a member of the Board of Governors of the Association of Business Trial Lawyers (ABTL). He has also been a member of the Federal Bar Association (FBA) and the San Diego County Bar Association (SDCBA).

Jonathan is also an editor of the American Bar Association's Class Actions and Derivative Suits Committee's Newsletter. He has authored multiple articles relating to class actions and the federal securities laws, including "Much More Than 'Housekeeping': Rule 23(c)(4) in Action," "Keeping Plaintiffs in the Driver's Seat: The Supreme Court Rejects 'Pick-off' Settlement Offers," and "Combating Objectionable Objections." Most recently, Jonathan authored an article for *Pensions & Investments* titled "When Watchdogs Go Astray" and co-authored a piece for *SACRS Magazine* titled "When One Share Does Not Mean One Vote: The Fight Against Dual-Class Capital Structures."

For his achievements, Jonathan has been recognized by *Benchmark Litigation* as a "Litigation Star," and selected to its "Under 40 Hot List" of the "most notable up-and-coming litigators" in the U.S. He was also selected by Law360 as a national "Rising Star" and has been named by the *Daily Journal* as one of the "Top 40 Under 40" legal professionals in California. Leading industry publication, *Lawdragon*, has also named him among its "500 Leading Plaintiff Financial Lawyers" list.

Jonathan has also been a board member of Home of Guiding Hands, a non-profit organization that serves individuals with developmental disabilities and their families in the San Diego community. For his work and contributions to the organization, he was named "Volunteer of the Year."

Prior to joining BLB&G, Jonathan was a senior litigation associate at the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, where he successfully prosecuted and defended claims from the discovery stage through trial. He also gained significant trial experience as a volunteer prosecutor for the City of Inglewood, California, as well as a judicial extern for Justice Steven Wayne Smith of the Supreme Court of Texas.



EDUCATION: Duke University, B.A., *magna cum laude*, 2001, William J. Griffith Award for Leadership; Chairperson, Duke University Undergraduate Publications Board. The University of Texas School of Law, J.D., 2005; University of Texas Presidential Academic Merit Fellowship; Articles Editor, *Texas Journal of Business Law*.

BAR ADMISSIONS: California; New York; U.S. District Courts for the Central and Northern Districts of California; U.S. District Court for the Southern District of New York.

DAVID STICKNEY was a former partner of the firm. Mr. Stickney practiced in the firm's California office, where he focused on complex litigation in state and federal courts nationwide at both the trial court and appellate levels. He regularly represented institutions and individuals in class actions, derivative cases and individual litigation.

Mr. Stickney was responsible for a number of the firm's prominent cases, including litigation involving *Genworth Financial*, *Morgan Stanley*, *Bear Stearns*, and others.

Mr. Stickney prosecuted and, together with his partners, successfully resolved a number of the firm's significant cases. Among such cases are *In re McKesson Sec. Litig.*, which settled before trial for a total of \$1.023 billion, the largest settlement amount in history for any securities class action within the Ninth Circuit; *In re Lehman Brothers Debt/Equity Sec. Litig.*, which settled for \$615 million; *Public Employees Ret. Sys. of Miss. vs. Merrill Lynch & Co.*, recovering \$325 million; *Wyatt v. El Paso Corp.*, which settled for \$285 million; *Public Employees Ret. Sys. of Miss. vs. JP Morgan*, which settled for \$280 million; *BFA Liquidation Trust v. Arthur Andersen LLP*, which settled during trial for \$217 million; *In re Wells Fargo Mortgage Pass-Through Certificate Litig.*, which settled for \$125 million; *Public Employees Ret. Sys. of Miss. vs. Morgan Stanley*, which settled for \$95 million. *In re Sunpower Corp.*; *Atlas v. Accredited Home Lenders Holding Company*; *In re Connetics Inc.*; *In re Stone Energy Corp.*; *In re WSB Financial Group Sec. Litig.*; *In re Dura Pharmaceuticals Inc. Sec. Litig.*; *In re EMAC Sec. Litig.*, and additional cases.

EDUCATION: University of California, Davis, B.A., 1993. University of Cincinnati College of Law, J.D., 1996; Jacob B. Cox Scholar; Lead Articles Editor of the *University of Cincinnati Law Review*.

BAR ADMISSIONS: California; U.S. District Courts for the Northern, Southern and Central Districts of California; U.S. Courts of Appeals for the Second, Fifth, Sixth, Eighth and Ninth Circuits; U.S. District Court for the District of Colorado.

SENIOR COUNSEL

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

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

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

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

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

RICHARD D. GLUCK has almost 30 years of litigation and trial experience in bet-the-company cases. His practice focuses on securities fraud, corporate governance, and shareholder rights litigation. He has been named a *Super Lawyer* in securities litigation, recognized for achieving "the highest levels of ethical standards and professional excellence" by Martindale Hubbell®, and named one of San Diego's "Top Lawyers" practicing complex business litigation.

Since joining BLB&G, Rich has been a key member of the teams prosecuting a number of high-profile cases, including several RMBS class and direct actions against a number of large Wall Street Banks. He was a senior attorney on the team prosecuting the *In re Lehman Brothers Equity/Debt Securities Litigation*, which resulted in over \$615 million for investors and is considered one of the largest total recoveries for shareholders in any case arising from the financial crisis. Specifically, he was instrumental in developing important evidence that led to the \$99 million settlement with Lehman's former auditor, Ernst & Young – one of the top 10 auditor settlements ever achieved. He also was a senior member of the teams that prosecuted the RMBS class actions against Bear Stearns, which settled for \$500 million; JPMorgan, which settled for \$280 million; Wilmington Trust, which settled for \$210 million; and Morgan Stanley, which settled for \$95 million. He was also a key member of the trial teams that prosecuted the litigations against MF Global, which recovered \$234.3 million on behalf of investors; and Genworth, which settled for \$219 million.

Before joining BLB&G, Rich represented corporate and individual clients in securities fraud and consumer class actions, SEC investigations and enforcement actions, and in actions involving claims of fraud, breach of contract and misappropriation of trade secrets in state and federal courts and in arbitration. He has substantial trial experience, having obtained verdicts or awards for his clients in multi-million dollar lawsuits and arbitrations. Prior to entering private practice, Rich clerked for Judge William H. Orrick of the United States District Court for the Northern District of California.

Rich currently is a senior member of the teams prosecuting *In re Vale, S.A. Securities Litigation*, *In re Intel Securities Litigation*, *Qualcomm, Inc. Securities Litigation*, and a number of direct actions against Valeant Pharmaceuticals International, Inc. on behalf of almost two dozen



institutional investors and government retirement systems. He practices out of the firm's San Diego office.

Rich is a former President of the San Diego Chapter of the Association of Business Trial Lawyers and currently is a member of its Board of Governors.

EDUCATION: California State University Sacramento, B.S., Business Administration, *with honors*, 1987. Santa Clara University, J.D., *summa cum laude*, 1990; Articles Editor of the *Santa Clara Computer and High Technology Law Journal*.

BAR ADMISSIONS: California; U.S. District Courts for the Central, Northern and Southern Districts of California.

BRANDON MARSH was a former Senior Counsel of the firm. Mr. Marsh practiced in the firm's California office, where he focused on complex litigation, including matters involving securities fraud, corporate governance and shareholder rights litigation. Mr. Marsh represented the firm's institutional investor clients as counsel in a number of significant actions, including the securities class action against Restoration Hardware. Mr. Marsh litigated several high-profile securities class actions that together recovered over \$500 million for investors. As a member of the firm's new matter and foreign securities litigation departments, Mr. Marsh, along with a team of attorneys, financial analysts, forensic accountants, and investigators, also counseled the firm's institutional clients on their legal claims and options with respect to shareholder litigation worldwide.

Before joining the firm, Mr. Marsh clerked for the Honorable Jerome Farris of the United States Court of Appeals for the Ninth Circuit and was a senior associate at Irell & Manella. While at Irell & Manella, he represented both plaintiffs and defendants in a broad range of matters, including representing one of the world's largest gaming companies in a major securities class action.

Mr. Marsh earned his law degree from Stanford Law School, graduating with honors ("with Distinction"). While in law school, he served as an editor of the *Stanford Law Review* and authored "Preventing the Inevitable: The Benefits of Contractual Risk Engineering in Light of Venezuela's Recent Oil Field Nationalization," 13 *Stan. J. L. Bus. & Fin.* 453 (2008). Mr. Marsh has authored articles relating to class actions, arbitration, and the federal securities laws, including "Trump Administration Could Block Access To Courts" and "The Rising Tide of Dual-Class Shares: Recipe For Executive Entrenchment, Underperformance and Erosion of Shareholder Rights," published in *Pensions & Investments* and *The NAPPA Report*, respectively. His further articles in publications such as *Law360* and *American Bar Association* include "Keeping Plaintiffs in the Driver's Seat: The Supreme Court Rejects 'Pick-off' Settlement Offers," "Combating Objectionable Objections: Rule 23 Rules Committee Takes Aim At Frivolous Objections To Class Settlements," "More Than One Way To Pick A Pocket: SEC Scrutiny Of Private Equity Firms Reveals Widespread Abuses," and "All Eyes On The UK: Institutional Investors Monitor High-Profile Cases In The London High Court." Mr. Marsh also occasionally hosts BLB&G's Real-Time Speaker Series, a periodic firm presentation regarding issues of current interest to the institutional investor community. The *Southern California Super Lawyers* magazine named Mr. Marsh a "Rising Star" for the years 2014, 2016, 2017, 2018 and 2019.

EDUCATION: University of California, Berkeley, B.A., History and German, 2000. Stanford Law School, J.D., 2009.

BAR ADMISSIONS: California; U.S. Court of Appeals, Ninth Circuit; U.S. District Court, Central District of California; U.S. District Court, Northern District of California



ASSOCIATES

LAUREN M. CRUZ practices out of the firm's Los Angeles office, where she prosecutes class and direct actions on behalf of the firm's institutional investor clients. She is currently a member of the teams prosecuting securities class actions against NVIDIA Corporation, Impinj, Inc., and Qualcomm, Inc.

Prior to joining BLB&G, Lauren was a litigation associate at Sullivan & Cromwell LLP, where she represented domestic and international clients in complex civil litigation and alternative dispute resolution. She also gained considerable experience advising company boards following internal investigations of shareholder demands. In addition, Lauren's practice included substantial *pro bono* civil rights work on behalf of detainees with mental health concerns.

While attending New York University School of Law, Lauren worked at the Legal Aid Society, Juvenile Rights Practice as part of NYU Law's Children's Rights Clinic and served as a Senior Articles Editor for the *Journal of Law and Liberty* and a Staff Editor for the *Environmental Law Journal*.

EDUCATION: California State University Channel Islands, B.A., Business, *summa cum laude*, 2008. New York University School of Law, J.D., 2014. Senior Articles Editor, *Journal of Law and Liberty*; Staff Editor, *Environmental Law Journal*.

BAR ADMISSIONS: California; U.S. District Courts for the Central, Eastern, Northern, and Southern Districts of California; US. Court of Appeals for the Ninth Circuit.

JULIA E. JOHNSON was a former associate of the Firm. She focused her practice on securities fraud, corporate governance and shareholder rights litigation.

She was a member of the firm's teams prosecuting securities class actions against Qualcomm Inc., Centene Corp., CTI BioPharma Corp., and Valeant Pharmaceuticals International, Inc.

Prior to joining the firm, Ms. Johnson was a legal fellow at the World Bank's Integrity Vice Presidency, Special Litigation Unit, and the Office of the U.S. Trade Representative.

EDUCATION: Wake Forest University, B.A., 2010, Economics; Minor in English. Duke University School of Law, J.D., 2014; Articles Editor, *Alaska Law Review*; Executive Editor, *Duke Environmental Law & Policy Forum*.

BAR ADMISSIONS: California; New York; Georgia; District of Columbia; U.S. Court of International Trade.

ROSS SHIKOWITZ was a former associate of the Firm. He focused his practice on securities litigation. He was a member of the firm's new matter department, in which he, as part of a team of attorneys, financial analysts, and investigators, counseled institutional clients on potential legal claims.

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



Ross served as a member of the litigation team prosecuting the securities fraud class action against Volkswagen AG, which recently resulted in a recovery of \$48 million for Volkswagen investors and arose out of Volkswagen's illegal use of defeat devices in millions of purportedly clean diesel cars to cheat emissions standards worldwide. He also served as a member of the team litigating the securities class action concerning GT Advanced Technologies Inc., which alleges that defendants knew that the company's \$578 million deal to supply Apple, Inc. with product was an onerous and massively one-sided agreement that allowed GT executives to sell millions worth of stock. The case concerning GT has resulted in \$36.7 million in recoveries to date.

For his accomplishments, Ross was consistently named by *Super Lawyers* as a New York "Rising Star" in the area of securities litigation.

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

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

BAR ADMISSIONS: New York; U.S. District Court, Southern District of New York; U.S. District Court, Eastern District of New York.

STAFF ATTORNEYS

MICHELLE ARELLANO has worked on several matters at BLB&G, including *Sanchez v. Centene Corp., et al*, and *In re Impinj, Inc. Securities Litigation*.

Prior to joining the firm, Michelle was an attorney at Robbins Geller Rudman & Dowd LLP, where she worked on class action securities litigation. Previously, Michelle was a corporate associate at Allen & Overy LLP in London and Madrid, where she focused on international capital markets.

EDUCATION: Trinity University, B.S., 2002. Universidad Alfonso X El Sabio - Madrid, Spain, Licenciatura en Derecho (LL.B.), 2006. American University, Washington College of Law, J.D., 2006.

BAR ADMISSIONS: New York.

CHRISTINE KOO has worked on several matters at BLB&G, including *Sanchez v. Centene Corp., et al*, and *In re Impinj, Inc. Securities Litigation*.

Prior to joining the firm, Christine was a staff attorney at Baker Hostetler, LLP, where she worked on discovery and all aspects of trial preparation. Previously, Christine was a litigation associate at Sadis & Goldberg, LLC, where she focused on commercial and consumer protection litigation.

EDUCATION: University of Hawaii at Manoa, B.A., 1999. University of California Hastings College of the Law, J.D., 2003.

BAR ADMISSIONS: California, New York.

Exhibit 5B

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

ISRAEL SANCHEZ, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.
NEIDORFF, and JEFFREY A.
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

**DECLARATION OF MICHAEL J. FLANNERY IN SUPPORT OF
LEAD COUNSEL'S MOTION FOR ATTORNEYS' FEES AND LITIGATION
EXPENSES, FILED ON BEHALF OF CUNEO GILBERT & LADUCA, LLP**

I, Michael J. Flannery, declare pursuant to 28 U.S.C. § 1746 as follows:

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

2. My firm acted as Liaison Counsel for Lead Plaintiff, Louisiana Sheriffs' Pension and Relief Fund ("Louisiana Sheriffs"), and the Settlement Class. In that capacity, we worked with Lead Counsel on all aspects of litigation, including preparing for and participating in court conferences, reviewing pleadings, briefs, and communications with the Court, assisted Lead

¹ Unless otherwise defined in this Declaration, all capitalized terms have the meanings set out in the Stipulation of Settlement dated March 5, 2020 (ECF No. 116-1).

Counsel in connection with important litigation decisions including litigation and settlement strategy, advised Lead Counsel regarding local practice, procedure and requirements, and served as the principal contact between Lead Plaintiff and the Court.

3. I dedicated 117.5 hours to the prosecution of this Action from its inception through August 31, 2020. My currently hourly rate is \$895, which is the regular rate for my services in complex, class action matters. Accordingly, the lodestar value of my time was \$105,162.50. The time that I expended in preparing this application for fees and expenses has not been included in this request.

4. My firm has not incurred any expenses in connection with the prosecution of this Action from its inception through and including August 31, 2020.

5. With respect to the standing of my firm, attached hereto as Exhibit 1 is a brief biography of my firm.

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

Executed on: September 2, 2020


MICHAEL J. FLANNERY
Missouri Bar #52714

EXHIBIT 1

Sanchez v. Centene Corp.,
No. 4:17-cv-00806-AGF (E.D. Mo.)

CUNEO GILBERT & LADUCA, LLP

FIRM RESUME

CUNEO GILBERT & LADUCA, LLP

FIRM PROFILE

We specialize in civil litigation in federal and state courts, including general commercial practice, antitrust, civil rights, government relations, products liability, administrative, securities, labor, and consumer law.

With a proven track record of winning in court and in Congress, we have represented and served clients since 1988 on issues of broad significance. Neither a mega-firm with 200 plus attorneys, nor a small firm with limited expertise, we are instead a group of twenty plus lawyers who together have over 300 years of experience going to court to right wrongs. We specialize in representing individuals and businesses that have been victims of antitrust violations, faulty products, civil rights violations, and securities fraud.

TRIAL AND APPELLATE

Cuneo Gilbert & LaDuca attorneys are experienced advocates. Between them, our attorneys have:

- conducted numerous trials, the most recent of which resulted in a \$113 million verdict on behalf of our clients;
- argued scores of contested motions in state and federal court and conducted quasi-adjudicative, administrative, and arbitral proceedings resulting in a final adjudication;
- argued appeals in many federal circuit courts of appeal, including two *en banc* arguments;
- argued appeals in many states;
- testified before Congress, state legislatures or federal or state administrative bodies at least 60 times; and
- appeared in many cases before the United States Supreme Court.

GOVERNMENT SERVICE

Cuneo Gilbert & LaDuca attorneys have held positions of trust in state or federal governments, including:

- One was Solicitor to the House of Representatives and Assistant Counsel to the Senate;
- One was the Executive Director of a Federal agency, the highest staff position;
- Two were Section Chiefs of the United States Department of Justice;
- Three were Assistant US attorneys and one was a public defender; and
- Two were Counsel to Congressional Committees.

ACADEMIC ACHIEVEMENTS/CLERKSHIPS

Cuneo Gilbert & LaDuca attorneys have strong academic qualifications, and many were judicial clerks or interns. Of our attorneys:

- Eight were law review members or editors;
- Twelve served as judicial law clerks or interns;
- Three worked at the United States Court of Appeals;
- Five worked at United States District Courts; and
- Two worked for state courts.

SPEAK YOUR LANGUAGE

Cuneo Gilbert & LaDuca attorneys are diverse. Among our attorneys and staff, we speak:

- English
- Spanish
- French
- Mandarin
- Russian

COMMUNITY AND CHARITY

Cuneo Gilbert & LaDuca, LLP supports many charities in our community, both in the United States and abroad. Over the past five years, CGL has contributed to organizations supporting equal justice, centers for human rights, groups combatting hunger, medical centers and universities in Israel, cancer research efforts, cancer survivor support, legal programs, law schools, juvenile justice initiatives, better government, and wounded veterans of the Iraqi and Afghanistan wars. CGL has also made a major financial commitment to help indigent clients seek representation in the District of Columbia through the “Raising the Bar” campaign of the D.C. Access to Justice Project.

ATTORNEYS

Jonathan W. Cuneo, born New York, New York, September 10, 1952. Admitted to the District of Columbia Bar, 1977; New York Bar, 2006. Admitted to practice before the United States Supreme Court, 1994; United States Court of Appeals for the First Circuit, 2006; United States Court of Appeals for the Second Circuit, 2007; United States Court of Appeals for the Third Circuit, 2004; United States Court of Appeals for the Fourth Circuit, 2005; United States Court of Appeals for the Fifth Circuit, 2009; United States Court of Appeals for the Ninth Circuit, 2007; United States Court of Appeals for the Tenth Circuit, 2011; United States Court of Appeals for Eleventh Circuit, 2012; United States Court of Appeals for the District of Columbia Circuit, 1978; United States District Court for the Eastern District of Michigan; United States District Court for the Eastern District of New York, 2006; United States District Court for the Southern District of New York, 2006; United States District Court for the Northern District of New York, 2002; United States District Court for the District of Columbia, 1978. Education: Columbia University (A.B., 1974); Cornell University (J.D., 1977). Experience: Law clerk to the Honorable Edward Tamm, United States Court of Appeals, District of Columbia Circuit (1977-1978); Attorney, Office of the General Counsel, Federal Trade Commission (1978-1981); Assistant Counsel and Counsel, Subcommittee on Monopolies and Commercial Law, House Committee on the Judiciary (1981-1986); General Counsel, Committee to Support the Antitrust Laws (1986 - 2004); Legislative Counsel, National Association of Shareholder and Consumer Attorneys (1988-2004); Legislative Counsel, National Coalition of Petroleum Retailers and Service Station Dealers of America (1988-1994). Activities: Arlington County Democratic Committee (1983-1987); Board Member, Juvenile Law Center (2009-2015); Board Member, American Antitrust Institute (1998-2009); Board Member, Violence Policy Center (1999-2009); Board Member, Appleseed Legal Foundation (1999-2005). Honors: Alfred E. Kahn Award for Antitrust Achievement (2017); Rated by Martindale-Hubbell as AV[®] Preeminent[™]; Listed in Marquis “Who’s Who in America”; Dean’s Board of Advisors, The George Washington University Law School (2012-2015); Finalist, 2006 Trial Lawyer of the Year, Public Justice. Publications: *Judge Tamm and the Evolution of Administrative Law: The Art of Judging*, 74 GEORGETOWN L.J. 1595 (1986); *Pulling the Plug on Antitrust Law* (with Jerry Cohen), THE NATION (1987); *House Takes Up Cause of Discounters*, LEGAL TIMES, Vol X, No. 30 (1987); *Supreme Court’s “Sharp” Ruling Means Higher Prices, Fewer Choices for Consumers*, MANHATTAN LAWYER (1988); Chapter, *Consumer Protection -- Federal Trade Commission*, CHANGING AMERICA: BLUEPRINTS FOR THE NEW ADMINISTRATION (edited by Mark Green) (1992); *Antitrust and Clinton: Changes on the Horizon*, THE CALIFORNIA LAWYER (1993); *Action on Class Actions*, THE RECORDER (1997); *The Gold Train Case: Successfully Suing the United States on Behalf of a Class of Holocaust Era Victims* (with Professor Charles Tiefer), 27 CLASS ACTION REPORTS 139 (2006); THE INTERNATIONAL HANDBOOK OF PRIVATE ENFORCEMENT OF COMPETITION LAW (with Albert A. Foer) (Edward Elgar Publishing Inc., 2010). *Remediation and Deterrence: The Real Requirements of the Vindication Doctrine*, 82 Geo. Wash. L. Rev. Arguendo 59 (2013). Guest Lecturer: Southwestern Law School, 1997 and 1998; numerous appearances in CLE programs in the United States and Canada; District of Columbia Judicial Conference (2007). Member: American Bar Association; District of Columbia Bar Association; American Association for Justice.

Pamela B. Gilbert, born New Brunswick, New Jersey, October 3, 1958. Admitted to the New York Bar, 1985 (inactive); District of Columbia Bar 1986. Admitted to practice in D.C. Education: Tufts University (B.A., *magna cum laude*, 1980); New York University (J.D., 1984). Experience:

Consumer Program Director, United States Public Interest Research Group (1984-1989); Legislative Director, Executive Director, Public Citizen's Congress Watch (1990-1992; 1992-1994); Attorney, M+R Strategic Services (1995); Executive Director, Consumer Product Safety Commission (1996-2001); Chief Operating Officer, M+R Strategic Services (2001-2002). Honors and Activities: Board Chair, American Antitrust Institute (2010 -); Board Member, Project on Government Oversight (2016 -); Past member of the Board of Directors, National Environmental Law Center (2006 - 2016); Past member of Board of Directors, Equal Justice Works (2004 - 2012). Publications: PRIVATE ENFORCEMENT OF THE ANTITRUST LAWS IN THE UNITED STATES (edited by Albert A. Foer and Randy M. Stutz), "Proposals for Reform," written with Victoria Romanenko. Member: New York Bar Association; District of Columbia Bar Association; American Bar Association; American Association for Justice; Public Justice; Consumer Attorneys of California.

Charles J. LaDuca, born Buffalo, New York, September 30, 1974. Admitted to the New York State Bar, 2001; District of Columbia Bar, 2002; United States Supreme Court, 2009; United States Court of Appeals for the Second Circuit, 2007; United States Court of Appeals for the Third Circuit, 2004; United States Court of Appeals for the Sixth Circuit, 2012; United States Court of Appeals for the Ninth Circuit, 2011; United States Court of Appeals for the District of Columbia Circuit, 2013; United States District Court for the Northern District of New York, 2002; United States District Court for the Western District of New York, 2004; United States District Court for the Southern District of New York, 2013; United States District Court for the District of Columbia, 2002; United States District Court for the Central District of Illinois, 2009; United States District Court for the District of Colorado, 2008; United States District Court for the Western District of Michigan, 2010. Education: George Washington University (B.A., 1996); Catholic University of America (J.D., 2000). Member: District of Columbia Bar Association (Corporation, Finance and Securities Law Section); New York State Bar Association; New York State Society.

Joel Davidow, born Trenton, New Jersey, July 24, 1938. Admitted to the Bar in the District of Columbia, 1965; New York Bar, 1981; Court Admissions: U.S. Supreme Court, U.S. Court of Appeals (D.C., Ninth, First and Federal Circuits), U.S. District Court, S.D. N.Y., U.S. District Court, E.D. N.Y. Education: Columbia University School of Law (LLB, *cum laude*, 1963); Princeton University, Woodrow Wilson School of Public Affairs (B.A., *summa cum laude*, 1960). Experience: Notes editor of the Columbia Law Review and the winner of the National Jessup Moot Court Competition; Two years in the U.S. Federal Trade Commission; Fifteen years in Antitrust Division of the Department of Justice, where he eventually served as Chief of the Foreign Commerce Section and then Director of Policy and Planning; Senior antitrust partner in major New York City and Washington, D.C. law firms, representing clients from Japan, Europe, and the United States, as both plaintiffs and defendants, in antitrust, patent, and trade litigation matters; Counsel of record in numerous antitrust class actions and has briefed and argued multi-million dollar appeals before the First, Second, Seventh, Ninth and Federal Circuit courts of appeal. Publications: ANTITRUST GUIDE FOR INTERNATIONAL BUSINESS ACTIVITIES (BNA, 4th ed. 2011); PATENT-RELATED MISCONDUCT ISSUES IN U.S. LITIGATION (OUP, 2010); and numerous articles dealing with international antitrust and patent litigation topics. Adjunct Professor: George Washington University School of Law, Columbia Law School, Georgetown Law Center, American University Law School, and George Mason University Law School, where he has taught courses in antitrust, regulation, and international competition policy.

Daniel M. Cohen, born Detroit, Michigan, January 24, 1958. Admitted to the Florida Bar, 1989; District of Columbia Bar, 2001; Maryland State Bar, 2003; Virginia State Bar, 2010. Admitted to practice before the United States District Court for Maryland, 2002; United States District Court for the Middle District of Florida, 2003; United States District Court of District of Columbia, 2008; Eastern District of Virginia, 2010; Western District of Virginia, 2010; Southern District of Florida, 2013. Education: Ithaca College (B.A., 1981); Western New England School of Law (J.D., 1988). Experience: Criminal Defense Trial Attorney, Public Defenders Office, tried 70 jury trials, Jacksonville Florida, 1989-1999. Member: District of Columbia Bar Association (Antitrust and Consumer Law Section); Florida State Bar Association.

Michael J. Flannery, born January 22, 1963. Admitted to the Virginia Bar, 1991; District of Columbia Bar, 1992; California Bar, 1998; Missouri Bar, 2001. Admitted to practice before the United States Court of Appeals for the Third Circuit; United States Court of Appeals for the Ninth Circuit; United States District Court for the Eastern District of Missouri, United States District Court for the Western District of Missouri, United States District Court for the Southern District of Illinois, United States District Court for the Northern District of Illinois, United States District Court for the Northern District of California, United States District Court for the Southern District of California, United States District Court for the Central District of California, United States District Court for the Eastern District of California, and the United States District Court for the District of Columbia. Education: University of Notre Dame (B.A., 1985); College of William and Mary Marshall-Wythe School of Law (J.D., 1991). Honors and Awards: William and Mary Law Review (1989-91); Publication of Student Note: "Abridged Too Far: Anticipatory Search Warrants and the Fourth Amendment," 32 WM. & MARY L. REV. 781 (1991) (reprinted in 14 Criminal Law Review (1992)); Teaching Assistant, William and Mary Legal Skills Program; Chief Justice, William and Mary Honor Council; Notre Dame Scholar/Edward W. Krause Academic Scholarship. Experience: Cohen, Milstein, Hausfeld & Toll, Washington, DC, 1994-1997; Milberg Weiss Bershad Hynes & Lerach, San Diego, CA, 1997-2000; Carey, Danis & Lowe, St. Louis, MO, 2000-2012.

Monica Miller, born Queens, New York, May 16, 1966. Admitted to the Bar of the Commonwealth of Massachusetts, 1992; Louisiana Bar, 1993; District of Columbia Bar, 1994. Admitted to practice before the United States Courts of Appeals for the First Circuit, 1998, Fourth Circuit, 2010, Ninth Circuit, 2010, Tenth Circuit, 2011, D.C. Circuit, 2012; United States District Court for the District of Massachusetts, 1994; United States District Court for the District of the District of Columbia, 2008. Education: Tufts University (B.A., *magna cum laude*, 1988); University of Virginia (J.D., 1991). Experience: Law Clerk to the Honorable Edith Brown Clement, United States District Court for the District of Louisiana, 1991-1993; Berman, DeValerio & Pease, Boston, MA 1994-1999; sole practitioner, 1999-2008. Languages: French, Spanish.

Mark H. Dubester, born Washington, DC, May 17, 1955. Admitted to the District of Columbia Bar, 1980; Member of the United States District Court for the District of Columbia. Education: Tufts University (B.A., *magna cum laude*, 1977); New York University School of Law (J.D., 1980). Experience: Trial Attorney, United States Department of Justice, Antitrust Division (AT&T case) (1980-1983); Assistant United States Attorney, United States Attorneys Office for the District of Columbia (60 jury trials) (1983-2007); Counsel for the Committee and Special Impeachment Counsel, House Committee on the Judiciary (2007-2010); Deputy Chief Investigative Counsel, Special Inspector General for the Troubled Asset Relief Program

(SIGTARP) (2011-2012); Associate General Counsel/Prosecutor, Special Inspector General for Afghanistan Reconstruction (SIGAR) (2012-2017).

Alexandra C. Warren, born Bucharest, Romania, October 9, 1977. Admitted to the Florida Bar, 2016; New York Bar, 2003 (retired); Massachusetts Bar, 2003 (retired); Pennsylvania Bar, 2004 (retired); District of Columbia Bar, 2007 (retired). Admitted to practice before the United States District Court for the Eastern District of Pennsylvania, 2005; United States District Court for the Western District of Pennsylvania, 2007; United States District Court for the District of Columbia, 2007; United States District Court for the Middle District of Pennsylvania, 2009; United States District Court for the Western District of Michigan, 2010; United States District Court for the District of Massachusetts, 2012; United States Court of Appeals for the Third Circuit, 2009; United States Court of Appeals for the Fifth Circuit, 2009; United States Court of Appeals for the Ninth Circuit, 2011; United States Supreme Court, 2009. Education: Brandeis University (B.A., *cum laude*, 1999); Fordham University Law School (J.D., 2002) (Fordham Environmental Law Journal, Staff). Honors: Archibald R. Murray Public Service Award (2002); Addison M. Metcalf Labor Law Prize (2002). Experience: Law Clerk to the Honorable John E. Jones III, United States District Court for the Middle District of Pennsylvania (2002-2004); Associate, MacElree Harvey, Ltd. (2004-2006). Member: Florida Bar Association.

C. William Frick, born in Silver Spring, Maryland. Admitted to the District of Columbia Bar; Maryland Bar; United States District Court for the District of Maryland; United States District Court for the District of Columbia. Education: Northwestern University (B.A. 1997); Harvard Law School (J.D., 2000). Experience: Counsel, Akin Gump; State Legislator, House Parliamentarian, and House Majority Leader, Maryland General Assembly. Affiliations: Maryland Bar Association; District of Columbia Bar Association.

Katherine W. Van Dyck, born Corpus Christi, Texas, July 4, 1979. Admitted to the Texas Bar, 2004; District of Columbia Bar, 2008. Admitted to practice before the United States District Court for the Northern District of Texas, 2006; United States District Court for the District of Columbia, 2008; United States District Court for the District of Colorado, 2014; United States District Court for the Central District of Illinois, 2018; United States Court of Appeals for the Fourth Circuit, 2009; United States Court of Appeals for the Tenth Circuit, 2015; United States Court of Appeals for the Seventh Circuit, 2016. Education: Texas Christian University (B.A. 2001); Texas Tech University Law School (J.D., 2004). Texas Tech Law Review - Articles Editor, Outstanding Third Year Editor, Outstanding Second Year Editor (2002-2004) Experience: Law Clerk to the Honorable Hayden W. Head, Jr., United States District Court for the Southern District of Texas (2004-2006); Associate, Fee, Smith, Sharp & Vitullo, LLP (2006-2007); Associate, Griffith & Wheat, LLP (2008-2012). Affiliations: Member, Texas Christian University DC Alumni Board; American Association for Justice Seminar Faculty Member, Trying the Class Action: Practical Tips from the Pros.

Jennifer E. Kelly, born Elmira, New York, July 7, 1975. Admitted to the Maryland Bar, 2007, District of Columbia Bar, 2008, U.S. District Court for the District of Columbia, 2012. Education: Boston University (B.A., *cum laude*, 1997), American University (J.D., *cum laude*, 2007; highest grade designation, Wills, Trusts, & Estates). Experience: Internship, Parliament of Great Britain (1995); Internship, District of Columbia Corporation Counsel (1996); Legislative Assistant, Office of Senator Robert C. Byrd (1998-2002); American University Civil Practice Clinic (Oral Argument before the Maryland Court of Special Appeals and Maryland District Court Small Claims Trial)

(2006); Associate, Bracewell & Giuliani, LLP (2007-2009) (Paralegal, 2003-2007); Volunteer Attorney, American Red Cross (2010-2011). Member: American Bar Association.

Brendan S. Thompson, born Buffalo, New York, February 21, 1974. Admitted to the Maryland Bar, 2008; Admitted to practice before the United States District Court for the District of Colorado, 2008; United States District Court for the Central District of Illinois, 2008; United States Court of Appeals for the Ninth Circuit, 2011. Education: University of Detroit (B.S., 1997); visiting student, George Mason Law School; University of Baltimore Law School (J.D., 2008). Experience: Student Internships: Congressman Brian Higgins (D-NY) (2007); Chambers of the Honorable LeRoy F. Millett Jr., Circuit Court for the 31st Judicial Circuit of Virginia (2006); The Commonwealth's Attorney's Office for Prince William County, Virginia (2005). Member: Maryland State Bar Association, Bar Association of Baltimore City, American Bar Association; New York State Society.

Victoria R. Sims, born Kiev, Ukraine, April 8, 1983. Admitted to the Maryland Bar, 2009; the District of Columbia Bar, 2012. Education: Catholic University, Columbus School of Law (J.D., 2009); Brandeis University (B.A., with honors, 2006). Experience: Worked at a Washington D.C. firm engaging in antitrust and telecommunications litigation (2009-2011). Law Clerk at U.S. International Trade Commission (2009) (antidumping, countervailing duties, Section 337). Law Clerk at Department of Labor (2008) (Occupation Safety and Health Division). Law Clerk at District of Columbia Office of the Attorney General (2007) (Civil Enforcement Section). Ms. Sims was also nominated for the 2009 Jan Jancin award upon her completion of law school. This nomination is given to the student with the highest Intellectual Property GPA in the graduating class. Ms. Sims is the recipient of the American Antitrust Institute's Outstanding Litigation Achievement by a Junior Lawyer Award (2017), for her work in the *Automotive Parts Antitrust Litigation*, 12-md-02311. Publications: *Remediation and Deterrence: The Real Requirements of the Vindication Doctrine*, 82 Geo. Wash. L. Rev. Arguendo 59 (2013); PRIVATE ENFORCEMENT OF THE ANTITRUST LAW IN THE UNITED STATES (edited by Albert A. Foer and Randy M. Stutz) (2012), Chapter, *Proposals for Reform*, co-authored with Pamela Gilbert. Ms. Sims has a working knowledge of Russian and French.

Beatrice O. Yakubu, born Melbourne, Florida, January 3, 1984. Admitted to the Maryland Bar, 2010. Education: American University, Washington College of Law (J.D. 2010); Florida State University (B.S. 2005). Experience: clerked at the United States Attorney's Office and a criminal defense firm, and worked as a Student Attorney for the Mid-Atlantic Innocence Project. Ms. Yakubu is conversational in the Yoruba language.

Yifei Li, born Wuhan, China, February 15, 1988. Admitted to the New York State Bar, 2013; United States Court of Appeals for the Second Circuit, 2013; United States Court of Appeals for the District of Columbia Circuit, 2013; United States Court of Federal Claims, 2013; United States District Court for the Eastern District of Michigan, 2013; United States District Court for the Eastern District of New York, 2013; United States District Court for the Southern District of New York, 2013. Education: The George Washington University Law School (LL.M., 2011); Beijing Foreign Studies University Law School (LL.B., B.A., Scholarship Recipient, 2010). Experience: Judicial Intern to the Honorable Chief Judge Randall R. Rader at U.S. Court of Appeals for the Federal Circuit (2012-2013). Legal Intern at Federal Circuit Bar Association (2011-2012). Law Clerk at Jingtian &

Gongcheng Attorneys At Law (2009). Judicial Intern at People's Court of Jiang'An District (2007). Member: New York State Bar Association; American Bar Association. Ms. Li is a native speaker of Chinese (Mandarin).

A. Blaine Finley, born Houston, Texas, January 15, 1988. Admitted to the New Jersey Bar, 2014; New York Bar 2015; District of Columbia Bar, 2017. Admitted to practice before the United States District Court for the District of New Jersey, 2014; United States District Court for the Eastern District of New York, 2015; United States District Court for the Southern District of New York, 2015. Education: Columbia Law School (J.D., 2014); Princeton University (A.B., 2011). Experience: Associate, Brower Piven, A Professional Corporation (2014-2016).

Peter Gil-Montllor, born Manhasset, New York, October 11, 1987. Admitted to the New York Bar, 2014. Admitted to practice before the United States District Court for the Eastern District of New York, 2015; United States District Court for the Southern District of New York, 2015. Education: Georgetown University (J.D., magna cum laude, 2013); University of Chicago (A.B., with honors, 2009). Experience: Law clerk to the Honorable Allyne R. Ross, United States District Court for the Eastern District of New York (2015-2016). Member: Federal Bar Council. Mr. Gil-Montllor is a native speaker of Spanish.

Christian Hudson, born Southampton, New York, July 26, 1985. Admitted to the New York Bar, 2013. Admitted to practice before the United States District Court for the Southern District of New York, 2013; Eastern District of Texas, 2014; Eastern District of New York, 2018. Education: New York University (J.D., 2012); Yale University (B.A., with distinction, 2007). Experience: Associate, Gibson, Dunn & Crutcher LLP (2012-2018). Member: The Sedona Conference; LeGaL, the LGBT Bar Association of New York; American Bar Association.

SPECIAL COUNSEL

Robert J. Cynkar, born Chicago, Illinois, April 22, 1952. Admitted to the Illinois Bar, 1977; District of Columbia Bar, 1978; Virginia Bar, 1984. Admitted to practice before the United States Supreme Court and before the United States Courts of Appeals for the First, Second, Third, Fourth, Fifth, Sixth, Eighth, Eleventh, District of Columbia Circuit, and Federal Circuits. Education: Princeton University (A.B., magna cum laude, 1974); New York University School of Law (J.D., 1977) (Staff, Law Review). Experience: Associate, Fried, Frank, Harris, Shriver & Kampelman, Washington, D.C. (1977-1979); Counsel to Chairman Bob Dole, Subcommittee on Improvements in Judicial Machinery, United States Senate Committee on the Judiciary (1979-1981); General Counsel to Chairman Paul Laxalt, Subcommittee on Regulatory Reform, United States Senate Committee on the Judiciary (1981-1983); Assistant United States Attorney, Eastern District of Virginia (Criminal Division) (1983-1985); Special Assistant to Attorney General Edwin Meese (1985); Deputy Assistant Attorney General, Civil Division, United States Department of Justice (1985-1988); Associate, Shaw, Pittman, Potts & Trowbridge, Washington, D.C. (1988-1991); Partner, Shaw, Pittman, Potts & Trowbridge, Washington, D.C. (1991-1996); Founding Partner, Cooper & Kirk, Washington, D.C. (1996-2003); Partner, Egan, Fitzpatrick, Malsch & Cynkar, Vienna, Virginia (2004-2006); has tried over 25 cases in federal and state courts; has briefed numerous appeals in the majority of Federal Circuits and in State Supreme Courts, and in the U. S. Supreme Court, and personally argued many of those appeals. Sample Noteworthy Cases: *U.S. v. Fleming* (E.D. Va.

1984) (successful prosecution of a drunk driver who killed a mother of 11 for second-degree murder); *U.S. v. Winstar* (U.S. Sup. Ct. 1996) (holding that even the requirements of a broad change in regulatory policy by Congress cannot excuse the federal government's breach of contract); *U.S. ex rel. Ubl v. IIF Data Solutions* (E.D. Va. 2009) (successful defense of a government contractor accused of violating the False Claims Act in a bet-the-company case); *Livingston v. Virginia Dept. of Transportation* (Va. Sup. Ct. 2012) (establishing that a damaging for public use does not need to rise to the level of a taking to qualify for just compensation under the Virginia Constitution); *Settle v. RGR*, (Prince William Cir. Ct. 2012)(over \$3 million jury award for the widow of a truck driver killed in a collision with a train). Publications: *Dumping on Federalism*, 75 U. COLO. L. REV. 1261 (2004); *The Changing Vocabulary of Administrative Law*, 43 FOOD DRUG COSM. L.J. 681 (1988); “*Buck v. Bell: ‘Felt Necessities’ v. Fundamental Values?*” 81 COLUM. L. REV. 1418 (1981). Member: District of Columbia Bar Association; Virginia Bar Association; Fairfax County Bar Association; Federalist Society.

OF COUNSEL TO THE FIRM

Charles Tiefer, born January 21, 1954. Admitted to the District of Columbia Bar. Admitted to practice before the United States Supreme Court; United States Court of Federal Claims. Education: Columbia University (B.A., *summa cum laude*, 1974), Harvard Law School (J.D., *magna cum laude*, 1977) (Member, Harvard Law Review). Experience: Law clerk, United States Court of Appeals for the D.C. Circuit (1977-1978); Trial Attorney, United States Department of Justice, Civil Rights Division (1978-1979); Assistant Senate Legal Counsel, United States Senate (1979-1984); Solicitor and Deputy General Counsel, United States House of Representatives (1984-1995); Professor of Law, University of Baltimore School of Law (1995 -). Publications: VEERING RIGHT: HOW THE BUSH ADMINISTRATION SUBVERTS THE LAW FOR CONSERVATIVE CAUSES (U. Cal. Berkeley, 2004); GOVERNMENT CONTRACT LAW: CASES AND MATERIALS (co-author) (Carolina Academic Press, 2d ed., 2004); THE SEMI-SOVEREIGN PRESIDENCY (Westview, 1994); CONGRESSIONAL PRACTICE AND PROCEDURE (Greenwood Press, 1989); *Congress’s Transformative “Republican Revolution” in 2001-2006 and the Future of One-Party Rule*, J. L. & POL. OF U. VA. (2008); *The Iran Debacle: The Rise and Fall of Procurement-Aided Unilateralism as a Paradigm of Foreign War*, UNIV. PENN. J. INT’L ECON. LAW (2008); *Can Appropriation Riders Speed Our Exit From Iraq?* 42 STAN. J. INT’L L. 291 (2006); *The Gold Train Case: Successfully Suing the United States on Behalf of a Class of Holocaust-Era Victims*, 27 CLASS ACTION REP. 136 (2006); *Cancellation and Termination Without Forfeiture*, 54 MERCER L. REV. 1031 (2003). Member: District of Columbia Bar Association.

David W. Stanley, born St. Louis, Missouri, May 30, 1944. Admitted to the District of Columbia Bar, 1973; Virginia State Bar, 1972. Admitted to practice before the United States Supreme Court, 1980; United States Court of Appeals for the District of Columbia Circuit, 1978; United States District Court for the District of Columbia, 1974. Education: University of Virginia (B.A., 1966); University of Virginia School of Law (J.D., 1972). Experience: Law clerk to Honorable Gerard D. Reilly, Chief Judge, District of Columbia Court of Appeals (1972-1973). Assistant U.S. Attorney, U.S. Attorney's Office for the District of Columbia, 1973-1984 (Fraud Division, 1981-1984); Assistant Chief Trial Attorney, Division of Enforcement, U.S. Securities and Exchange Commission (1984-1987); Of Counsel, Swidler & Berlin, Chartered (1987-1992). Member: District of Columbia Bar Association (Corporation, Finance and Securities Law Section; Litigation Section); Assistant

U.S. Attorneys Association (President, 1994-1995); Association of Securities and Exchange Commission Alumni; The Barristers.

Bradford E. Kile. Admitted to the District of Columbia Bar. Admitted to practice before the United States Supreme Court, United States Court of Appeals for the Federal, Fourth, and DC Circuits, United States District Court for the District of Columbia and Eastern District of Virginia. Registered to practice before the United States Patent and Trademark Office – Reg. No. 25,223. Education: The Ohio State University (B. Mech. Engr., 1966); The George Washington University (J.D., 1970; LL.M. 1978). Publications: *Legal 'X-Games' Risk: Officer and Director Passive Retention of Personal Liability for Patent Infringement*, 7 IP Litigator 11 (2001); “Lotus v. Borland-Copyright Protection of Computer Software in a State of Transition,” Copyright World, 1995. Member: American Bar Association; Fellow of the Inn – Giles S. Rich American Inn of Court; American Intellectual Property Law Association; Federal Circuit Historical Society.

Exhibit 5C

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

ISRAEL SANCHEZ, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.
NEIDORFF, and JEFFREY A.
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

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

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

1. I am a principal of the law firm of Klausner, Kaufman, Jensen & Levinson. I submit this declaration in support of Lead Counsel's application for an award of attorneys' fees in connection with services rendered in the above-captioned class action (the "Action").¹

2. My firm is outside counsel for Lead Plaintiff, Louisiana Sheriffs' Pension and Relief Fund ("Louisiana Sheriffs") and, in that capacity, acts as a fiduciary to the Fund. During the course of this litigation, we assisted Lead Counsel and Lead Plaintiff in responding to discovery requests; by reviewing and commenting on substantive pleadings; by participating in the mediation process; and by consulting with Louisiana Sheriffs in formulating its decision-making.

¹ Unless otherwise defined in this Declaration, all capitalized terms have the meanings set out in the Stipulation of Settlement dated March 5, 2020 (ECF No. 116-1).

3. The schedule attached hereto as Exhibit 1 is a summary reflecting the amount of time spent by each attorney of my firm who was involved in this Action, and my firm's current hourly rates. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm. Time expended in preparing this application for fees and expenses has not been included in this request.

4. The hourly rates for the personnel in my firm included in Exhibit 1 are the same as the regular rates for their services in securities litigation and certain non-contingency matters. My firm expended a total of 25 hours on this Action from its inception through August 31, 2020, is. The total lodestar for my firm for that period is \$16,250.00.

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

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

Executed on: August 31, 2020


ROBERT D. KLAUSNER

EXHIBIT 1

Sanchez v. Centene Corp.,
No. 4:17-cv-00806-AGF (E.D. Mo.)

KLAUSNER, KAUFMAN, JENSEN & LEVINSON

TIME REPORT

Inception through August 31, 2020

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Robert D. Klausner	22.0	\$650	\$14,300.00
Stuart A. Kaufman	3.0	\$650	\$1,950.00
TOTALS	25.0		\$16,250.00

EXHIBIT 2

Sanchez v. Centene Corp.,
No. 4:17-cv-00806-AGF (E.D. Mo.)

KLAUSNER, KAUFMAN, JENSEN & LEVINSON

FIRM RESUME

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

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

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

Plan Design

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

Fiduciary Education

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

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

Plan Policies, Rules, and Procedures

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

Legal Counseling

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

Summary Plan Descriptions

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

Litigation

Despite the best efforts and intentions of the trustees and staff, there will be times when the plan finds itself as either a plaintiff or defendant in a legal action. We have successfully defended

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

ATTORNEY BIOGRAPHIES

ROBERT D. KLAUSNER:

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

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

Member: The Florida Bar; American Bar Association; Phi Beta Kappa; Phi Kappa Phi.

Publication: Co-Author, State and Local Government Employment Liability, West Publishing Co.

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

STUART A. KAUFMAN:

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

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

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

Exhibit 6

12 February 2020



Recent Trends in Securities Class Action Litigation: 2019 Full-Year Review

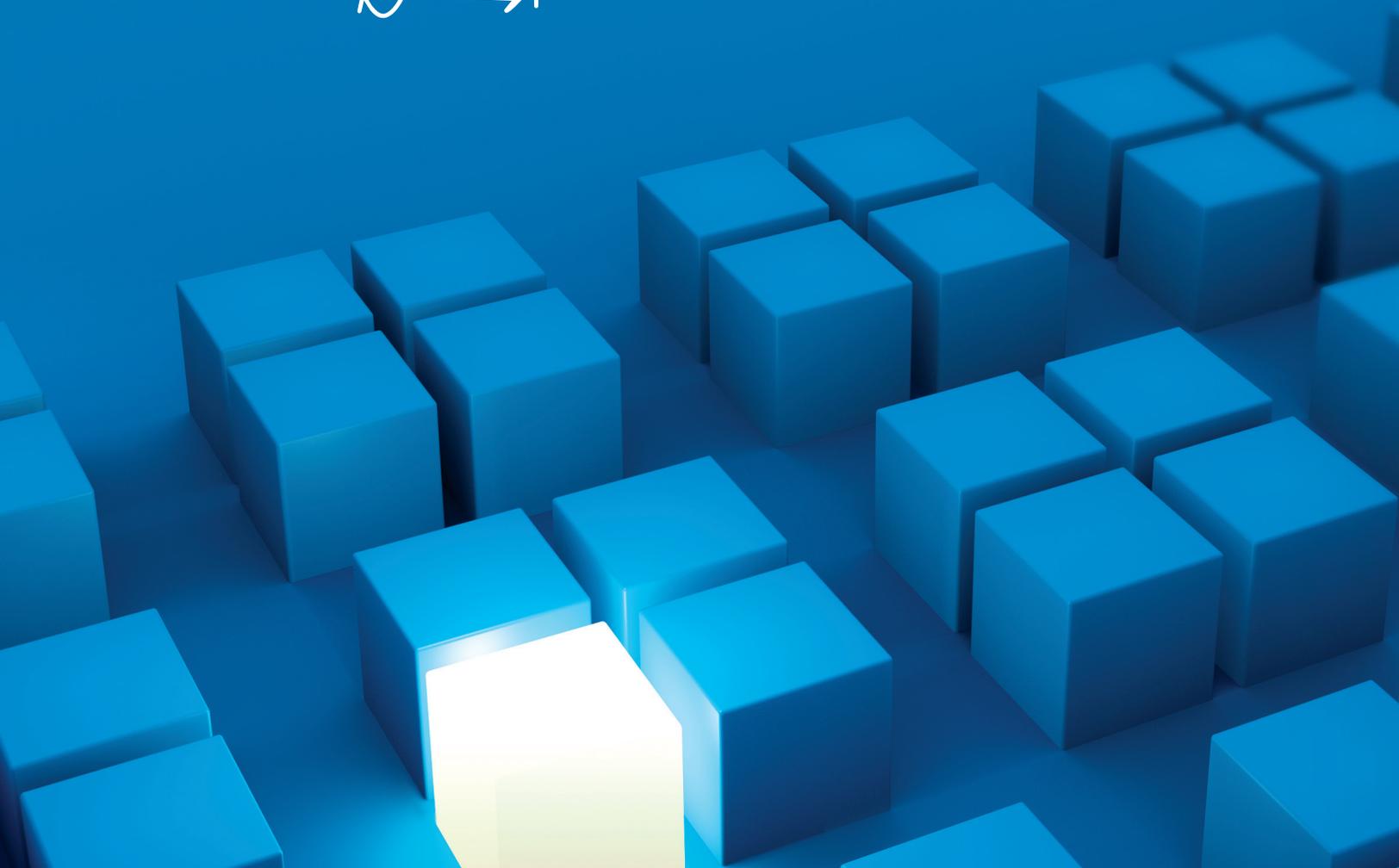
Filings Remain High, Driven by an Uptick in Standard Cases
Median Settlement Value at Highest Recorded since 2012
Resolutions Have Slowed, Mostly from Fewer Settlements

By Janeen McIntosh and Svetlana Starykh

Foreword

I am excited to share NERA's Recent Trends in Securities Class Action Litigation: 2019 Full-Year Review with you. This year's edition builds on work carried out over numerous years by many members of NERA's Securities and Finance Practice. In this year's report, we continue our analyses of trends in filings and settlements and present new analyses, such as our new quantification of Investor Losses and our new predicted-settlement model. Although space does not permit us to present all the analyses the authors have undertaken while working on this year's edition or to provide details on the statistical analysis of settlement amounts, we hope you will contact us if you want to learn more about our work related to securities litigation. On behalf of NERA's Securities and Finance Practice, I thank you for taking the time to review our work and hope you find it informative.

Dr. David Tabak
Managing Director

A handwritten signature in white ink, appearing to read 'D. Tabak', is positioned below the typed name and title.

Recent Trends in Securities Class Action Litigation: 2019 Full-Year Review

**Filings Remain High, Driven by an Uptick in Standard Cases
Median Settlement Value at Highest Recorded since 2012
Resolutions Have Slowed, Mostly from Fewer Settlements**

By Janeen McIntosh and Svetlana Starykh¹

12 February 2020

Introduction and Summary

In 2019, 433 federal securities class actions were filed, representing the third consecutive year with more than 400 filings.² Excluding the IPO laddering cases filed in 2001, filings between 2016 and 2019 have been the highest recorded since the passage of the Private Securities Litigation Reform Act (PSLRA) in 1995. Despite no change in the total number of cases filed between 2018 and 2019, there were differences in the underlying characteristics of these cases. Filings under Rule 10b-5, Section 11, and/or Section 12 in the Second Circuit increased by 39%, with 107 cases filed in 2019. Although merger-objection filings represented nearly 50% of cases filed in 2017 and 2018, in 2019, these filings declined, and there was an increase in cases alleging Rule 10-b, Section 11, and/or Section 12 violations, which were filed at the highest level recorded over the past 10 years. The proportion of filings against defendants in the health technology and services sector continued to decline in 2019, although this sector remains the most frequently targeted. Cases alleging missed earnings guidance spiked in 2019, with this allegation appearing in more than 30% of complaints filed, making it the single most common allegation.

The number of cases resolved in 2019 decreased from 2018, driven primarily by the lowest number of settled cases over the past 10 years. The average settlement value declined from an uptick in 2018, which was driven almost entirely by the \$3 billion Petrobras mega-settlement. The median settlement value in 2019 was \$12.8 million, the highest recorded since 2012 and approximately \$1.3 million more than the 2018 inflation-adjusted value.

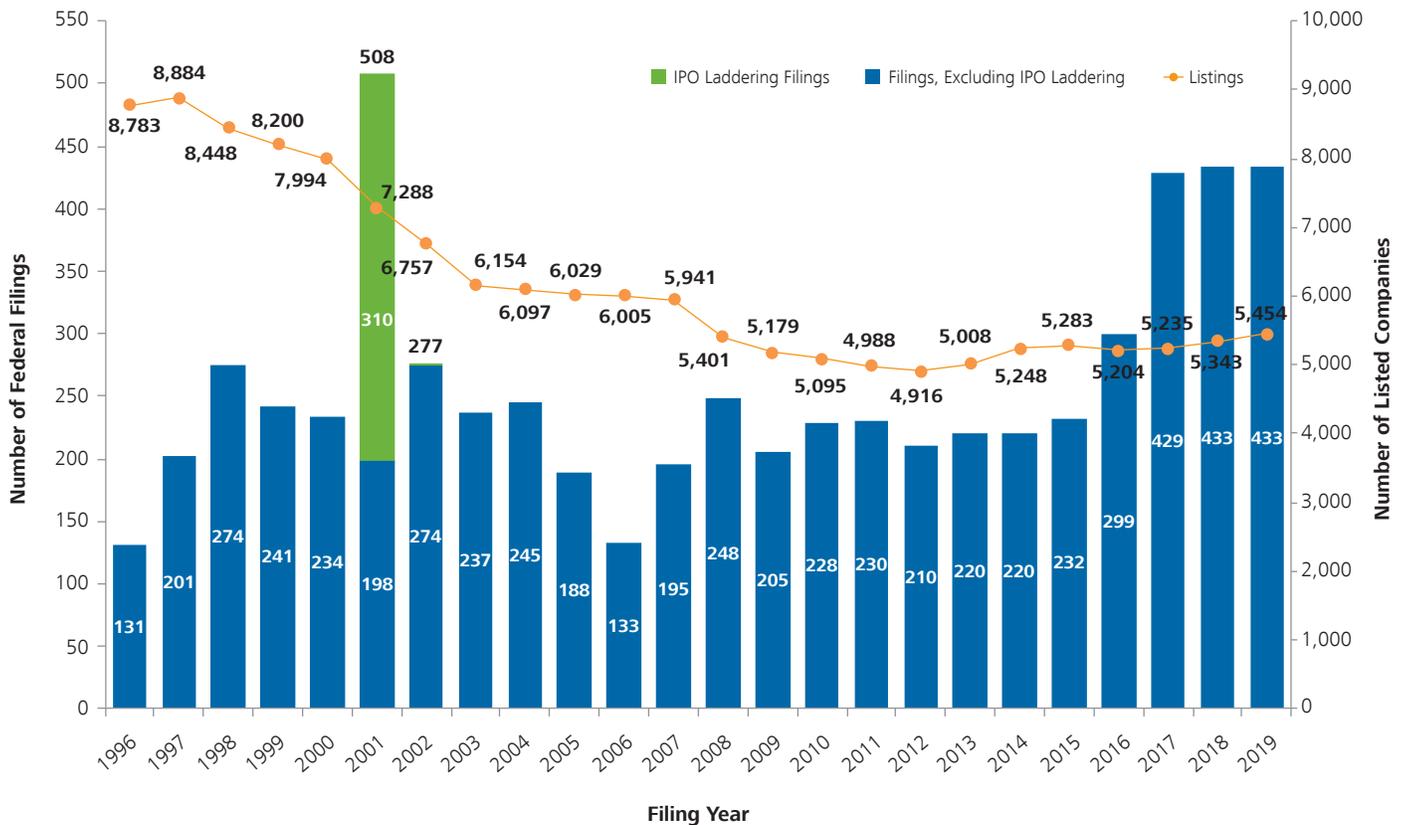
Aggregate NERA-defined Investor Losses for filed cases decreased from a record high of \$929 billion in 2018 to \$518 billion in 2019. This decrease was driven by a decline in cases with NERA-defined Investor Losses of \$5 billion or more. At the same time, in 2019, aggregate NERA-defined Investor Losses for cases with losses of \$5 billion or less was \$173 billion, the highest recorded amount over the past 10 years.

Trends in Filings

Trend in Federal Cases Filed

Between 2015 and 2018, federal securities class action filings dramatically increased, reaching a high of 433 cases in 2018, nearly double the level observed in 2014.³ In 2019, there was no change in new filings, with 433 securities class actions filed. This represents the third consecutive year with more than 400 cases filed, a higher level than has been recorded since 1996, with the exception of 2001, when 310 cases were filed related to IPO laddering allegations. See Figure 1.

Figure 1. **Federal Filings and Number of Companies Listed in the United States**
January 1996–December 2019



Note: Listed companies include those listed on the NYSE and Nasdaq. Listings data from 2016 through 2019 obtained from World Federation of Exchanges (WFE). Data for prior years were obtained from Meridian Securities Markets and WFE. The 2019 listings data are as of October 2019.

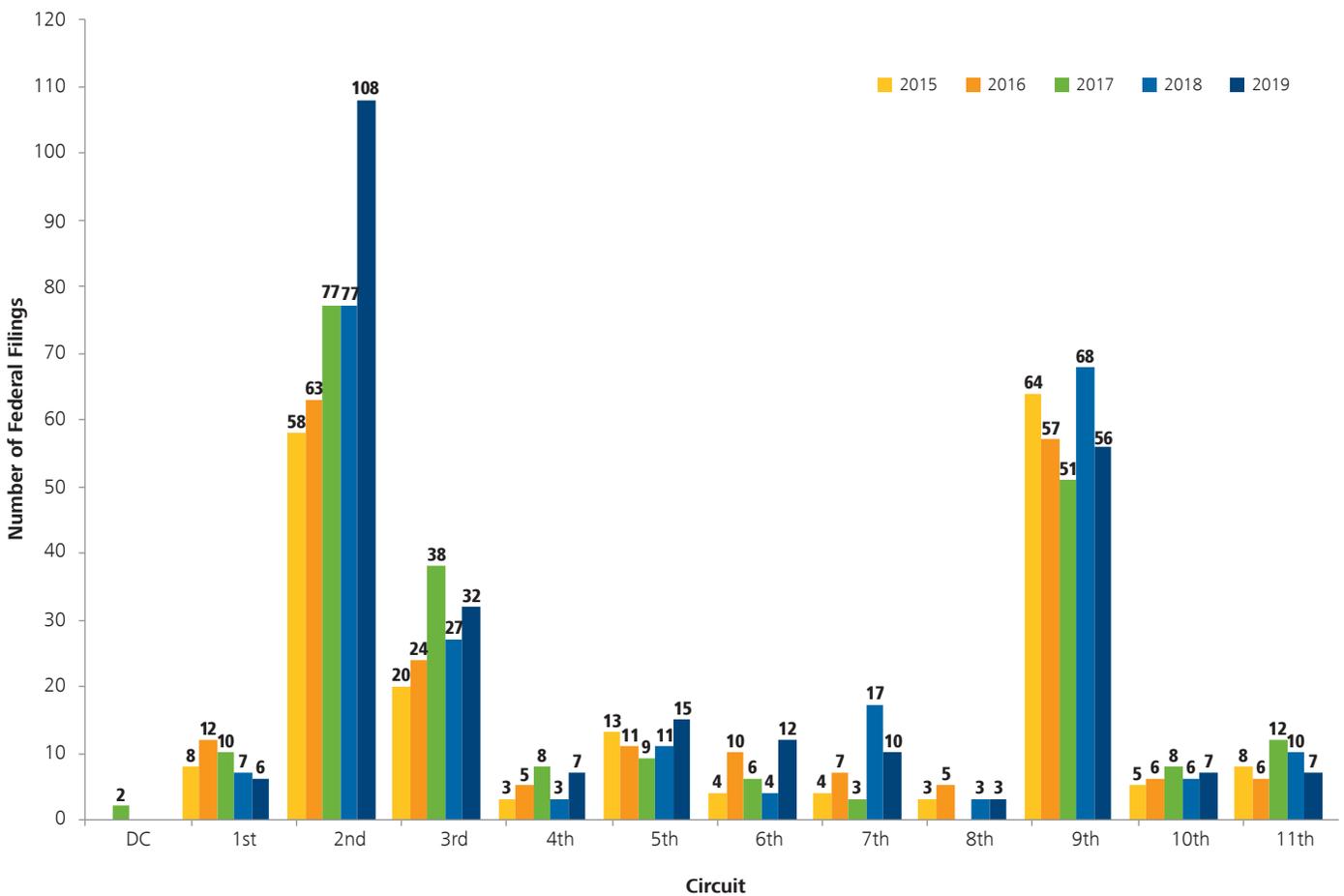
Similar to the pattern of new filings, the number of companies listed in the United States has grown in recent years, increasing 3% between 2015 and 2019. As of October 2019, there were 5,454 companies listed on the major US securities exchanges.⁴ Although we see no significant change in the ratio of new filings to listed companies between 2017 or 2018 and 2019, the ratios in recent years are substantially higher than those earlier in the decade. These higher ratios are driven primarily by the increase in the new cases filed, although there has been slight variability in the number of listed companies from year to year. Since the 1995 implementation of the PSLRA, the

number of listed companies has declined considerably, falling by approximately 38% between 1996 and 2019. Securities class action filings, on the other hand, have more than doubled over the same period. Over the 20-year span ending in 2019, the ratio of filings to companies listed in the United States increased from 2.94% to 7.94%. This implies that the chance that a publicly listed company will face a securities class action case has more than doubled over the period while remaining relatively unchanged in the past few years.

Federal Filings by Circuit

Over the past five years, securities class action filings have been concentrated in the Second, Third, and Ninth circuits. Between January 2017 and December 2019, 74% of all securities class action cases (excluding merger-objections) have been filed in these three circuits, with more than 35% filed in the Second Circuit and 24% filed in the Ninth Circuit. In 2019, the number of cases filed in the Second Circuit was nearly double that in the Ninth Circuit, the circuit with the second highest number of cases. The Third Circuit includes Delaware, where a large number of companies are incorporated, and has continued to show a high number of filings, with 32 cases filed over the past 12 months. See Figure 2.

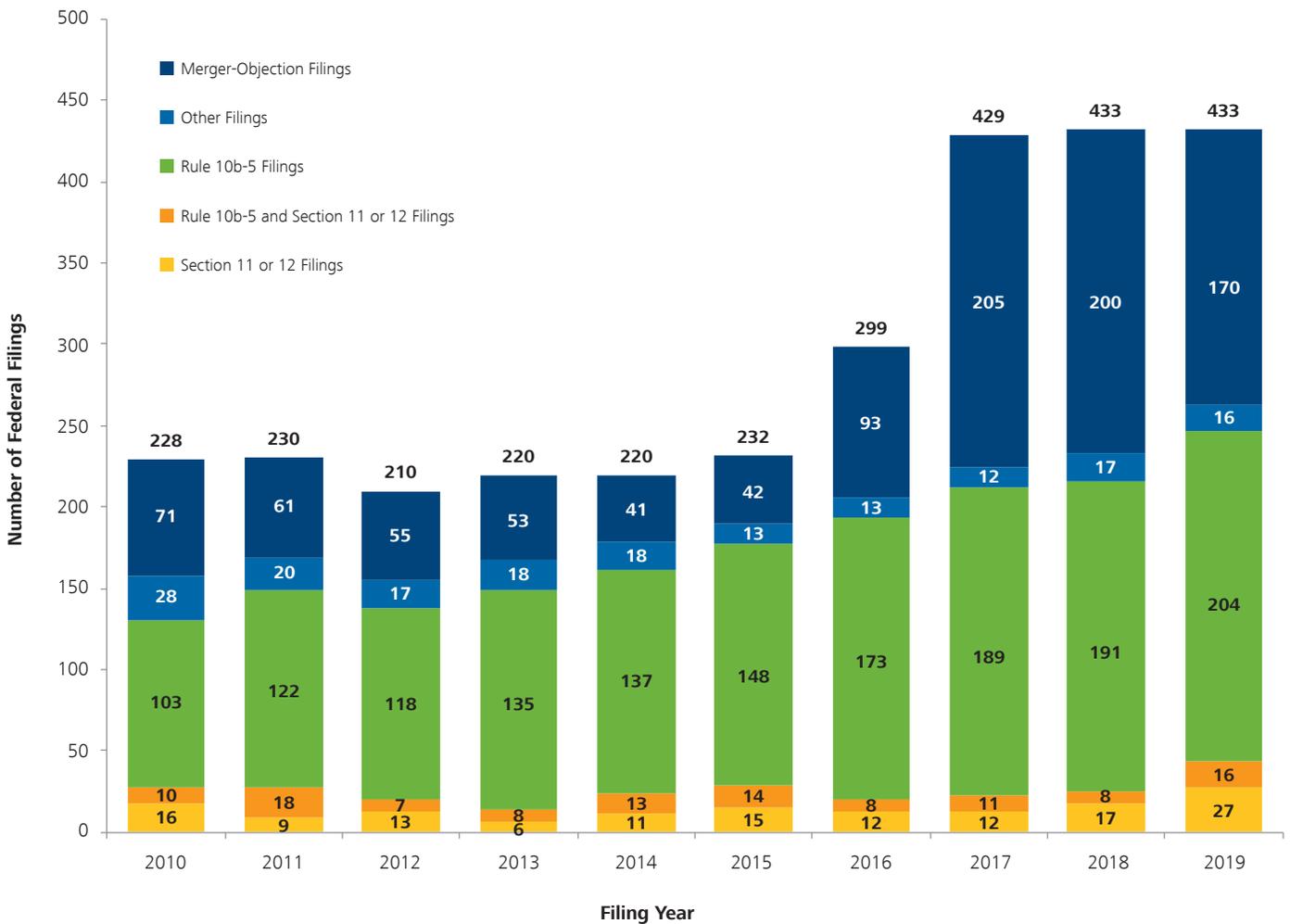
Figure 2. **Federal Filings by Circuit and Year**
 Excludes Merger-Objections
 January 2015–December 2019



Federal Filings by Type

Although merger-objection filings represented the largest portion of filings by type in 2017 and 2018 (48% and 46%, respectively), in 2019, this pattern shifted as filings of merger-objection cases declined slightly and Rule 10b-5 filings increased by approximately 7% compared with 2018. Generally, Rule 10b-5, Section 11, and/or Section 12 cases (standard cases), increased in 2019 relative to the levels in the previous five years.⁵ See Figure 3. This increase in standard cases occurred almost entirely in the Second Circuit, which includes New York. Standard cases filed in the Second Circuit rose from 77 in 2018 to 107 in 2019, a 39% increase.

Figure 3. **Federal Filings by Type**
January 2010–December 2019



Section 11 securities class action filings increased by more than 80% from 23 in 2018 to 43 in 2019. In California, a state considered more favorable to plaintiffs, Section 11 filings in 2019 were more than double the number of filings in 2018, rising from 5 to 12. As in previous years, a substantial portion of these cases continue to be filed in New York, with approximately 35% of 2019 cases

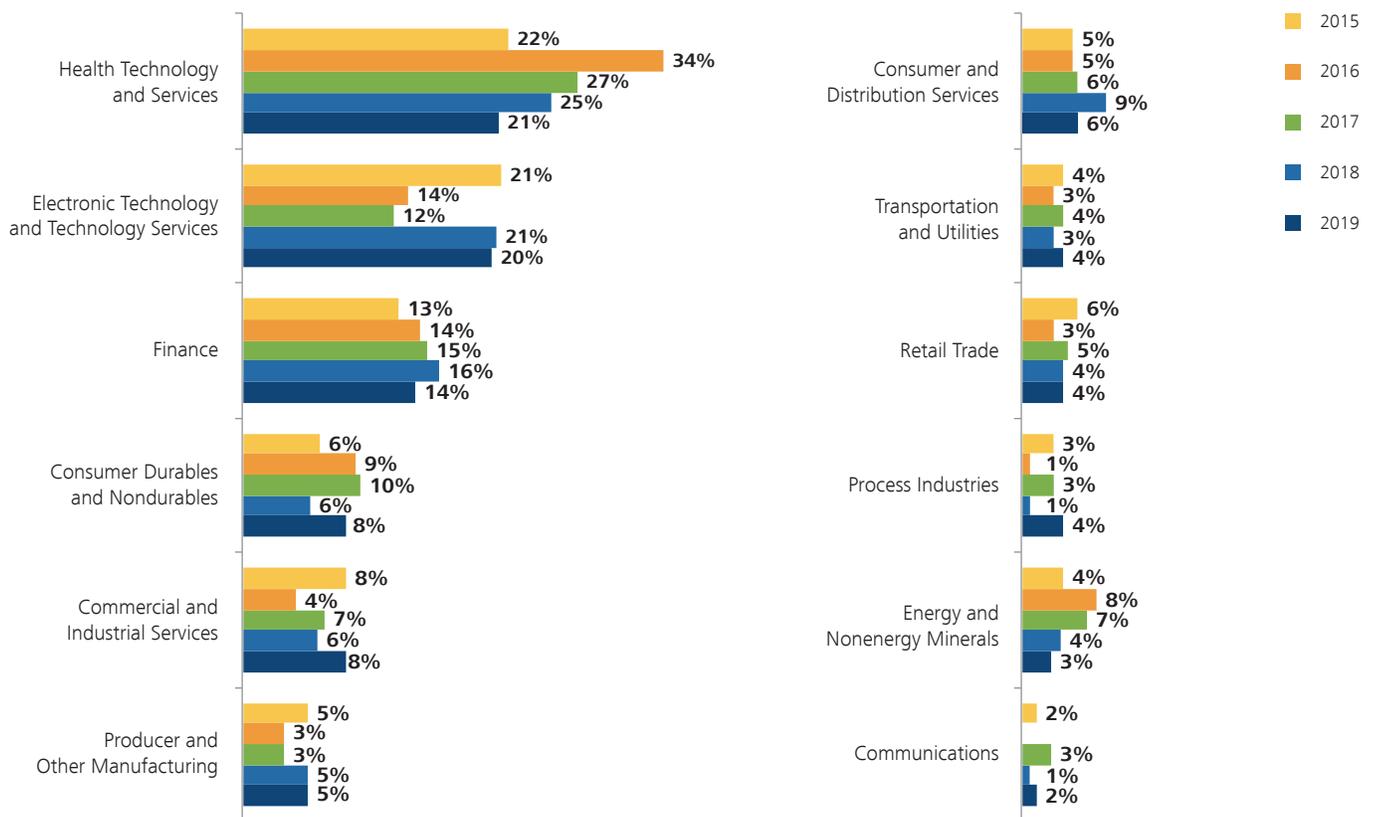
alleging Section 11 violations filed in this jurisdiction. This is a decline from the proportion observed in prior years, specifically 2017 and 2018, when 48% of Section 11 cases were filed in New York. The reason for the decline is not just the increase in Section 11 cases filed in California but also the filing of these cases in states that have seen no filings in the prior two years. More than 15% of all Section 11 cases filed in 2019 were in Michigan, Oregon, Rhode Island, Texas, and Utah.

Federal Filings by Sector

Since 2015, the health technology and services sector has recorded the largest proportion of new cases filed in a single sector. In 2019, this pattern persisted with this sector accounting for 21% of the non-merger-objection cases filed. Between 2016 and 2018, there has been a steady decline in the proportion of annual filings against firms in the health technology and services sector. Cases filed in this sector declined in 2019 for the third year in a row, from a high of 34% in 2016 to 21% in 2019.

The electronic technology and technology services and the finance sectors continued to demonstrate substantial activity, and defendants in these sectors remain a steady target of filings. Firms in the consumer durables and nondurables and the commercial and industrial services sectors continue to be targeted less frequently, each accounting for 8% of filings in 2019. See Figure 4.

Figure 4. **Percentage of Federal Filings by Sector and Year**
 Excludes Merger-Objections
 January 2015–December 2019

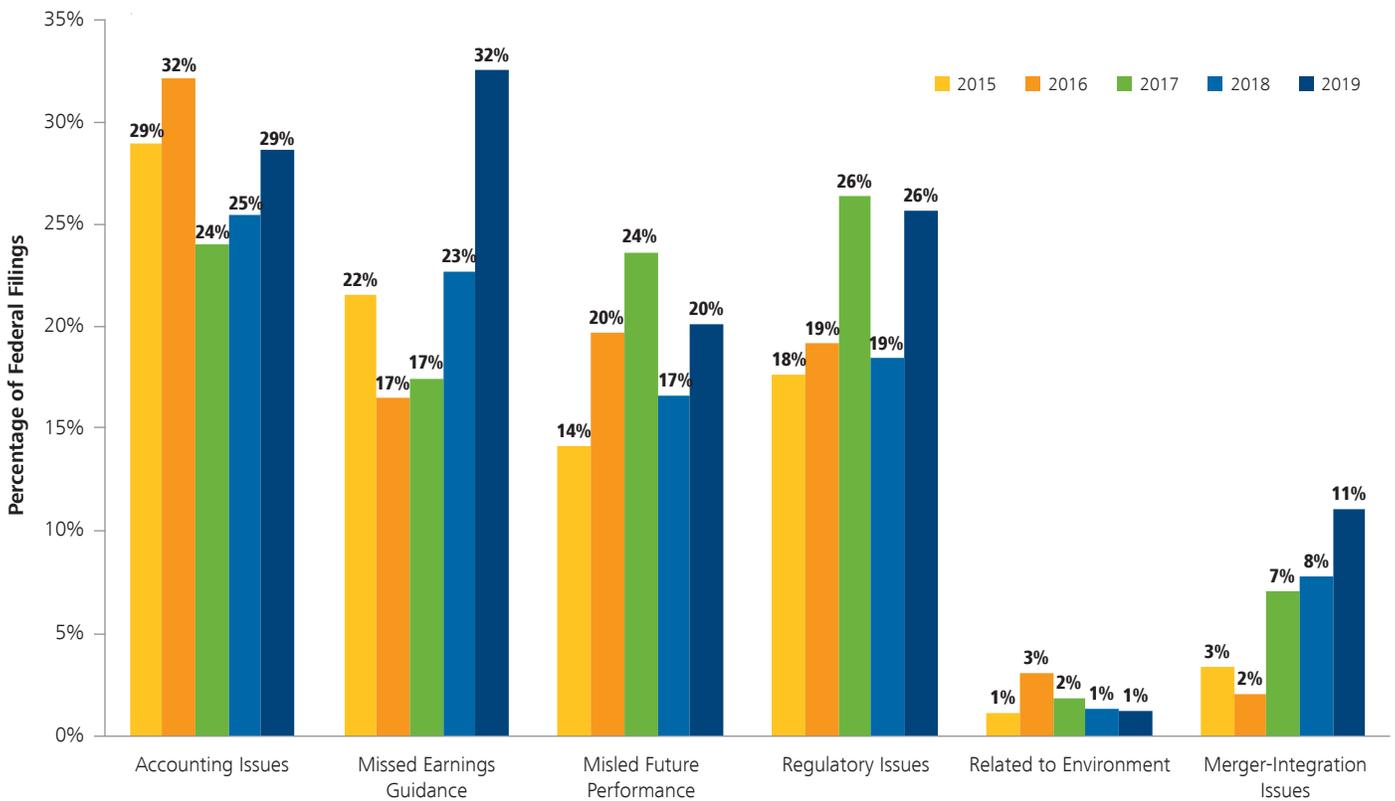


Note: This analysis is based on the FactSet Research Systems economic sector classification. Some of the FactSet economic sectors are combined for presentation.

Allegations

During 2015–2016, the most common type of allegation included in securities class action complaints was related to accounting issues, with more than 30% of cases including this type of allegation. In 2019, the relative mix of allegations shifted, with more cases including allegations of missed earnings guidance. More than 30% of complaints filed in 2019 included allegations of company-specific missed earnings guidance, compared with an average of 20% in the previous four years. Cases involving allegations related to the environment have remained low, representing less than 5% of filings in each of the past five years. Although allegations related to future performance and regulatory issues remain common, there have been no major changes in the respective proportion of cases including these claims. Allegations involving merger-integration issues have continued to show an upward trend, increasing from 8% of cases in 2018 to 11% in 2019.⁶ See Figure 5.

Figure 5. **Allegations**
 Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12
 January 2015–December 2019



Recent Developments in Federal Filings

Despite the wave of event-driven litigation filings in 2018 related to the #MeToo movement and the opioid crisis, filings of these cases did not dominate 2019. In fact, very few of these cases were filed in 2019. There was, however, an increase in federal filings activity related to cyber security breach allegations.

- Between June and October 2019, three cases were filed against companies (FedEx Corporation, Capital One Financial Corporation, and Zendesk Inc.) alleging either that the company failed to disclose security breaches or that the company did not maintain robust information security systems.⁷ This level of activity in six months is an increase from the three cases of this type filed over the 2017–2018 period.

In addition, there has been a new development: filings in the cannabis industry.

- Between July and December 2019, six cases were filed on behalf of investors in the cannabis industry alleging either (1) failure to disclose weak demand for the product or the expected decline in revenue and profits or (2) misrepresentations related to quality of the product, the status of inventory, or markup on biological assets.⁸

These developments in event-driven litigation and in the cannabis industry are areas to monitor in the upcoming months.

Table 1. **Event-Driven and Recent Development Activity Securities Class Actions**

January 2017–December 2019

Case Type	Defendant Name	Filing Date	Status	Circuit
Opioid crisis	Endo International PLC	18 Aug 17	Settled	3rd
Opioid crisis	Depomed, Inc.	18 Aug 17	Pending	9th
Opioid crisis	Alkermes PLC	22 Nov 17	Dismissed	2nd
Opioid crisis	Reckitt Benckiser Group PLC	15 Jul 19	Pending	3rd
#MeToo	BioSante Pharmaceuticals Inc.	03 Feb 19	Pending	7th
#MeToo	Signet Jewelers	28 Mar 17	Pending	5th
#MeToo	Ryb Education, Inc.	27 Nov 17	Dismissed	2nd
#MeToo	Wynn Resorts	20 Feb 18	Pending	2nd
#MeToo	National Beverage Corp.	17 Jul 18	Dismissed	11th
#MeToo	CBS Corporation	27 Aug 18	Pending	2nd
#MeToo	Papa John's International, Inc.	30 Aug 18	Pending	2nd
#MeToo	Teladoc Health, Inc.	12 Dec 18	Pending	2nd
Cyber security breach	Equifax Inc.	15 Sep 17	Pending	2nd
Cyber security breach	Chegg, Inc.	27 Sep 18	Dismissed	9th
Cyber security breach	Alphabet, Inc.	11 Oct 18	Pending	9th
Cyber security breach	FedEx Corporation	26 Jun 19	Pending	2nd
Cyber security breach	Capital One Financial Corp.	02 Oct 19	Pending	2nd
Cyber security breach	Zendesk, Inc.	24 Oct 19	Pending	9th
Cannabis companies	India Globalization Capital, Inc.	02 Nov 18	Pending	2nd
Cannabis companies	CannTrust Holdings Inc.	10 Jul 19	Pending	2nd
Cannabis companies	Sundial Growers Inc.	25 Sep 19	Pending	2nd
Cannabis companies	Canopy Growth Corporation	20 Nov 19	Pending	3rd
Cannabis companies	Aurora Cannabis Inc.	21 Nov 19	Pending	3rd
Cannabis companies	HEXO Corp.	26 Nov 19	Pending	2nd
Cannabis companies	Trulieve Cannabis Corp.	30 Dec 19	Pending	2nd

Trends in Case Resolutions

Number of Cases Settled or Dismissed

Resolutions declined in 2019, ending the three-year uptick in resolutions from 2016 through 2018.⁹ In total, 311 securities class action cases were resolved, an approximate 9% decrease from the 10-year high of 340 cases in 2018. Despite the decline, resolutions for 2019 remained higher than during 2010–2016, when only 215 cases were resolved annually on average. Given the known time lag between filing and resolution, it is no surprise that the increase in federal filings in the past few years has not yet translated to a sustained higher level of resolutions.¹⁰ See Figure 6.

Figure 6. **Number of Resolved Cases: Dismissed or Settled**
January 2010–December 2019



As has been the case since 2016, dismissals accounted for most of the case resolutions in the recent year.¹¹ In 2019, more than two-thirds of the cases resolved in favor of the defendant, with no payment made to plaintiffs. Although there was an increase in the number of cases dismissed in 2018, this pattern did not persist in 2019, with dismissals falling in between the 2017 and 2018 levels.

The overall decline in federal resolutions was driven primarily by the decline in the number of settled cases. For the first time since 2012, fewer than 100 cases were settled.

Although there was an overall decrease in settled cases, there was a slight increase in the number of cases alleging Rule 10b-5, Section 11, and/or Section 12 violations that settled in 2019. Settlements of these cases increased by 11%, and settlements of merger-objection cases declined by nearly 50%. This lower level of settlements for merger-objection cases occurred for the first time since 2015, when overall resolutions were fewer than 200 cases annually.

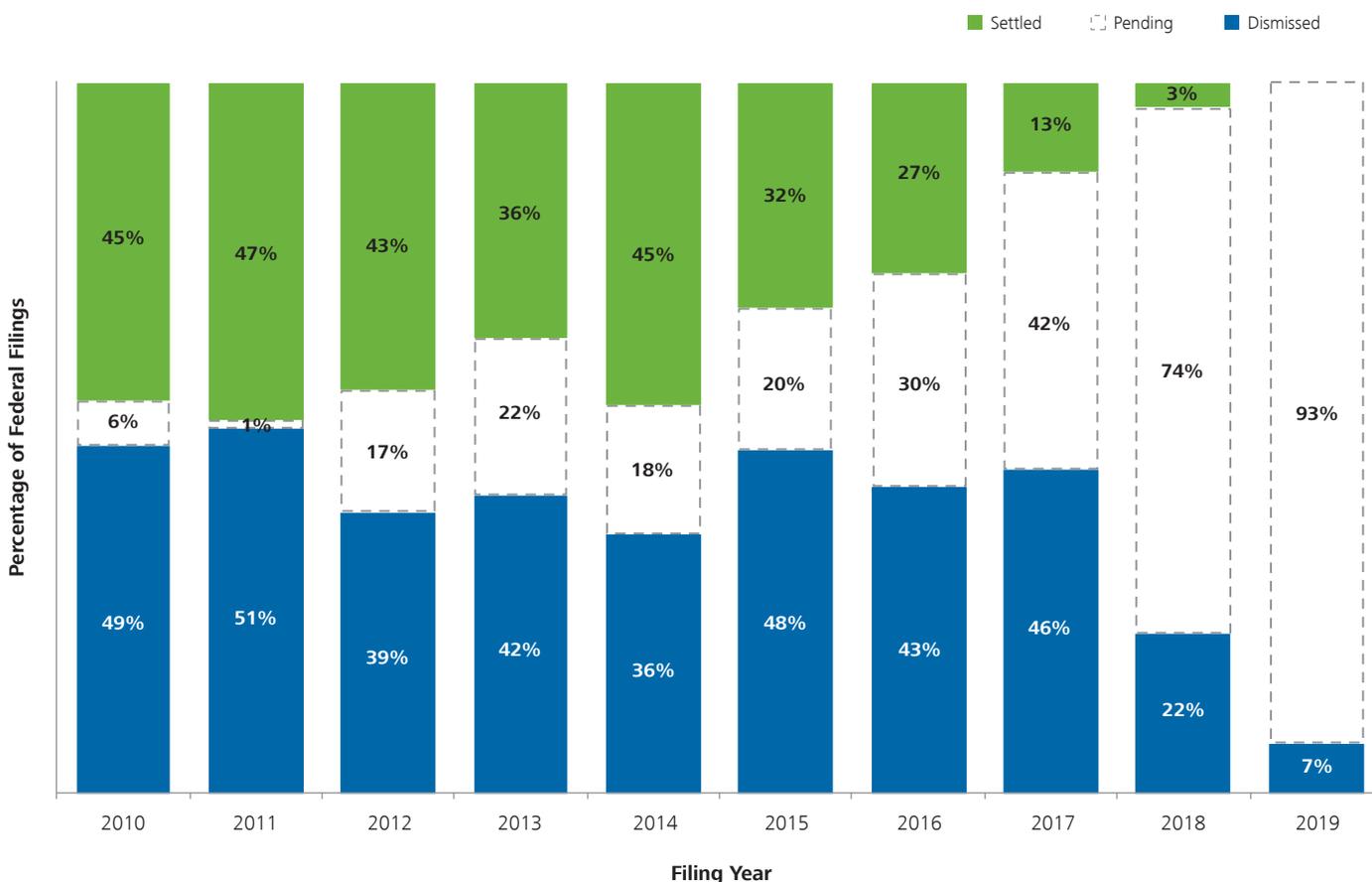
The decline in dismissals of 17% for standard cases was larger than the decline of 1% observed for merger-objection cases. However, the chance of a case resolving in favor of defendants remains higher regardless of the type of securities class action. In 2019, 88% of resolved merger-objection cases were dismissed, compared with 78% in the prior year. For standard cases, 54% of the cases in 2019 were resolved via dismissal, a decrease from the 61% resolved without payment in 2018.

Case Status by Filing Year

As of December 2019, the majority of resolved cases filed after 2015 were resolved in favor of the defendant. Between 2015 and 2017, more than 40% of cases filed each year were resolved by dismissal, and 20% to 42% of cases filed were still unresolved or pending. For the more recent filings—cases filed in 2018—more than 74% of filings remain pending, with 22% dismissed and only 3% settled. It is likely that a larger proportion of the pending cases will result in a positive settlement because settlements typically occur in the latter phases of the litigation, whereas motions for summary judgment or dismissal typically occur in the earlier stages. This theory is supported by looking at the change in the status of resolutions for cases filed between 2010 and 2018 using data as of December 2018 and data as of December 2019.¹² For cases filed before 2016, the proportion resolved via dismissal has changed minimally between the December 2018 and December 2019 snapshots, while the proportion of settled cases has increased.¹³ See Figure 7 for the December 2019 snapshot. The more substantial increase in the proportion of cases filed in 2017 and later that were dismissed supports the notion that a larger proportion of dismissed cases than settled cases are resolved within two years of filing.

Figure 7. **Status of Cases as a Percentage of Federal Filings by Filing Year**

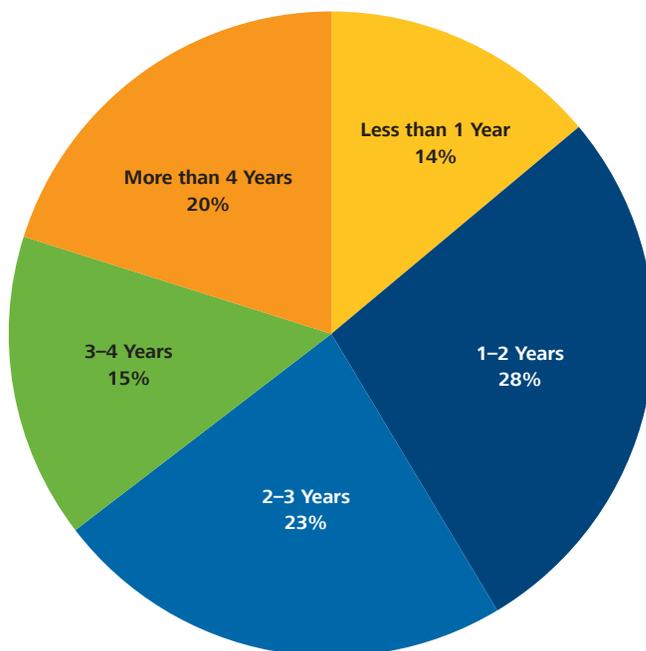
Excludes Merger-Objections and Verdicts
January 2010–December 2019



Time from First Complaint Filing to Resolution

A review of the time between the filing of the first complaint and resolution for each case filed between 1 January 2001 and 31 December 2015 reveals that approximately 80% of cases resolve within four years.¹⁴ In the first four years, the distribution of resolution is far from steady, with 14% of the cases resolved in less than one year, 28% of cases resolved between one and two years, and 23% of cases resolved between two and three years. See Figure 8.

Figure 8. **Time from First Complaint Filing to Resolution**
Cases Filed January 2001–December 2015



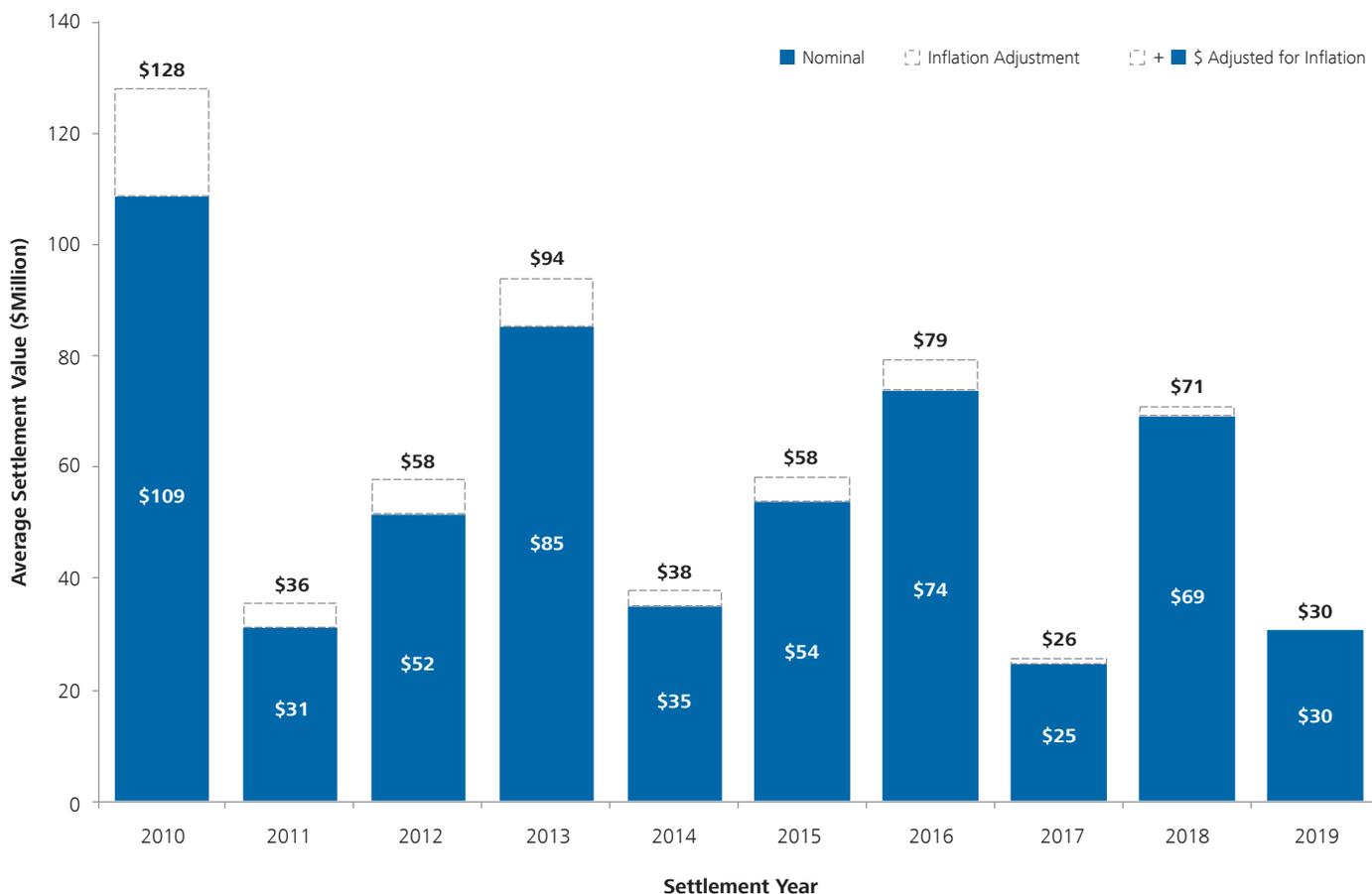
Based on the proportions observed in the pre-2016 filings, we would anticipate that as of 2019, approximately 65% of all non-merger-objection cases filed in 2016 would be resolved. This is in line with the actual status distribution of cases by file year shown in Figure 7. Of the 2016 filings, approximately 70% have already been resolved.

Trends in Settlement Values

Average and Median Settlement Value

To evaluate trends in settlement values, we present two alternative measures: the average settlement amount and the median settlement amount.¹⁵ The average settlement value for non-merger-objection cases resolved in 2019 was \$30 million, the second lowest average for the decade. Although slightly higher than the 2017 average settlement value, the average for 2019 was more than 50% lower than the average value in 2018. See Figure 9.

Figure 9. **Average Settlement Value**
Excludes Merger-Objections and Settlements for \$0 to the Class
January 2010–December 2019

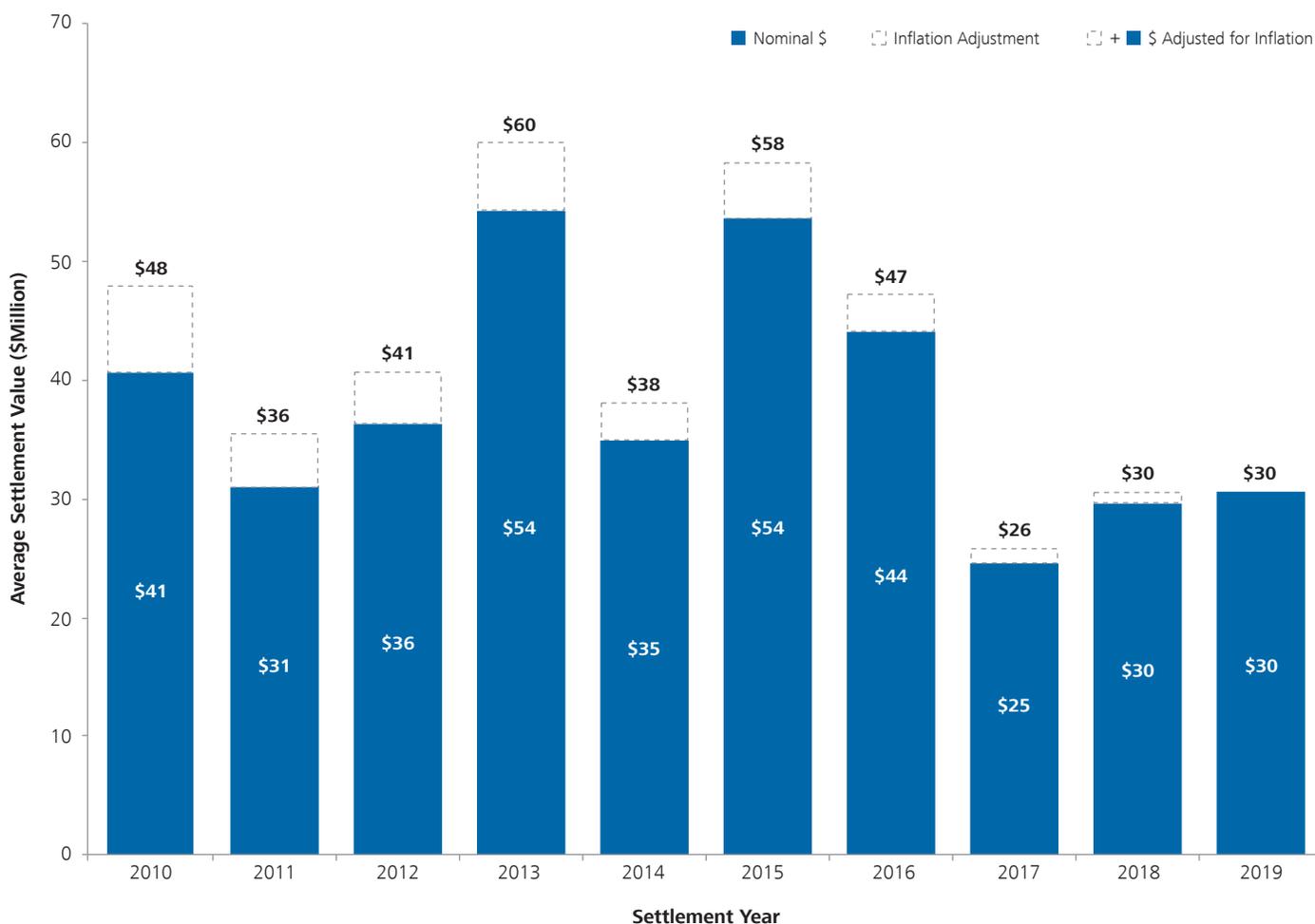


This drop-off in the average settlement value was influenced by the absence of a “outlier” or mega-settlement in 2019 of similar magnitude to the Petrobras \$3 billion settlement in 2018.¹⁶ Historically, there has been wide variation in the annual average settlement value for securities class action cases. Over the past 10 years, the average value for non-merger-objection cases after adjusting for inflation has ranged from a high of \$128 million to a low of \$26 million.

These swings in the average settlement value are often driven by a few larger outlier settlements. As a proxy to measure such outlier settlements, we evaluated the average settlement values excluding individual case settlements above \$1 billion. Once these settlements are removed, the average settlement value for 2019 of \$30 million is in line with the 2018 average of \$30 million, but lower than the average over the 2015–2016 period. In addition, the average settlement values after adjusting for inflation from 2010 to 2019 are far less variable, with a range of \$26 million to \$60 million. See Figure 10.

Figure 10. **Average Settlement Value**

Excludes Settlements over \$1 Billion, Merger-Objections, and Settlements for \$0 to the Class
January 2010–December 2019

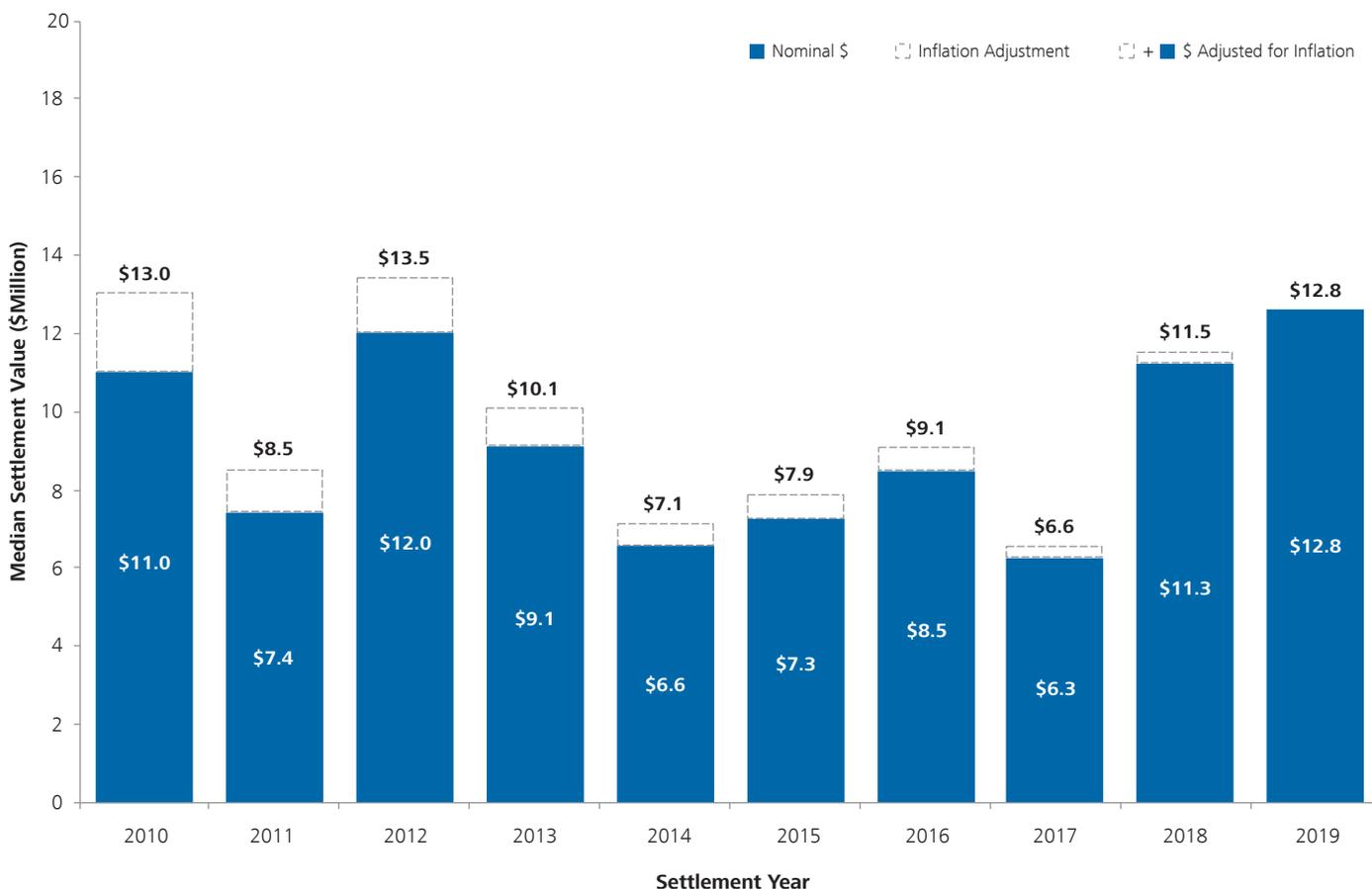


An evaluation of the annual median settlement values over the past decade reveals a different trend. The median value for 2019 was \$12.8 million, the highest median value since 2012 after adjusting for inflation. This is an indication that more cases have been settling for higher values in recent years than was the case between 2013 and 2017. In fact, the median settlement for 2018 and 2019 is more than 25% higher than the median values in the previous three years. See Figure 11.

This pattern of increasing median settlement values, combined with the pattern in average settlement values, shows that the high average settlement values in the earlier years were driven by a few outlier high settlements and not higher settlement values in general. In fact, the annual median settlements in 2017, 2018, and 2019 show that the individual settlement values have shifted slightly upward and are not declining, as suggested by the average settlement value. This is further evidenced by the change in the distribution of settlements over the past five years. In 2018 and 2019, there was an uptick in settlements values, with more than 40% of cases having settled for between \$10 million and \$49.9 million. This is a 50% increase in this settlement value range compared with the prior two-year period. In addition, this increase has been accompanied by a general downward trend in the proportion of cases settled for less than \$10 million. Between 2015 and 2019, the proportion of cases settled for less than \$10 million declined from 58% to 41%.

Figure 11. **Median Settlement Value**

Excludes Settlements over \$1 Billion, Merger-Objections, and Settlements for \$0 to the Class
January 2010–December 2019



Top Settlements for 2019

Between 1 January 2019 and 31 December 2019, two cases settled for \$250 million or more. The top settlement for the year came from a case against Cobalt International Energy with allegations including violations of the Foreign Corrupt Practices Act. See Table 2.

Table 2. **Top 10 2019 Securities Class Action Settlements**

Rank	Defendant	Filing Date	Settlement Date	Total Settlement Value (\$Million)	Plaintiffs' Attorneys' Fees and Expenses (\$Million)	Circuit	Economic Sector
1	Cobalt International Energy, Inc.	30 Nov 14	13 Feb 19	\$398.6	\$112.4	5th	Energy minerals
2	Alibaba Group Holding Limited	30 Jan 15	16 Oct 19	\$250.0	\$11.3	2nd	Retail trade
3	Wal-Mart Stores, Inc.	07 May 12	08 Apr 19	\$160.0	\$48.6	8th	Retail trade
4	SunEdison, Inc.	04 Apr 16	25 Oct 19	\$147.9	\$36.0	2nd	Utilities
5	Fiat Chrysler Automobiles N.V.	11 Sep 15	05 Sep 19	\$110.0	\$35.8	2nd	Consumer durables
6	Orbital ATK, Inc.	12 Aug 16	07 Jun 19	\$108.0	\$31.5	4th	Electronic technology
7	Endo International plc	18 Aug 17	11 Dec 19	\$82.5	\$17.8	3rd	Health technology
8	The Bank of New York Mellon ADR FX	11 Jan 16	17 Jun 19	\$72.5	\$23.5	2nd	Finance
9	Heartware International, Inc.	22 Jan 16	12 Apr 19	\$54.5	\$13.3	2nd	Health technology
10	SanDisk Corporation (n/k/a SanDisk LLC)	30 Mar 15	26 Apr 19	\$50.0	\$15.0	9th	Electronic technology
Total:				\$1,434.0	\$345.2		

Five of the top 10 2019 settlements were filed in the Second Circuit, specifically New York State, and were resolved three to five years after the initial complaint was filed. For the top settlements, the length of time between filing and settlement was between 2 and 7 years, with an average of 4 years. These cases were dispersed among economic sectors, with the majority filed against defendants in the retail trade, electronic technology, and health technology sectors.

Given the absence of mega-settlements in 2019, the top 10 settlements since the passage of PSLRA remains unchanged from 2018, when the Petrobras settlement entered as the fifth highest settlement. See Table 3.

Table 3. **Top 10 Federal Securities Class Action Settlements**

As of 31 December 2019

Rank	Defendant	Filing Date	Settlement Year(s)	Codefendant Settlements			Plaintiffs' Attorneys' Fees and Expenses (\$Million)	Circuit	Economic Sector
				Total Settlement Value (\$Million)	Financial Institutions Value (\$Million)	Accounting Firm Value (\$Million)			
1	ENRON Corp.	22 Oct 01	2003–2010	\$7,242	\$6,903	\$73	\$798	5th	Industrial services
2	WorldCom, Inc.	30 Apr 02	2004–2005	\$6,196	\$6,004	\$103	\$530	2nd	Communications
3	Cendant Corp.	16 Apr 98	2000	\$3,692	\$342	\$467	\$324	3rd	Finance
4	Tyco International, Ltd.	23 Aug 02	2007	\$3,200	No codefendant	\$225	\$493	1st	Producer mfg.
5	Petroleo Brasileiro S.A. - Petrobras	08 Dec 14	2018	\$3,000	\$0	\$50	\$205	2nd	Energy minerals
6	AOL Time Warner Inc.	18 Jul 02	2006	\$2,650	No codefendant	\$100	\$151	2nd	Consumer services
7	Bank of America Corp.	21 Jan 09	2013	\$2,425	No codefendant	No codefendant	\$177	2nd	Finance
8	Household International, Inc.	19 Aug 02	2006–2016	\$1,577	Dismissed	Dismissed	\$427	7th	Finance
9	Nortel Networks	02 Mar 01	2006	\$1,143	No codefendant	\$0	\$94	2nd	Electronic technology
10	Royal Ahold, NV	25 Feb 03	2006	\$1,100	\$0	\$0	\$170	2nd	Retail trade
Total:				\$32,224	\$13,249	\$1,017	\$3,368		

Similar to the top 10 2019 settlements, many of the all-time top 10 settlements were filed in New York courts (50% of the cases). The most frequently appearing economic sector was finance, with 3 of the top 10 settlements involving defendants in this sector.

NERA-Defined Investor Losses

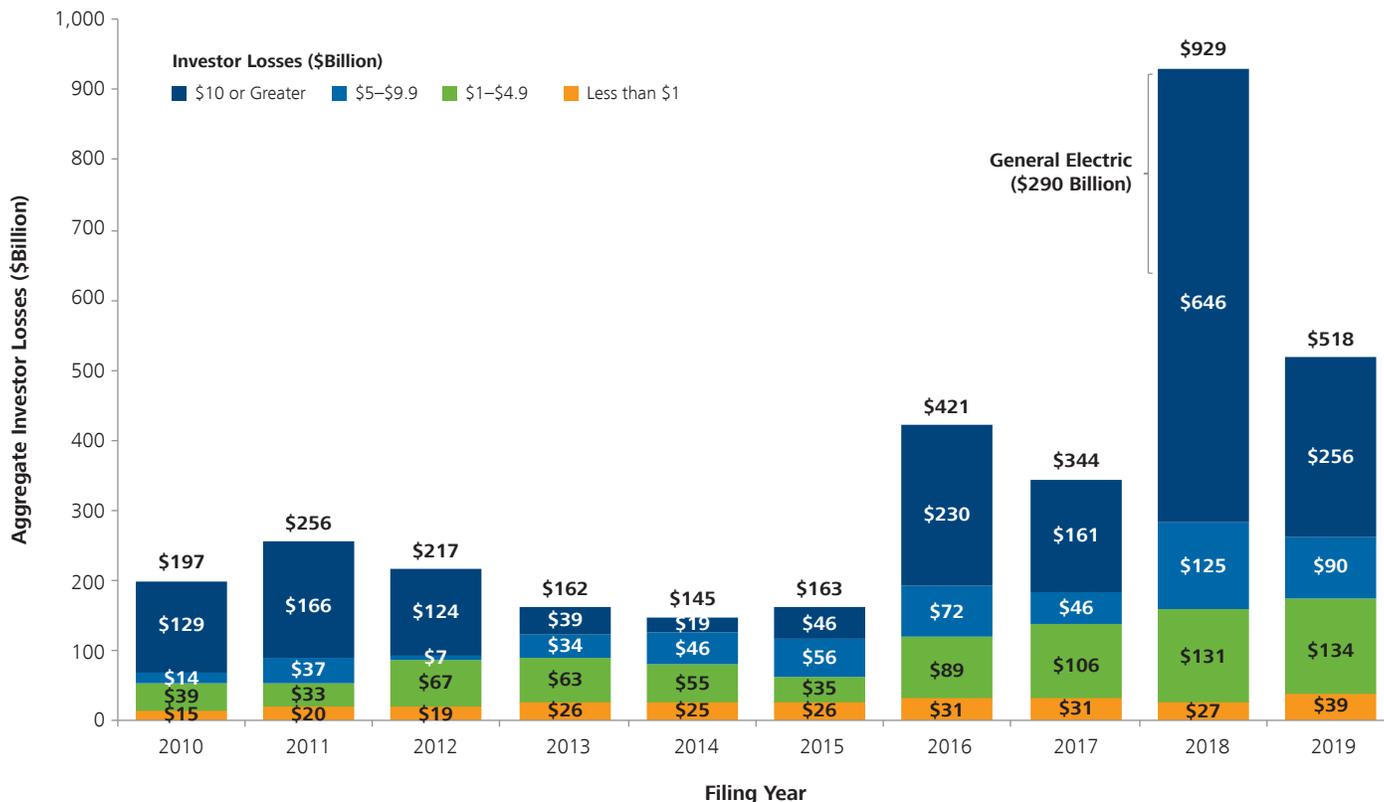
NERA-defined Investor Losses is a proprietary variable used as a proxy to measure the aggregate loss to investors from the purchase of a defendant's stock using publicly available data. Investor Losses are calculated based on the loss assuming an investor had alternatively purchased stock that performed similar to the S&P 500 index during the class period. NERA has examined more than 1,000 settlements and found that this variable is the most powerful predictor of settlement amount. Although losses are highly correlated with settlement values, we have found that the settlements increase at a slower rate.¹⁷

Based on our review of settlements between 1996 and 2019, we find that the ratio of the actual settlement amount to Investor Losses is higher for cases with lower estimated Investor Losses than for cases with higher estimated Investor Losses. For example, the median ratio of settlement amount to Investor Losses for cases with NERA-defined Investor Losses less than \$20 million is 19.4%, declining to 8% for cases with Investor Losses between \$20 million and \$49 million and even further to 4.7% for cases with Investor Losses between \$50 million and \$99 million. For cases with Investor Losses more than \$5 billion, the ratio is less than 1%.

Aggregate Investor Losses for Filed Cases

Aggregate NERA-defined Investor Losses declined in 2019 from the high level recorded for 2018. Investor Losses for 2019 totaled \$518 billion, a 44% decline from the \$929 billion for 2018 but above the 2016 value of \$421 billion. See Figure 12. Although there was an increase in filings in 2017, aggregate Investor Losses showed no growth and actually declined from the level estimated for filings in 2016. For 2019, the outcome was different—the uptick in the number of standard cases filed in 2019 translated to increased aggregate Investor Losses. As illustrated in Figure 12, within the Investor Loss bins the pattern across years varies. For cases with Investor Losses less than \$5 billion, the aggregate amount is higher than in any of the prior 10 years. For cases with estimated Investor Losses in the mid-range, the 2019 aggregate amounts are well within the historical range.

Figure 12. **Aggregate NERA-Defined Investor Losses**
 Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12
 January 2010–December 2019

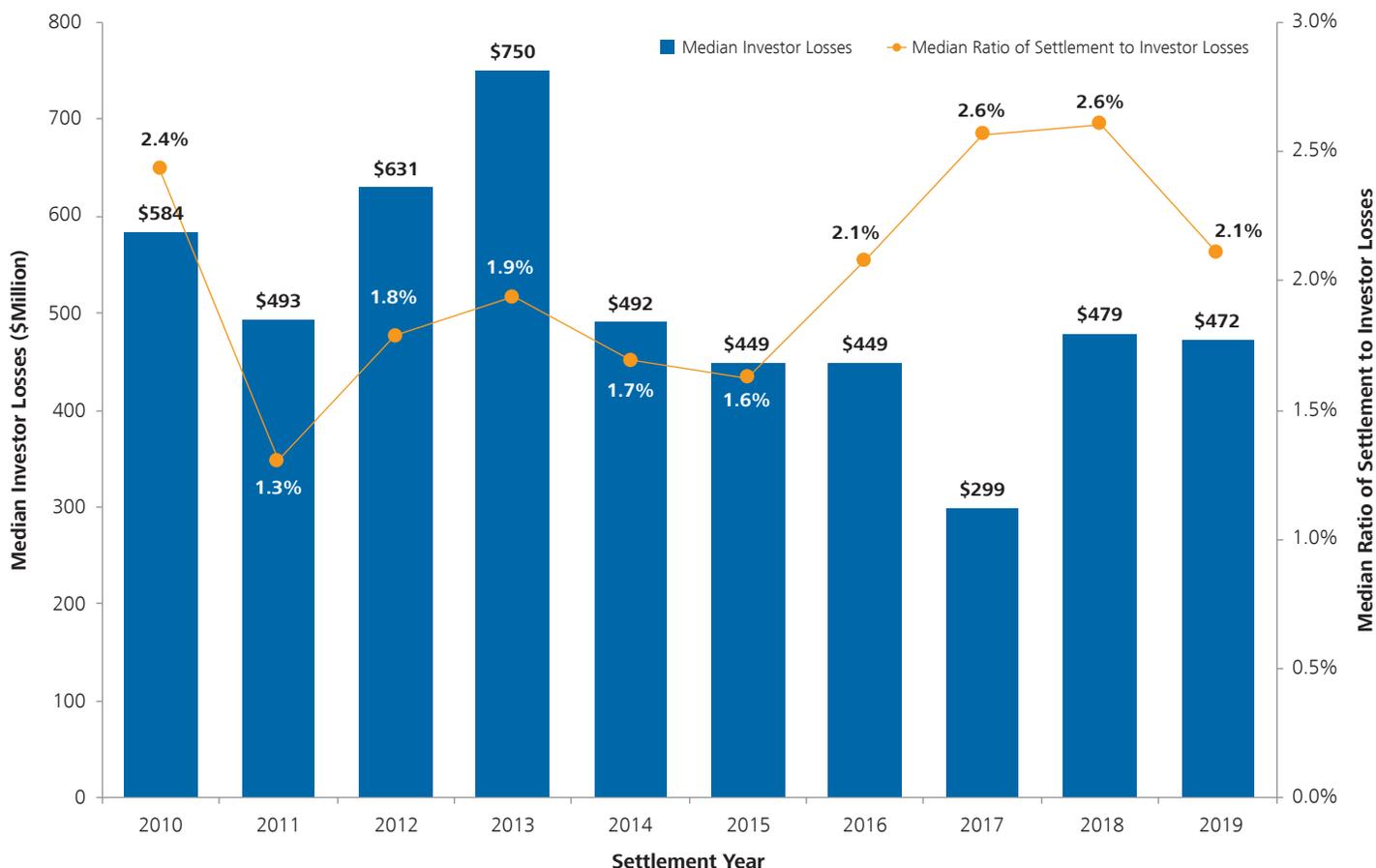


The distribution of cases across the four Investor Losses bins shifted in 2019 from the distribution observed in 2018, but was relatively in line with the 2017 mix. In 2019, 58% of the cases have estimated Investor Losses below \$1 billion, compared with 50% in 2018. The proportion of cases represented in the \$5 billion or more bin was 11% in 2019, 9 percentage points lower than the proportion for that group in 2018. This decline is one of the underlying drivers for the decrease in aggregate Investor Losses between 2018 and 2019.

Median Investor Losses and Median Ratio of Actual Settlement to Investor Losses

For cases settled after 2014, there have been only slight fluctuations in the median Investor Losses, with the exception of 2017, when the median Investor Losses dipped to \$299 million. The median NERA-defined Investor Losses for cases settled in 2019 was \$472 million, less than 2% lower than the median for 2018. See Figure 13.

Figure 13. **Median NERA-Defined Investor Losses and Median Ratio of Settlement to Investor Losses by Settlement Year**
January 2010–December 2019



Between 2015 and 2018, the median ratio of settlements to Investor Losses steadily increased from 1.6% in 2015 to 2.6% in 2018. In 2019, this ratio declined to 2.1%, lower than 2017 and 2018 but higher than all other years after 2010.

Predicted Settlement Values

In addition to Investor Losses, NERA identified several other key factors that drive settlement amounts. These factors, when combined with Investor Losses, account for a substantial proportion of the variation observed in actual settlements in our database. For this year's report, we prepared an alternative measure of Investor Losses (alternative Investor Losses). This model calculates investor losses as the recognized claim based on the plan of allocation for the settlement of a securities class action before application of the bounce-back limitation of the PSLRA.

Using the original and alternative measures of Investor Losses in the predicted model, some of the factors that influence settlement values are:

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

For the model that incorporates the alternative measure of NERA-defined Investor Losses in predicting settlement amount, there were two more factors identified as driving settlement value:

- The existence of a parallel derivative litigation, and
- The economic sector of the defendant.

As shown in Figures 14 and 15, these factors account for a substantial amount of the variation that exists in settlement amounts for cases settled between December 2011 and December 2019.¹⁸

Figure 14. **Predicted vs. Actual Settlements**
Investor Losses Using S&P 500 Index

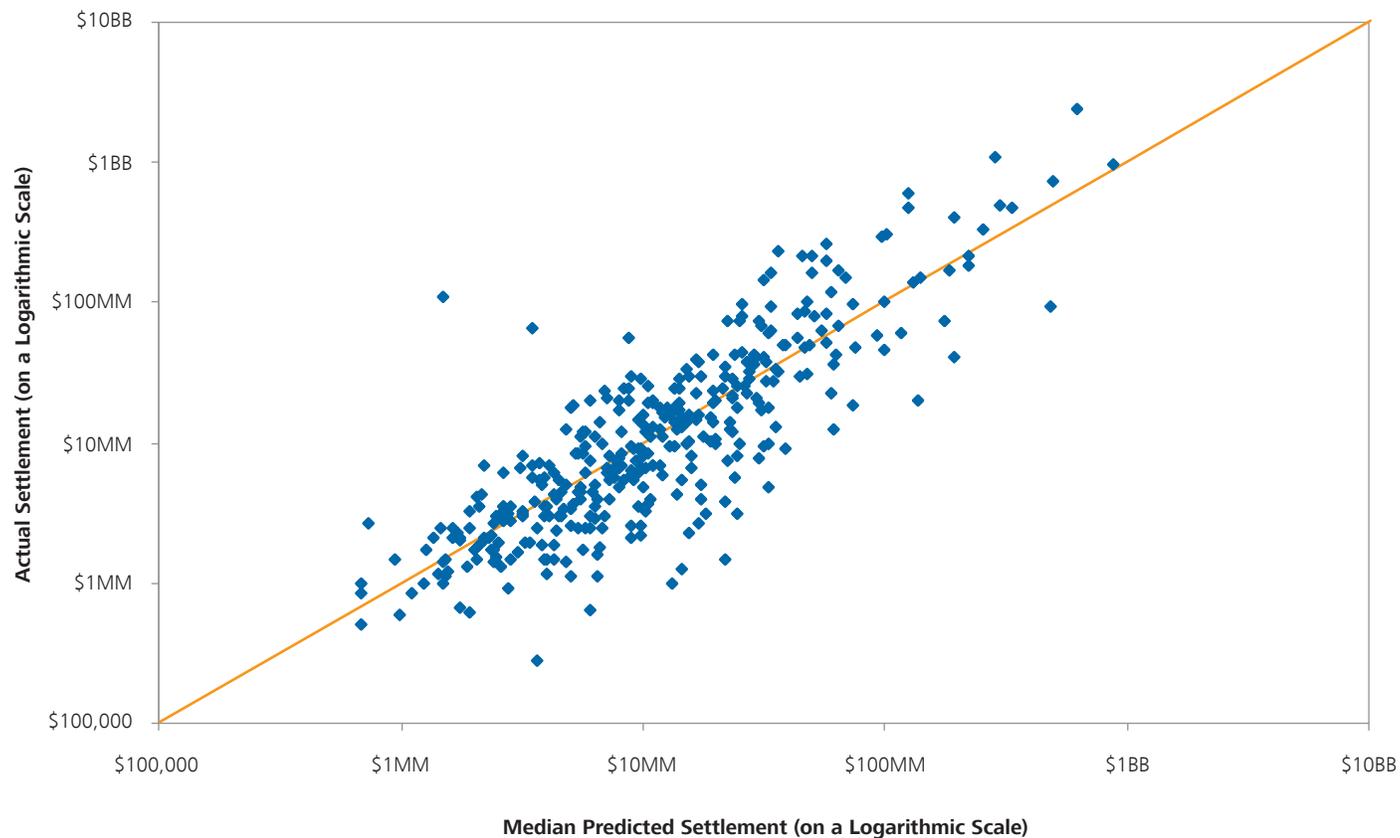
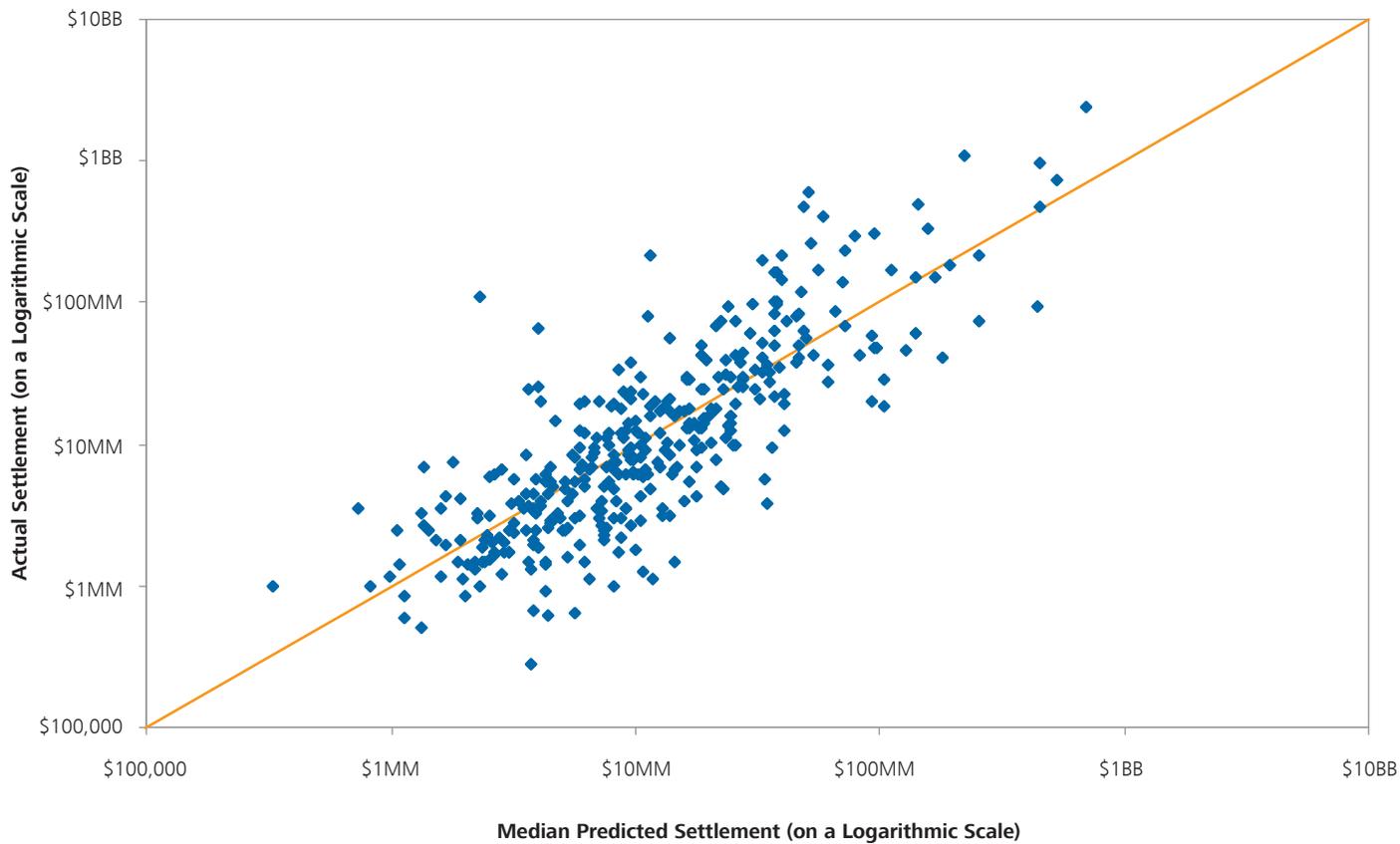


Figure 14 uses the original Investor Losses measure and, as shown in the scatterplot, there is significant correlation between the median predicted settlement and actual settlement values.

Figure 15. **Predicted vs. Actual Settlements**
Investor Losses Based on Plan of Allocation



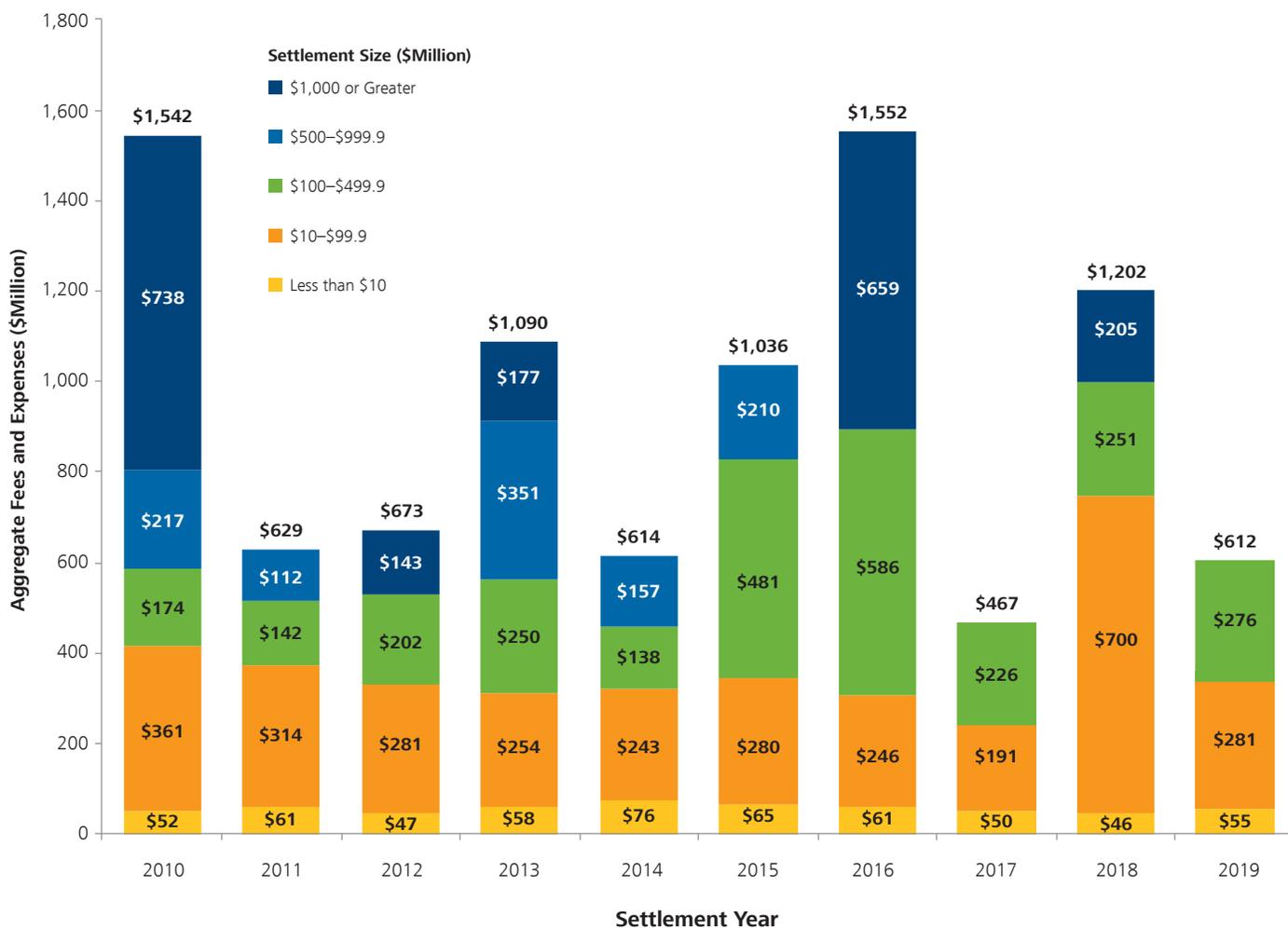
The median predicted value and the actual settlement amount are also highly correlated when using the prediction model that incorporates the alternative measure of investor losses.

Trends in Plaintiffs’ Attorneys’ Fees and Expenses

Typically, plaintiffs’ attorneys receive compensation for fees and expenses as part of a settlement.¹⁹ These attorneys’ fees are often determined as a percentage of any settlement amount, and expenses are any out-of-pocket costs incurred related to work on the case.

Aggregate plaintiffs’ attorneys’ fees and expenses for 2019 were \$612 million, falling by almost 50% from the 2018 level. This decline is attributable to two main factors. First, the absence of a mega-settlement in 2019 led to a lower aggregate settlement level for the year. Because attorneys’ remuneration is a function of settlement amount, lower aggregate settlements will lead to lower fees and expenses. In 2018, payments to plaintiffs’ attorneys related to a mega-settlement accounted for \$205 million of the total \$1,202 million for that year. Second, the aggregate payments to plaintiffs’ attorneys’ related to settlements between \$10 million and \$100 million was significantly lower in 2019 than in 2018. On the other hand, fees and expenses related to settlements less than \$10 million and between \$100 million and \$500 million increased slightly. See Figure 16.

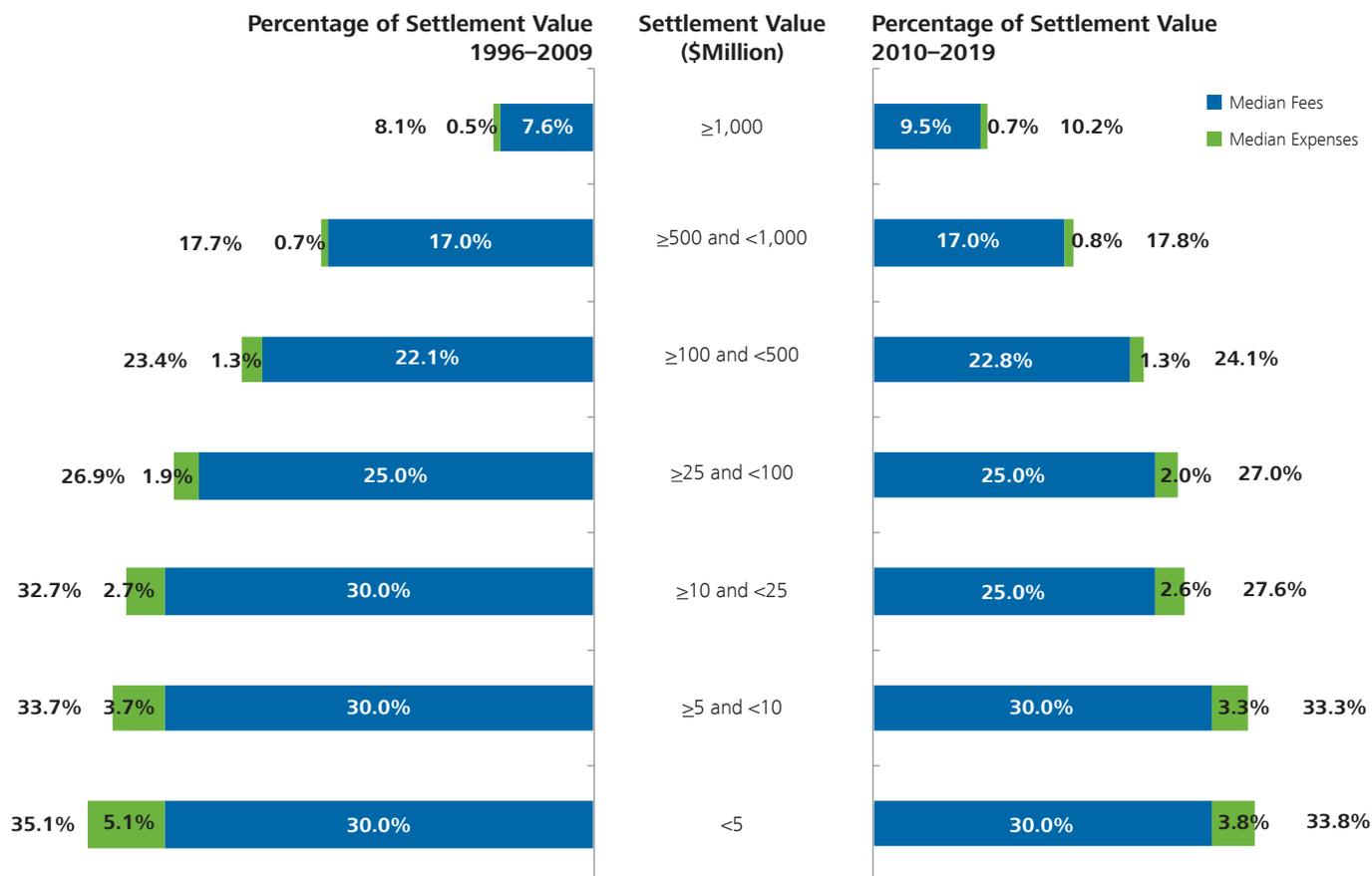
Figure 16. **Aggregate Plaintiffs’ Attorneys’ Fees and Expenses by Settlement Size**
January 2010–December 2019



Historically, these values have shown marked variability. Over the 10-year period ending December 2019, the annual aggregate amount allocated to plaintiffs’ attorneys for approved settlements has ranged from a \$467 million to \$1,552 million.

We reviewed these payment figures as a percentage of actual settlement value and find that attorneys’ fees and expenses represent a lower percentage of settlement for settlements \$500 million and higher than for settlements below this amount. This pattern is consistent in settlements reached over the past 10 years and all settlements between 1996 and 2009. For cases settled in the most recent decade, the median of plaintiffs’ attorneys’ payments as percentage of settlement value was 33.8% for cases with settlement value less than \$5 million, 27.6% for cases with settlement value between \$10 million and \$25 million, and 17.8% for cases with settlements between \$500 million and \$1 billion. For settlements above \$1 billion, attorneys’ fees and expenses were only 10% of the settlement value total. See Figure 17.

Figure 17. **Median of Plaintiffs’ Attorneys’ Fees and Expenses by Size of Settlement**
Excludes Merger-Objections and Settlements for \$0 to the Class



Notes

- ¹ This edition of NERA's report on Recent Trends in Securities Class Action Litigation expands on previous work by our colleagues Lucy P. Allen, Dr. Vinita Juneja, Dr. Denise Neumann Martin, Dr. Jordan Milev, Robert Patton, Dr. Stephanie Plancich, and others. The authors thank Dr. David Tabak and Gary Napadov for helpful comments on this edition. We thank Zhenyu Wang and other researchers in NERA's Securities and Finance Practice for their valuable assistance. These individuals receive credit for improving this report; any errors and omissions are those of the authors. This report was updated on 12 February 2020 to incorporate additional information obtained following our initial publication.
- ² Data for this report were collected from multiple sources, including Institutional Shareholder Services, complaints, case dockets, Dow Jones Factiva, Bloomberg Finance, FactSet Research Systems, Nasdaq, Intercontinental Exchange, US Securities and Exchange Commission (SEC) filings, and public press reports.
- ³ NERA tracks class actions filed in federal courts that involve securities. Most of these cases allege violations of federal securities laws; others allege violation of common law, including breach of fiduciary duty, as with some merger-objection cases; still others are filed in federal court under foreign or state law. If multiple actions are filed against the same defendant, are related to the same allegations, and are in the same circuit, we treat them as a single filing. However, the first two multiple actions filed in different circuits are treated as separate filings. If cases filed in different circuits are consolidated, we revise our count to reflect the consolidation. Therefore, case counts for a particular year may change over time. Different assumptions for consolidating filings would probably lead to counts that are directionally similar but may, in certain circumstances, lead observers to draw a different conclusion about short-term trends in filings.
- ⁴ Includes companies listed on the Nasdaq and the New York Stock Exchange.
- ⁵ Historically, filings of federal shareholder class actions involving allegations of Rule 10b-5, Section 11, and/or Section 12 violations have dominated dockets. These types of cases are often referred to as "standard" cases.
- ⁶ Most securities class actions complaints include multiple allegations. For this analysis, all allegations from the complaint are included, and as such, the total number of allegations exceeds the total number of filings.
- ⁷ For example, see complaints for *Marcus Minsky v. Capital One Financial Corporation* and *Rhode Island Laborers' Pension Fund v. FedEx Corporation*.
- ⁸ For example, see complaints for *William Wilson v. Aurora Cannabis Inc.*, *Yimin Huang v. Sundial Growers Inc.*, and *David McNear v. Trulieve Cannabis Corp.*
- ⁹ Here the word "dismissed" is used as shorthand for all cases resolved without settlement; it includes cases where a motion to dismiss was granted (and not appealed or appealed unsuccessfully), voluntary dismissals, cases terminated by a successful motion for summary judgment, or an unsuccessful motion for class certification.
- ¹⁰ See the section "Time from First Complaint Filing to Resolution" for a more detailed discussion on the lag between when a complaint is filed and a case is resolved.
- ¹¹ Dismissals may include dismissals without prejudice and dismissals under appeal.
- ¹² Approximately 92% of cases filed 2010–2012 have been resolved; data from this period can be used to infer trends about dismissal and settlement rates. For filings 2013 and after, a large proportion of cases remains pending and any conclusions regarding long-term resolution trends cannot yet be substantiated.
- ¹³ See Figure 19 of the report "Recent Trends in Securities Class Action Litigation: 2018 Full-Year Review," for the December 2018 snapshot.
- ¹⁴ Analyses in this section exclude IPO laddering cases and merger-objection cases.
- ¹⁵ Unless otherwise noted, tentative settlements (those yet to receive court approval) and partial settlements (those covering some but not all nondismissed defendants) are not included in our settlement statistics. We define "settlement year" as the year of the first court hearing related to the fairness of the entire settlement or the last partial settlement. Analyses in this section exclude merger-objection cases and cases that settle with no cash payment to the class. All charts and statistics reporting inflation-adjusted values are estimated as of October 2019.
- ¹⁶ *In re Petrobras Securities Litigation*, case no. 14-cv-09662 (JSR).
- ¹⁷ NERA-defined Investor Losses is only calculable for cases involving allegations of damages to common stock over a defined class period. As such, we have not calculated this metric for cases such as merger-objections.
- ¹⁸ These models explain approximately 70% of the variation observed in settlements. These models are based on cases filed after 1 January 2000 and settled between December 2011 and December 2019. The axes are in logarithmic scale.
- ¹⁹ Analyses in this section exclude merger-objection cases and cases that settle with no cash payment to the class.

About NERA

NERA Economic Consulting (www.nera.com) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For over half a century, NERA's economists have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. We bring academic rigor, objectivity, and real-world industry experience to bear on issues arising from competition, regulation, public policy, strategy, finance, and litigation.

NERA's clients value our ability to apply and communicate state-of-the-art approaches clearly and convincingly, our commitment to deliver unbiased findings, and our reputation for quality and independence. Our clients rely on the integrity and skills of our unparalleled team of economists and other experts backed by the resources and reliability of one of the world's largest economic consultancies. With its main office in New York City, NERA serves clients from more than 25 offices across North America, Europe, and Asia Pacific.

Contacts

For further information, please contact:

Janeen McIntosh

Consultant

New York City: +1 212 345 1375

janeen.mcintosh@nera.com

Svetlana Starykh

Senior Consultant

White Plains, NY: +1 914 448 4123

svetlana.starykh@nera.com

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Exhibit 7

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

<hr/>		X
PUBLIC PENSION GROUP, et al.,	:	
	:	
Plaintiffs,	:	
	:	
v.	:	Cause No. 4:08-cv-1859 (CEJ)
	:	
KV PHARMACEUTICAL COMPANY, et al.,	:	
	:	
Defendant.	:	
<hr/>		X

ORDER AWARDING ATTORNEYS' FEES AND EXPENSES

THIS MATTER having come before the Court on April 23, 2014 for a hearing to determine, among other things, whether and in what amount to award Lead Counsel in the above-captioned securities class action attorneys' fees and litigation expenses. The Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a notice of the hearing, substantially in the form approved by the Court, was mailed to all reasonably identified Class Members; and that a summary notice of the hearing, substantially in the form approved by the Court, was published in *Investor's Business Daily* and transmitted over *PR Newswire*; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and expenses requested;

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The Court has jurisdiction over the subject matter of this Action and over all parties to the Action, including all Class Members and the claims administrator, A.B. Data Ltd.
2. All capitalized terms used herein have the meanings as set forth and defined in the Stipulation and Agreement of Settlement, dated as of December 20, 2013 (the "Stipulation").

3. Notice of Lead Counsel's motion for attorneys' fees and payment of expenses was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the motion for attorneys' fees and expenses met the requirements of Rules 23 and 54 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. Lead Counsel is hereby awarded attorneys' fees in the amount of \$3,840,000 plus interest at the same rate earned by the Settlement Fund (or 30% of the Settlement Fund) and payment of litigation expenses in the amount of \$488,531.75, plus interest, which sums the Court finds to be fair and reasonable.

5. The award of attorneys' fees and expenses may be paid to Lead Counsel from the Settlement Fund immediately upon entry of this Order, subject to the terms, conditions, and obligations of the Stipulation, which terms, conditions, and obligations are incorporated herein.

6. In making the award to Lead Counsel of attorneys' fees and litigation expenses to be paid from the Settlement Fund, the Court has considered and found that:

(a) The Settlement has created a common fund of \$12.8 million in cash and that numerous Class Members who submit acceptable proofs of claim will benefit from the Settlement created by the efforts of Lead Counsel;

(b) The requested attorneys' fees and payment of litigation expenses have been reviewed and approved as fair and reasonable by Lead Plaintiffs, Norfolk County Retirement System and the State-Boston Retirement System, two sophisticated institutional

investors that have been directly involved in the prosecution and resolution of the Action and have a substantial interest in ensuring that any fees paid to Lead Counsel are duly earned and not excessive;

(c) Notice was disseminated to putative Class Members stating that Lead Counsel would be moving for attorneys' fees in an amount not to exceed 30% of the Settlement Fund, plus interest, and payment of expenses incurred in connection with the prosecution of this Action in an amount not to exceed \$750,000, plus interest, and no Class Member has filed an objection to the fees and expenses requested by Lead Counsel;

(d) The Action presented substantial risks and uncertainties and would involve lengthy proceedings whose resolution would be uncertain, especially in light of the Company's bankruptcy;

(e) The Action involved complex factual and legal issues, including technical and scientific subject matter;

(f) Lead Counsel is an experienced law firm in the area of securities class action and conducted the litigation and achieved the Settlement with skillful and diligent advocacy;

(g) Lead Counsel has devoted more than 4,200 hours, with a lodestar value of \$2,346,367.25 to achieve the Settlement;

(h) The amount of attorneys' fees awarded and litigation expenses paid from the Settlement Fund are fair and reasonable and consistent with awards in similar cases; and

(i) Public policy favors granting Lead Counsel's fee and expense request.

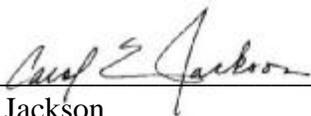
7. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fee and expense application shall in no way disturb or affect the finality of the Judgment entered with respect to the Settlement.

8. Exclusive jurisdiction is hereby retained over the subject matter of this Action and over all parties to the Action, including the administration and distribution of the Net Settlement Fund to Class Members.

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

IT IS SO ORDERED.

Dated: April 23, 2014



Carol E. Jackson
UNITED STATES DISTRICT JUDGE

Exhibit 8

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

PAUL LUMAN, Individually and On Behalf of)	No. 4:08-cv-00514-C-W-HFS
All Others Similarly Situated,) (Consolidated)
)
Plaintiff,) <u>CLASS ACTION</u>
)
vs.)
)
PAUL G. ANDERSON, et al.,)
)
Defendants.)
_____)

ORDER AWARDING ATTORNEYS' FEES AND EXPENSES

This matter having come before the Court on July 16, 2013, on the motion of Plaintiffs' Lead Counsel for an award of attorneys' fees and expenses in the litigation, the Court, having considered all papers filed and proceedings conducted herein, having found the settlement of this Litigation to be fair, reasonable and adequate, and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Order incorporates by reference the definitions in the Stipulation of Settlement dated as of February 8, 2013 (the "Stipulation") and all capitalized terms used, but not defined herein, shall have the same meanings as set forth in the Stipulation.

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all Members of the Class who have not timely and validly requested exclusion.

3. The Court hereby awards Plaintiffs' Lead Counsel attorneys' fees of 30% of the Settlement Fund, plus expenses in the amount of \$157,463.53, together with the interest earned on both amounts for the same time period and at the same rate as that earned on the Settlement Fund until paid. The Court finds that the amount of fees awarded is appropriate and that the amount of fees awarded is fair and reasonable under the "percentage-of-recovery" method.

4. The fees and expenses shall be allocated among Plaintiffs' counsel in a manner which, in Plaintiffs' Lead Counsel's good-faith judgment, reflects each such counsel's contribution to the institution, prosecution, and resolution of the Litigation.

5. Pursuant to 15 U.S.C. §78u-4(a)(4), Class Representative Building Trades United Pension Fund and Plaintiff Bruce Wells are awarded \$1,872.00 and \$809.55, respectively, for their representation of the Class during the Litigation.

6. The awarded attorneys' fees and expenses and interest earned thereon, shall immediately be paid to Plaintiffs' Lead Counsel subject to the terms, conditions, and obligations of the Stipulation, and in particular ¶6.2 thereof, which terms, conditions, and obligations are incorporated herein.

IT IS SO ORDERED.

July 23, 2013

/s/ Howard F. Sachs
THE HONORABLE HOWARD F. SACHS
UNITED STATES DISTRICT JUDGE

Exhibit 9

This matter having come before the Court on June 22, 2011, on the motion of counsel for the Lead Plaintiff for an award of attorneys' fees and expenses incurred in the captioned action, the Court, having considered all papers filed and proceedings conducted herein, having found the settlement of this litigation to be fair, reasonable, and adequate and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. All of the capitalized terms used herein shall have the same meanings as set forth in the Stipulation and Agreement of Settlement dated as of February 11, 2011 (the "Stipulation"), and filed with the Court.

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all members of the Class who have not timely and validly requested exclusion.

3. The Court hereby awards Lead Plaintiff's counsel attorneys' fees of 30% of the Settlement Fund, plus expenses in the amount of \$246,200.37 together with the interest earned thereon for the same time period and at the same rate as that earned on the Settlement Fund until paid. The Court finds that the amount of fees awarded is appropriate and that the amount of fees awarded is fair and reasonable under the "percentage-of-recovery" method given the substantial risks of non-recovery, the time and effort involved, and the result obtained for the Class. The Court also overrules the objections to Lead Plaintiff's counsel's request for an award of attorneys' fees and expenses.

4. The fees shall be allocated among Plaintiffs' Counsel by Lead Counsel in a manner that reflects each such counsel's contribution to the institution, prosecution, and resolution of the captioned action.

5. The awarded attorneys' fees and expenses and interest earned thereon shall immediately be paid to Lead Plaintiff's counsel subject to the terms, conditions, and obligations of the Stipulation, and in particular ¶24 thereof which terms, conditions, and obligations are incorporated herein.

6. The Court awards Lead Plaintiff Western Washington Laborers-Employers Pension Trust the sum of \$250.00 for expenses it incurred in representing the Class.

IT IS SO ORDERED.

DATED: June 22, 2011



E. RICHARD WEBBER
SENIOR UNITED STATES DISTRICT JUDGE

Exhibit 10

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

In re PEMSTAR, INC. SECURITIES
LITIGATION

Master File No. 02-1821 (DWF/SRN)

CLASS ACTION

This Document Relates To:

ALL ACTIONS

**ORDER AWARDING
ATTORNEYS' FEES AND
REIMBURSEMENT OF EXPENSES**

THIS MATTER having come before the Court on May 26, 2005, on the application of Lead Plaintiffs' counsel for an award of attorneys' fees and reimbursement of expenses incurred in the litigation; the Court, having considered all papers filed and proceedings conducted herein, having found the settlement of this litigation to be fair, reasonable and adequate and otherwise being fully informed in the premises and good cause appearing therefor;

IT IS HEREBY ORDERED ADJUDGED AND DECREED that:

1. All of the capitalized terms used herein shall have the same meaning as set forth in the Stipulation and Agreement of Settlement dated as of March 14, 2005 (the "Stipulation").
2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all members of the Settlement Class who have not timely and validly requested exclusion.
3. The Court has the discretion to use either the lodestar method or the percentage-of-the-benefit method in awarding attorneys' fees and the Eighth Circuit has indicated that the percentage method is preferred in common fund situations. *See Johnston v. Comerica Mortgage*

Corp., 83 F.3d 241, 246 (8th Cir. 1996). The Court concludes that the percentage-of-the-benefit method is the proper method for awarding attorneys' fees in this case.

4. Having reviewed applicable Eighth Circuit authority and Lead Plaintiffs' counsel's submission, the Court hereby awards attorneys' fees of 25% of the Settlement Cash, and reimbursement of expenses in an aggregate amount of \$482,923.10 together with interest for the same time period and at the same rate as that earned on the Settlement Cash until paid. Said fees and expenses shall be allocated among plaintiffs' counsel in a manner which, in Plaintiffs' Lead Counsel's good-faith judgment, reflects each such counsel's contribution to the institution, prosecution and resolution of the litigation.

5. The awarded attorneys' fees and expenses, and interest earned thereon, shall be paid to Plaintiffs' Lead Counsel from the Settlement Fund, subject to the terms, conditions and obligations of the Stipulation and in particular ¶6.2 thereof, which terms, conditions and obligations are incorporated herein.

6. Pursuant to 15 U.S.C. § 78u-4(a)(4), representative plaintiff Keith Hewlett, Jr. is awarded the amount of \$17,277.00 for reimbursement of his expenses (including lost wages) incurred in representing the Settlement Class.

IT IS SO ORDERED.

Dated: May 27, 2005

s/Donovan W. Frank
DONOVAN W. FRANK
Judge of United States District Court