

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

**IN RE EQUIFAX INC. SECURITIES
LITIGATION**

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

**MEMORANDUM IN SUPPORT OF LEAD PLAINTIFF'S
UNOPPOSED MOTION FOR APPROVAL OF DISTRIBUTION PLAN**

TABLE OF CONTENTS

I. BACKGROUND.....2

II. CLAIMS ADMINISTRATION3

 A. No Disputed Claims4

 B. Late Claims and Final Cut-Off Date5

III. FEES AND EXPENSES OF CLAIMS ADMINISTRATOR7

IV. DISTRIBUTION PLAN FOR THE NET SETTLEMENT FUND8

 A. Distribution of the Net Settlement Fund9

 B. Additional Distribution(s) of the Net Settlement Fund.....11

V. RELEASE OF CLAIMS14

VI. CONCLUSION15

Lead Plaintiff, Union Asset Management Holding AG, respectfully moves for entry of the Proposed Order Approving Distribution Plan (the “Class Distribution Order”) for the proceeds of the Settlement in the above-captioned action (the “Action”). The Distribution Plan is included in the accompanying Declaration of Luiggy Segura in Support of Lead Plaintiff’s Unopposed Motion for Approval of Distribution Plan (the “Segura Declaration” or “Segura Decl.”),¹ submitted on behalf of the Court-approved Claims Administrator, JND Legal Administration (“JND”).

If entered by the Court, the Class Distribution Order would, among other things, (i) approve JND’s administrative recommendations accepting and rejecting Claims submitted in the Action; (ii) direct the Initial Distribution of the Net Settlement Fund to Claimants whose Claims are accepted by JND as valid and approved by the Court, while maintaining a Reserve for any tax liability and claims administration-related contingencies that may arise; and (iii) approve JND’s fees and expenses incurred and estimated to be incurred in the Settlement’s administration.

¹ Unless otherwise indicated in this memorandum, all terms with initial capitalization shall have the meanings ascribed to them in the Segura Declaration or the Stipulation and Agreement of Settlement dated February 12, 2020 (ECF No. 159-2) (the “Stipulation”).

Defendants do not oppose this motion.² There are no disputed Claims by any Settlement Class Member requiring Court review. As such, the motion is ripe for determination.

I. BACKGROUND

The Court has already approved the Stipulation entered into by Lead Plaintiff, on behalf of itself and the other members of the Settlement Class, and the Defendants in the Action. The Stipulation sets forth the terms of the settlement (the “Settlement”), which represents a complete resolution of this Action in return for \$149 million in cash (the “Settlement Amount”).

In accordance with the Court’s Order Preliminarily Approving Settlement and Authorizing Dissemination of Notice of Settlement (ECF No. 163) (the “Preliminary Approval Order”), JND has mailed the Notice of (i) Pendency of Class Action and Proposed Settlement; (ii) Settlement Fairness Hearing; and (iii) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (the “Notice”) and the Proof of Claim and Release (the “Claim Form” or “Proof of Claim Form” and, together with the Notice, the “Notice Packet”) to potential Settlement Class Members, brokers, and other nominees. Segura Decl. ¶

² Under the Stipulation, Defendants have no role in or responsibility for the administration of the Settlement Fund or processing of Claims, including determinations as to the validity of Claims or the distribution of the Net Settlement Fund. *See* Stipulation, ECF No. 159-2, ¶¶ 22, 24. *See also* Notice ¶¶ 48, 77.

2. As stated in the Segura Declaration, JND has disseminated 185,617 Notice Packets to potential Settlement Class Members, brokers, and nominees. *Id.* ¶ 4. The Notice informed Settlement Class Members that if they wished to be eligible to participate in the distribution of the Net Settlement Fund, they were required to submit a properly executed Claim postmarked no later than July 22, 2020. *Id.* ¶ 7.

On June 26, 2020, the Court granted final approval in its Order Approving Plan of Allocation of Net Settlement Fund (ECF No. 181) (the “Final Approval Order”) and entered the Judgment Approving Class Action Settlement (ECF No. 182) (the “Judgment”). The Effective Date of the Settlement has occurred. Accordingly, the Net Settlement Fund may be distributed to Authorized Claimants. In accordance with paragraph 27 of the Stipulation, Lead Plaintiff respectfully asks the Court to enter the Class Distribution Order approving the Distribution Plan.³

II. CLAIMS ADMINISTRATION

As detailed in the accompanying Segura Declaration, through January 20, 2021, JND received and processed 64,019 Claims. Segura Decl. ¶ 7. All Claims received through January 20, 2021, have been fully processed in accordance with the Stipulation and the Court-approved Plan of Allocation included in the Notice

³ The Court retained continuing and exclusive jurisdiction over, among other things, implementing the Settlement, including the disposition of the Settlement Fund and any motion to approve the Class Distribution Order. *See* Judgment ¶ 14.

(*id.*), and JND has worked with Claimants to help them perfect their Claims *See id.* ¶¶ 19-32.

As discussed in the Segura Declaration, many of the Claims submitted in the Settlement were initially deficient or ineligible for one or more reasons, including being incomplete, not signed, not properly documented, or otherwise deficient, which required substantial follow-up work by JND. *Id.* ¶¶ 19, 22.

If JND determined a Claim to be defective or ineligible, it sent a letter to Claimants or filers who filed a paper Claim or an email to Claimants who filed an electronic Claim, describing the defect(s) or condition(s) of ineligibility in the Claim and what was necessary to cure any curable defect(s) in the Claim (“Deficiency Notices”). *Id.* ¶¶ 20, 22. The Deficiency Notices advised the Claimant or filer that the appropriate information or documentary evidence to complete the Claim had to be sent within 20 days from the date of the letter, or JND would recommend the Claim for rejection to the extent the deficiency or condition of ineligibility was not cured. *Id.* ¶¶ 20, 23. Examples of the Deficiency Notices are attached as Exhibits A and B to the Segura Declaration.

A. No Disputed Claims

JND carefully reviewed Claimants’ and filers’ responses to the Deficiency Notices and worked with them to resolve deficiencies where possible. Segura Decl.

¶¶ 21, 26. Consistent with paragraph 25(e) of the Stipulation, the Deficiency Notices specifically advised Claimants and filers of their right, within 20 days after the mailing or emailing of the Deficiency Notice, to contest the rejection of the Claim and request Court review of the administrative determination of the Claim. *Id.* ¶¶ 20, 23, and Exhibits A and B.

With respect to the fully processed Claims, JND received six (6) requests for Court review. To resolve these disputes without necessitating the Court's intervention, JND reached out to each Claimant and fully explained JND's administrative determination with respect to each Claim and any additional documentation that had been submitted. Segura Decl. ¶ 32. As a result of these efforts, two (2) of the Claimants resolved their deficiencies, withdrew their requests for court review, and their Claims are recommended for approval; four (4) Claimants understood the reasons for JND's determinations and are no longer requesting court review. *Id.* Accordingly, there are no outstanding requests for Court review by any Claimants and the motion is ripe for determination. *Id.*

B. Late Claims and Final Cut-Off Date

The 64,019 Claims received through January 20, 2021, include 2,202 that were postmarked or received after the Court-approved Claim submission deadline of July 22, 2020. *Id.* ¶¶ 33, 41. Those late Claims have been fully processed, and

1,222 of them are, but for their late submission, otherwise eligible to participate in the Settlement. *Id.* Although these 1,222 Claims were late, they were received while the processing of timely Claims was ongoing. Due to the amount of time needed to process the timely Claims received, the processing of these late Claims did not delay the completion of the Claims administration process or the distribution of the Net Settlement Fund. The Court has discretion to accept Claims received after the submission deadline.⁴ Lead Plaintiff respectfully submits that, when the equities are balanced, it would be unfair to prevent an otherwise eligible Claim from participating in the distribution of the Net Settlement Fund solely because it was received after the Court-approved Claim submission deadline, if it was submitted while timely Claims were still being processed.

To facilitate the efficient distribution of the Net Settlement Fund, however, there must be a final cut-off date after which no other Claims may be accepted. Accordingly, Lead Plaintiff respectfully requests that this Court order that any new Claims and any adjustments to previously filed Claims that would result in an

⁴ See Preliminary Approval Order, ECF No. 163, ¶ 11 (“*Unless the Court orders otherwise, all Claim Forms must be postmarked no later than one hundred twenty (120) calendar days after the Notice Date. Notwithstanding the foregoing, Lead Counsel may, at its discretion, accept for processing late Claims provided such acceptance does not delay the distribution of the Net Settlement Fund to the Settlement Class.*”) (emphasis added).

increased Recognized Claim amount received after January 20, 2021, be barred, subject to the provisions of paragraph 45(f) of the Segura Declaration.⁵ Paragraph 45(f) applies to any Claims received or modified after January 20, 2021, that would have been eligible for payment or additional payment under the Court-approved Plan of Allocation if timely received. At the time when Lead Counsel, in consultation with JND, determines that a further distribution is not cost-effective as provided in paragraph 45(e) of the Segura Declaration, the post-January 20, 2021 Claimants, after payment of fees and expenses as provided in paragraph 45(f) of the Segura Declaration, at the discretion of Lead Counsel, and to the extent possible, may be paid the distribution amounts or additional distribution amounts on a pro rata basis that would bring them into parity with other Authorized Claimants who have cashed all their prior distribution checks.

III. FEES AND EXPENSES OF CLAIMS ADMINISTRATOR

In accordance with JND's agreement with Lead Counsel to act as the Claims Administrator for the Settlement, JND was responsible for, among other things, disseminating notice of the Settlement to the Settlement Class, creating and maintaining a website and toll-free telephone helpline, processing Claims, and

⁵ Should an adjustment be received that results in a lower Recognized Claim amount, that adjustment will be made, and the Recognized Claim amount will be reduced accordingly prior to a distribution to that Claimant. Segura Decl. ¶ 34.

allocating and distributing the Net Settlement Fund to Authorized Claimants. Segura Decl. ¶ 2. As stated in the accompanying Segura Declaration, JND's fees and expenses for its work performed through December 31, 2020, are \$663,509.44. Segura Decl. ¶ 44. Additionally, brokerage firms and nominees' charges for the Mailing of the Notice and Claims Packet totaled \$99,148.83 and the estimated fees and expenses for the Initial Distribution to be performed on behalf of the Settlement Class are \$88,553.63.⁶ *Id.* To date, JND has received payment in the amount of \$410,723.90 for its fees and expenses. *Id.* Accordingly, there is an outstanding balance of \$440,488.00 payable to JND, which amount includes the estimated fees and expenses to be incurred by JND in connection with the Initial Distribution. *Id.* Lead Counsel reviewed JND's invoices and respectfully requests on behalf of Lead Plaintiff that the Court approve all of JND's fees and expenses.

IV. DISTRIBUTION PLAN FOR THE NET SETTLEMENT FUND

The Net Settlement Fund is ready to be distributed. Lead Plaintiff respectfully moves the Court for entry of an order approving JND's determinations concerning acceptance and rejection of the Claims that are included in the present

⁶ Should the estimate of fees and expenses to conduct the Initial Distribution of the Net Settlement Fund exceed the actual cost to conduct the distribution, the excess will be returned to the Net Settlement Fund and will be available for subsequent distribution to Authorized Claimants. Segura Decl. ¶ 44 n.2.

motion and approving the proposed Distribution Plan as stated in the Segura Declaration.

A. Distribution of the Net Settlement Fund

Under the proposed Distribution Plan, JND will initially distribute approximately 90% of the Net Settlement Fund, after deducting all payments previously allowed and the payments approved by the Court on this motion, and after deducting payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees (the “Initial Distribution”). *See* Segura Decl. ¶ 45(a). In the Initial Distribution, JND will calculate award amounts for all Authorized Claimants as if the entire Net Settlement Fund were to be distributed now. *Id.* ¶ 45(a)(1). JND will first determine each Authorized Claimant’s pro rata share of the total Net Settlement Fund based on the Claimant’s Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants. *Id.* In accordance with the Court-approved Plan of Allocation, JND will eliminate from the Initial Distribution any Authorized Claimant whose pro rata share calculates to less than \$10.00, as these Claimants will not receive any payment from the Net Settlement Fund and will be so notified by JND. *Id.* ¶ 45(a)(2). JND will then recalculate the pro rata share of the Net Settlement Fund for Authorized Claimants who would have received \$10.00 or more based on the amount of the Authorized

Claimant's Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants who would have received \$10.00 or more. *Id.* ¶ 45(a)(3). This pro rata share is the Authorized Claimant's "Distribution Amount". *Id.* Authorized Claimants whose Distribution Amount calculates to less than \$100.00 will be paid their full Distribution Amount in the Initial Distribution ("Claims Paid in Full"). *Id.* ¶ 45(a)(4). These Authorized Claimants will receive no additional funds in subsequent distributions. *Id.* After deducting the payments to the Claims Paid in Full, 90% of the remaining balance of the Net Settlement Fund will be distributed pro rata to Authorized Claimants whose Distribution Amount calculates to \$100.00 or more. *Id.* ¶ 45(a)(5). The remaining 10% of the Net Settlement Fund will be held in reserve (the "Reserve") to address any tax liability and claims administration-related contingencies that may arise. *Id.* To the extent the Reserve is not depleted, the remainder will be distributed in the "Second Distribution." *Id.*

In order to encourage Authorized Claimants to cash their checks promptly, Lead Plaintiff proposes that the distribution checks bear the notation, "CASH PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 90 DAYS AFTER ISSUE DATE]." *Id.* ¶ 45(b). Authorized Claimants who do not cash their checks within the time allotted or on the conditions stated in paragraph 45(b) footnote 3 of the Segura Declaration will irrevocably forfeit all

recovery from the Settlement, and the funds allocated to these stale-dated checks will be available to be redistributed to other Authorized Claimants in any subsequent distribution, as described below. *Id.* ¶ 45(c).

B. Additional Distribution(s) of the Net Settlement Fund

After JND has made reasonable and diligent efforts to have Authorized Claimants cash their Initial Distribution checks, but not earlier than nine (9) months after the Initial Distribution, JND will, after consulting with Lead Counsel, conduct a second distribution of the Net Settlement Fund (the “Second Distribution”). Segura Decl. ¶ 45(d). In the Second Distribution, any amounts remaining in the Net Settlement Fund after the Initial Distribution, including from the Reserve and the funds for all void stale-dated checks, after deducting JND’s unpaid fees and expenses incurred in connection with administering the Settlement, including the estimated costs of the Second Distribution, and after deducting payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, will be distributed to all Authorized Claimants in the Initial Distribution who cashed their Initial Distribution checks and would receive at least \$10.00 from the Second Distribution based on their pro rata share of the remaining funds. *Id.* If, after the Second Distribution, any funds remain in the Net Settlement Fund because of uncashed checks or otherwise, then after JND has made

reasonable and diligent efforts to have Authorized Claimants cash their distribution checks, and if cost-effective, subsequent distributions of the funds remaining in the Net Settlement Fund, after deduction of costs and expenses as described above and subject to the same conditions, will take place at six-month intervals thereafter. *Id.* When Lead Counsel, in consultation with JND, determines that further distribution is not cost-effective, if sufficient funds remain to warrant the processing of Claims received after January 20, 2021, JND will process those Claims. *Id.* ¶ 45(e). Any of these Claims that are otherwise valid, as well as any earlier received Claims for which an adjustment was received after January 20, 2021, which resulted in an increased Recognized Claim, may be paid in accordance with paragraph 45(f) of the Segura Declaration. *Id.* If any funds remain in the Net Settlement Fund after payment of these late or late-adjusted Claims, the remaining balance of the Net Settlement Fund, after payment of any unpaid fees or expenses incurred in administering the Net Settlement Fund and after the payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, 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. *Id.*

Lead Counsel requests that the Court approve the National Consumer Law Center (“NCLC”) to be the recipient of the remaining settlement funds. NCLC is a

private, non-sectarian, not-for-profit organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. *See* nclc.org/about-us/about-us.html. NCLC was founded in 1969 through a federal grant to provide legal services addressed to two main goals: improving the access of low-income people to the legal system and enabling advocates to seek remedies where needed. *See* nclc.org/about-us/our-story.html. Today, NCLC continues to advocate for low-income consumers and provides many resources to civil legal aid and private attorneys representing low-income consumers. *See Id.* NCLC’s lawyers provide policy analysis, advocacy, litigation, expert-witness services, and training for consumer advocates throughout the United States. *See Id.* “NCLC works to ensure a fair marketplace and access to justice for all consumers, including low-income people, older Americans, students, military service members and veterans,” and its “work covers a broad range of consumer issues, including consumer protection, fair credit, debt collection, student loans, mortgages and foreclosures, financial services, bankruptcy, [and] unfair and deceptive acts and practices. . . .” nclc.org/about-us/cy-pres-awards.html. Federal courts have approved NCLC as a *cy pres* recipient of residual balances of net settlement funds in other settlements.⁷

⁷ *See, e.g., In re Nu Skin Enters., Inc., Sec. Litig.*, Master File No. 2:14-cv-00033-JNP-BCW, ECF Nos. 152-154 (D. Utah Aug. 30, 2018); *Spann v. J.C. Penney Corp.*, 211 F. Supp. 3d 1244, 1261 (C.D. Cal. 2016), *appeal dismissed*, 2016 WL

V. RELEASE OF CLAIMS

In order to allow the full and final distribution of the Net Settlement Fund, it is necessary to bar any further claims against the Net Settlement Fund beyond the amounts allocated to Authorized Claimants, and to provide that all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted in connection with the Settlement, or who are otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, be released and discharged from all claims arising out of that involvement. Accordingly, Lead Plaintiff respectfully requests that the Court release and discharge all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted in connection with the Settlement, or who are otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund from all claims arising out of that involvement, and bar all Settlement Class Members and other Claimants, whether or not they receive payment from the Net Settlement Fund, from making any further claims against the Net Settlement Fund, Lead

9778633 (9th Cir. Nov. 7, 2016); *Perkins v. Am. Nat'l Ins. Co.*, No. 3:05-CV-100 (CDL), 2012 WL 2839788, at *5 (M.D. Ga. July 10, 2012) (“The Court is also satisfied that The National Consumer Law Center’s mission, reputation and established track record will ensure that it will be a good steward of the grant award made to it.”).

Plaintiff, Lead Counsel, the Claims Administrator, the Escrow Agent or any other agent retained by Lead Plaintiff or Lead Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund or any other person released under the Settlement beyond the amounts allocated to Authorized Claimants.

VI. CONCLUSION

For the foregoing reasons, Lead Plaintiff respectfully submits that Lead Plaintiff's Unopposed Motion for Approval of Distribution Plan should be granted, and the [Proposed] Order Approving Distribution Plan should be entered.

Dated: February 24, 2021

Respectfully submitted,

/s/ James A. Harrod

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