UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

In re AdaptHealth Corp. Securities Litigation	Case No. 2:23-cv-04104-MRP

MEMORANDUM OF LAW IN SUPPORT OF LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF SETTLEMENT AND PLAN OF ALLOCATION

TABLE OF CONTENTS

Page(s)

TABLE OF AUTHORITIES

Page(s)

CASES

OTHER AUTHORITIES

Lead Plaintiffs, on behalf of themselves and the Settlement Class, respectfully move this Court, pursuant to Federal Rule of Civil Procedure 23(e), for (i) final approval of the proposed settlement of the Action on the terms set forth in the Stipulation and Agreement of Settlement dated December 18, 2025 (ECF No. 94-2) ("Stipulation"); and (ii) approval of the proposed plan for allocating the net proceeds of the Settlement ("Plan of Allocation" or "Plan").[1]

I. PRELIMINARY STATEMENT

Lead Plaintiffs hereby present for the Court's approval their agreement to settle this securities class action in exchange for a cash payment of $35 million for the benefit of the Settlement Class. Lead Plaintiffs respectfully submit that the proposed Settlement is a very favorable result for the Settlement Class. The Settlement obtains all of the Company's available insurance—before the most significant litigation costs began—and eliminates the real risks that protracted litigation might lead to a lesser or no recovery, and instead guarantees a substantial, near-term recovery for the Settlement Class.

As discussed further below, Lead Plaintiffs negotiated the Settlement on the assumption that Lead Plaintiffs would defeat Defendants' pending motion to dismiss in meaningful part, but took into account the significant risks relating to falsity, scienter, loss causation, and damages that Lead Plaintiffs would face in continued litigation after the motion to dismiss, as well as potential ability-to-pay risks that could arise if the Company's available insurance was reduced or depleted. Lead Plaintiffs and Lead Counsel believe that the Settlement is in the best interests of the

[1] Unless defined below, all capitalized terms have the meanings set forth in the Stipulation or the accompanying Declaration of Katherine M. Sinderson in Support of (I) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation, and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses ("Sinderson Declaration"), which is an integral part of this submission. Citations to "¶ __" refer to paragraphs in the Sinderson Declaration, and citations to "Ex. __" refer to its exhibits. Unless otherwise noted, all internal cites and punctuation are omitted, and emphasis is added.

Settlement Class given the significant risks involved in continued litigation, including the risk of a diminished recovery or no recovery at all after years of additional litigation, appeals, and delay.

This favorable recovery was achieved only after Lead Plaintiffs and Lead Counsel had engaged in substantial litigation efforts for over two years, including: (i) conducting a thorough investigation of the claims, which involved analyzing regulatory filings made by AdaptHealth with the U.S. Securities and Exchange Commission ("SEC") as well as conference call transcripts, press releases, investor presentations, and other public statements; reviewing numerous news articles, research reports, and advisories by securities and financial analysts; and interviewing more than 90 former AdaptHealth employees, fifteen of whom provided Lead Plaintiffs with substantive information that was included in Lead Plaintiffs' Complaint; (ii) drafting and filing a detailed Complaint based on this investigation; (iii) researching and fully briefing Lead Plaintiffs' opposition to Defendants' motion to dismiss; and (iv) consulting with experts in accounting and loss causation and damages. The proposed Settlement is also the product of extensive arm's length negotiations by experienced and well-informed counsel, including an in-person mediation session supervised by David Murphy of Phillips ADR—an experienced mediator of complex litigation. As a result of these efforts, by the time the Settling Parties reached the proposed Settlement, Lead Plaintiffs and Lead Counsel had a well-developed understanding of the strengths and weaknesses of the case.

The Settlement has the full support of Lead Plaintiffs, which are sophisticated institutional investors that took an active role in supervising the litigation and participated directly in the arm's-length settlement negotiations. Also, while the deadline to object to the Settlement or request exclusion from the Settlement Class has not yet passed, to date no Settlement Class Members have objected to the Settlement or requested exclusion.

For all these reasons and as further discussed below, Lead Plaintiffs respectfully submit that the Settlement is fair, reasonable, and adequate, and should be approved. In addition, Lead Plaintiffs request that the Court approve the Plan of Allocation. The Plan of Allocation, which Lead Counsel developed in consultation with Lead Plaintiffs' damages expert, provides a reasonable method for allocating the Net Settlement Fund among Settlement Class Members who submit valid claims based on damages they suffered on their transactions in AdaptHealth common stock during the Settlement Class Period.

II. THE SETTLEMENT WARRANTS FINAL APPROVAL

Rule 23(e)(2) requires judicial approval of any class action settlement. Strong judicial policy favors settlement—particularly in "class actions and other complex cases where substantial judicial resources can be conserved by avoiding formal litigation." *Ehrheart v. Verizon Wireless*, 609 F.3d 590, 594-95 (3d Cir. 2010). Under Rule 23(e)(2), the Court should approve a proposed class action settlement if it finds it to be "fair, reasonable, and adequate." Fed. R. Civ. P. 23(e)(2); *see also In re Nat'l Football League Players Concussion Injury Litig.*, 821 F.3d 410, 436 (3d Cir. 2016) ("*NFL Players*"). In making this determination, Rule 23(e)(2) provides that a court should consider whether:

> (A) the class representatives and class counsel have adequately represented the class; (B) the proposal was negotiated at arm's length; (C) the relief provided for the class is adequate, taking into account: (i) the costs, risks, and delay of trial and appeal; (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims; (iii) the terms of any proposed award of attorney's fees, including timing of payment; and (iv) any agreement required to be identified under Rule 23(e)(3); and (D) the proposal treats class members equitably relative to each other.

Fed. R. Civ. P. 23(e)(2).

Consistent with Rule 23(e)(2), courts in the Third Circuit also consider the following nine factors enumerated in *Girsh v. Jepson* in deciding whether to approve a proposed settlement:

> (1) the complexity, expense and likely duration of the litigation; (2) the reaction of the class to the settlement; (3) the stage of the proceedings and the amount of discovery completed; (4) the risks of establishing liability; (5) the risks of establishing damages; (6) the risks of maintaining the class action through the trial; (7) the ability of the defendants to withstand a greater judgment; (8) the range of reasonableness of the settlement fund in light of the best possible recovery; and (9) the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation.

521 F.2d 153, 157 (3d Cir. 1975) (alterations omitted). Third Circuit courts also consider, as appropriate, the factors set forth in *In re Prudential Ins. Co. Am. Sales Prac. Litig. Agent Actions*, 148 F.3d 283, 323 (3d Cir. 1998). As set forth below, all relevant factors favor approval.

A. Lead Plaintiffs and Lead Counsel Have Adequately Represented the Settlement Class

Lead Plaintiffs and Lead Counsel have adequately represented the class, which weighs in favor of settlement. *See* Fed. R. Civ. P. 23(e)(2)(A). "The Third Circuit applies a two-prong test to assess the adequacy of the proposed class representatives. First, the court must inquire into the qualifications of counsel to represent the class and, second, it must assess whether there are conflicts of interest between named parties and the class they seek to represent." *Vinh Du v. Blackford*, 2018 WL 6604484, at *4 (D. Del. Dec. 18, 2018).

First, Lead Counsel is highly experienced in securities litigation and has actively pursued the claims on behalf of the Settlement Class for two years and obtained a favorable Settlement for the Settlement Class. *See Becker v. Bank of N.Y. Mellon Tr. Co., N.A.*, 2018 WL 6727820, at *7 (E.D. Pa. Dec. 21, 2018); *see also Alves v. Main*, 2012 WL 6043272, at *22 (D.N.J. Dec. 4, 2012) ("courts in this Circuit traditionally attribute significant weight to the belief of experienced counsel that settlement is in the best interest of the class"), *aff'd*, 559 F. App'x 151 (3d Cir. 2014). As detailed in the Sinderson Declaration, Lead Counsel (i) conducted a thorough investigation into investors' claims, including, among other things, a detailed review and analysis of publicly available information regarding AdaptHealth and interviews with over 90 former AdaptHealth

employees (¶¶ 21-22); (ii) researched and drafted a detailed amended complaint (¶¶ 23-24); (iii) opposed the motion to dismiss filed by Defendants (¶¶ 25-28); (iv) worked with experts in accounting and financial economics (¶¶ 30-31); and (v) participated in a formal mediation session and additional settlement negotiations thereafter (¶¶ 32-35).

Second, Lead Plaintiffs' claims, which are based on a common course of alleged wrongdoing by Defendants, are typical of the claims of other Settlement Class Members. In proving their securities claims, Lead Plaintiffs would prove the same claims of Settlement Class Members—and no conflicts existed between the interests of Lead Plaintiffs and the other Settlement Class Members. As such, "Lead Plaintiff's interests are coextensive with, and not antagonistic to, the interests of the class since they all raise the same claims and seek the same relief." *Utah Ret. Sys. v. Healthcare Svs. Grp., Inc.*, 2022 WL 118104, at *4 (E.D. Pa. Jan. 12, 2022). Accordingly, Lead Plaintiffs and Lead Counsel have adequately represented the Settlement Class.

B. The Settlement Resulted from Extensive Arm's Length Negotiations

Lead Plaintiffs and Lead Counsel negotiated the Settlement at arm's length with the assistance of an experienced professional mediator. The Settlement was reached only after extended settlement negotiations, which included an in-person mediation session with David Murphy of Phillips ADR Enterprises, an experienced mediator of securities class actions and other complex litigation. *See* Declaration of David Murphy in Support of Lead Plaintiffs' motion for Final Approval of Settlement ("Murphy Decl."), attached hereto as Exhibit 1, at ¶¶ 2-4; *see also Del. Cnty. Emps. Ret. Sys. v. AdaptHealth Corp.*, 739 F. Supp. 3d 270, 280 (E.D. Pa. 2024) (noting that that Mr. Murphy is "a mediator with experience in securities class actions" and approving a settlement reached following mediation under his auspices).

On October 8, 2025, counsel for the Settling Parties participated in a full-day mediation session before Mr. Murphy. ¶ 33. The session ended without the Settling Parties reaching any agreement. *Id*. Negotiations continued for several weeks thereafter, with further discussions facilitated by Mr. Murphy before the agreement was reached. ¶¶ 33-34. Mr. Murphy has submitted a declaration in support of the Settlement, which states that the Settlement "was the product of arms-length, adversarial negotiation by seasoned, well-informed counsel." Murphy Decl. ¶ 10.

Courts have recognized that the participation of an experienced, respected mediator like Mr. Muphy in the settlement process weighs heavily in favor of a proposed settlement's procedural fairness. *See Deller v. Drexel Univ.*, 2026 WL 784721, at *5 (E.D. Pa. Mar. 19, 2026) ("The participation of an independent mediator in settlement negotiations virtually [e]nsures that the negotiations were conducted at arm's length and without collusion between the parties."); *McLachlan v. Bd. of Trustees of Elevator Constructors Annuity & 401(k) Ret. Plan*, 2025 WL 1116533, at *5 (E.D. Pa. Apr. 15, 2025) (approving settlement where "the parties meaningfully participated in mediation and negotiated the Settlement at arm's-length before a neutral, third-party mediator"); *AdaptHealth*, 739 F. Supp. 3d at 280 (approving settlement reached following mediation with Mr. Murphy and finding that the "involvement of a neutral mediator" helped show that "negotiations were conducted at arm's length"). Thus, this factor supports approval of the Settlement.

C. The Settlement Provides the Settlement Class with Adequate Relief, Considering the Costs, Risks, and Delay of Litigation and Other Relevant Factors

In considering approval of the Settlement, the Court should consider whether "the relief provided for the class is adequate, taking into account . . .the costs, risks, and delay of trial and appeal" and other relevant factors. Fed. R. Civ. P. 23(e)(2)(C). This factor overlaps considerably with a number of the factors articulated by the Third Circuit in *Girsh*, which evaluate the fairness

of the "relief that the settlement is expected to provide to" the Settlement Class. Fed. R. Civ. P. 23(e)(2), adv. cmt. notes to 2018 amendments, subdivision (e)(2), ¶¶ (C) and (D). These factors all support approval here.

1. The Complexity, Expense, and Likely Duration of the Litigation

"The first [*Girsh*] factor is intended to capture the probable costs, of both time and money, of continued litigation." *F.C.V., Inc. v. Sterling Nat'l Bank*, 2006 WL 1319822, at *4 (D.N.J. May 12, 2006). Settlement is favored where, as here, continuing to litigate through trial would require "extensive pretrial motions addressing complex factual and legal questions" and then "a complicated, lengthy trial." *Talone v. Am. Osteopathic Ass'n*, 2018 WL 6318371, at *14 (D.N.J. Dec. 3, 2018). In that regard, courts regularly acknowledge that "[s]ecurities fraud class actions are notably complex, lengthy, and expensive cases to litigate." *In re PAR Pharm. Sec. Litig.*, 2013 WL 3930091, at *4 (D.N.J. July 29, 2013).

This case was no exception. As discussed in the Sinderson Declaration and below, continuing to prosecute the Action would have imposed significant risks and substantial additional costs on the Settlement Class and substantially delayed the Settlement Class's ability to recover. ¶¶ 38-66. In contrast, the Settlement avoids the risk, expense, and delay of continued litigation while providing a substantial, near-term recovery for the Settlement Class. This factor supports approval of the Settlement. *See Fernandez v. DouYu Int'l Holdings Ltd.*, 2025 WL 972836, at *9 (D.N.J. Mar. 31, 2025) ("Providing settlement class members with a certain result now weighs in favor of settlement."); *In re Ocean Power Techs., Inc., Sec. Litig.*, 2016 WL 6778218, at *12 (D.N.J. Nov. 15, 2016) ("Settlement is favored under this factor if litigation is expected to be complex, expensive and time consuming.").

2. Risks to Establishing Liability and Damages

While Lead Plaintiffs and Lead Counsel believe that the claims asserted against Defendants in the Action are meritorious, they recognize that this Action presented several substantial risks to establishing both liability and damages.

Lead Plaintiffs negotiated the Settlement on the assumption that Lead Plaintiffs would defeat Defendants' pending motion to dismiss in meaningful part, but carefully considered the significant risks relating to falsity, scienter, loss causation, and damages that Lead Plaintiffs would face in continued litigation after the motion to dismiss, as well as potential ability-to-pay risks that could arise if the Company's available insurance was reduced or depleted. ¶¶ 38, 45-62.

These risks concerned each main element of Lead Plaintiffs' claims. First, Lead Plaintiffs faced challenges in proving that the alleged misstatements were actionable and materially false. Defendants would contend that the alleged misstatements at issue about AdaptHealth's billing practices, compliance systems and technology, and the Company's ability to integrate new acquisitions into its existing compliance program and systems were not false or misleading or were protected as "immaterial puffery" on which a reasonable investor would not rely. ¶¶ 46-52. Defendants contended that Lead Plaintiffs could not identify anything more than "isolated incidents" of improper billing practices and issues integrating acquisitions that could not be extrapolated to the entire business and, thus, they would argue, did not render Defendants' statements misleading. ¶¶ 47-48. Defendants had also argued and would continue to argue that Lead Plaintiffs' allegations were based on the accounts of relatively low-level former employees and that these former employees lacked any direct contact with the Individual Defendants. *Id.* There was a risk that the admissible evidence ultimately developed as a result of discovery could support Defendants' view. ¶ 48.

Defendants would also contend that they lacked any intent to mislead investors. Rather, they contended that the purportedly isolated incidents of improper billing practices and problems with integrating acquisitions did not come to the attention of the Individual Defendants, and thus Lead Plaintiffs would not be able to establish scienter. ¶¶ 53-55. Even assuming Lead Plaintiffs prevailed on the pending motion to dismiss, this issue would continue to pose a significant risk in continued litigation when Lead Plaintiffs would have to prove Defendants' knowledge of the alleged misconduct and culpable intent through admissible evidence. *Id.*

Lead Plaintiffs faced further significant risks relating to proof of loss causation and damages. ¶¶ 56-60. Defendants would argue that Lead Plaintiffs cannot establish that the alleged false statements caused investors' losses, because the disclosures that caused the price of AdaptHealth common stock to drop were purportedly not directly related to Defendants' alleged misrepresentations. ¶ 57. For example, they did not contain any explicit admissions that AdaptHealth's compliance systems were deficient or that AdaptHealth did not effectively integrate its acquisitions, but instead generally conveyed news that Lead Plaintiffs argued were the consequence of these alleged misstatements such as disappointing results due to customers switching from AdaptHealth and goodwill write-downs. *Id.* Thus, there would be challenges associated with establishing loss causation for all of the alleged disclosures. In addition, Defendants would argue that Lead Plaintiffs would not be able to prove damages because they could not appropriately disaggregate the impact on the price declines of information that was not related to the alleged false and misleading statements, such the departure of the Company's CEO, disappointing financial results, and inflation. ¶ 58

Moreover, to determine damages and loss causation, the parties would have had to rely on expert testimony. Lead Plaintiffs could not be certain which expert's view would be credited by

the jury and, accordingly, this "battle of the experts" created an additional level of litigation risk. *See AdaptHealth*, 739 F. Supp. 3d at 281 ("lead plaintiffs would risk failure in establishing that the losses AdaptHealth shareholders suffered were in fact the result of corrective disclosures made by defendants . . . This dispute would require highly technical economic testimony. Plaintiffs faced the 'uncertainty attendant to such a battle[.]'"); *In re Viropharma Inc. Sec. Litig.*, 2016 WL 312108, at *13 (E.D. Pa. Jan. 25, 2016) ("The conflicting damage theories of defendants and plaintiffs would likely have resulted in an expensive battle of the experts and it is impossible to predict how a jury would have responded.").

In sum, there were very significant risks attendant to the continued prosecution of the Action, and there was no guarantee that further litigation would have resulted in a higher recovery, or any recovery at all.

3. The Reasonableness of the Settlement Amount in Light of the Best Possible Recovery and the Risks of Litigation

The eighth and ninth *Girsh* factors—the reasonableness of the settlement in light of the best possible recovery and the risks of litigation—also weigh in favor of approving the Settlement. "In making [an] assessment [of these factors], the Court compares the present value of the damages plaintiffs would likely recover if successful, appropriately discounted for the risk of not prevailing, with the amount of the proposed settlement." *PAR Pharm.*, 2013 WL 3930091, at *7; *In re AT&T Corp., Sec. Litig.*, 455 F.3d 160, 170 (3d Cir. 2006) ("[T]he fact that a proposed settlement may only amount to a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be disapproved. . . . [r]ather, the percentage recovery, must represent a material percentage recovery to plaintiff in light of all the risks considered under *Girsh*."). The $35 million Settlement meets this threshold.

As set forth in the Sinderson Declaration, Lead Plaintiffs' damages expert has estimated the maximum reasonably recoverable damages in this case to be approximately $451.6 million. ¶ 64. The Settlement therefore represents approximately 7.8% of the reasonably recoverable maximum damages, which is a level of recovery that exceeds the typical recovery percentage of settlements in comparable cases. *See, e.g.*, *In re Wilmington Tr. Sec. Litig.*, 2018 WL 6046452, at * 8 (D. Del. Nov. 19, 2018) (noting the "Third Circuit median recovery of 5% of damages in class action securities litigation"); *Schuler v. Medicines Co.*, 2016 WL 3457218, at *8 (D.N.J. June 24, 2016) (4% recovery "falls squarely within the range of previous settlement approvals."); *In re Hemispherx Biopharma, Inc., Sec. Litig.*, 2011 WL 13380384, at *6 (E.D. Pa. Feb. 14, 2011) (approving settlement representing 5.2% of the maximum damages and finding that it "falls squarely within the range of reasonableness approved in other securities class action settlements"); *AT&T Corp*., 455 F.3d at 169 (affirming settlement for 4% of total damages). Moreover, as noted above there were many substantial risks concerning liability and damages that could have eliminated all or most of the Settlement Class's recovery. Thus, this factor supports approval of the Settlement.

4. Stage of the Proceedings

The next *Girsh* factor considers the "the degree of case development that class counsel have accomplished prior to settlement." *In re Cendant Corp. Litig.*, 264 F.3d 201, 235 (3d Cir. 2001). No specific stage of proceedings or quantity of discovery is required for this factor to support the settlement. Instead, the focus is on "whether counsel had an adequate appreciation of the merits of the case before negotiating." *In re Warfarin Sodium Antitrust Litig.*, 391 F.3d 516, 537 (3d Cir. 2004).

Many Courts have found this factor to support settlement even where a settlement is reached during the pendency of a motion to dismiss if, as here, it was reached after a detailed

investigation. *See, e.g.*, *In re Healthec LLC Data Breach Litig.*, 2025 WL 1603267, at *9 (D.N.J. June 6, 2025) (while the settlement was reached during the pendency of a motion to dismiss and "no discovery was completed," this "factor weigh[ed] in favor of settlement" because "a thorough factual investigation was conducted to facilitate and assess the settlement"); *DouYu*, 2025 WL 972836, at *10 ("although there was no formal discovery, the Court is satisfied that counsel fully researched the claims, conducted a diligent investigation and was educated on the amount of potential damages at stake in this litigation"); *Beltran v. Sos Ltd.*, 2023 WL 319895, at *4 (D.N.J. Jan. 3, 2023) (this factor was met where defendant had not filed a dispositive motion and formal discovery had not begun, because plaintiffs had "extensively studied the merits of the case by conducting investigations, analyzing SEC filings and analyst reports, . . . interviewing former SOS employees, . . . and consulting with an economics expert on damages"), *report and recommendation adopted*, 2023 WL 316294 (D.N.J. Jan. 19, 2023).

5. Risks to Maintaining the Class Action Through Trial

At the time the Settlement was reached, Lead Plaintiffs had not yet been filed their motion for class certification. While Lead Plaintiffs believe this Action is appropriate for class treatment, Lead Plaintiffs expected that Defendants would strongly oppose the motion for class certification. Defendants would likely have argued that the alleged "mismatch" between the subject of the misstatements and the corrective disclosure events, discussed above in connection with loss causation, was also a barrier to class certification, because, Defendants would argue, that this mismatch meant that there was no evidence of "price impact" from the alleged misstatements, and thus Defendants would be able to rebut the fraud-on-the-market theory of reliance. ¶ 61. Defendants might also argue that, if any class was certified, it would be for a shorter class period than the Settlement Class Period, following the elimination of certain alleged false statements or

corrective disclosures. *Id*. While Lead Plaintiffs had responses to each of these arguments, the additional risks posed by class certification further support approval of the Settlement.

6. The Ability of Defendants to Withstand a Greater Judgment

The seventh *Girsh* factor considers "whether the defendants could withstand a judgment for an amount significantly greater than the Settlement." *Cendant*, 264 F.3d at 240.

Here, Lead Plaintiffs believed there were potential risks regarding AdaptHealth's ability to pay a judgment substantially larger than the $35 million settlement. These concerns arose from limits on the amount of available insurance as well as potential concerns about the Company's future financial condition. ¶ 62. The $35 million Settlement obtains all of the Company's available insurance, before the most significant litigation costs began. *Id*. In contrast, AdaptHealth's insurance coverage was expected to be substantially depleted—if not entirely exhausted—if the litigation proceeded to trial. *Id*. With respect to the Company's ability to pay, at the time the agreement to settle was reached in October 2025, AdaptHealth's common stock was trading at under $10 per share—as compared to a Settlement Class Period high of $40.15. This substantial decline supported Lead Plaintiffs' concerns about the Company's potential financial condition at the time—likely years in the future—when any litigated judgment might be obtained. *Id*. Accordingly, these considerations further supported Lead Plaintiffs' view that the immediate $35 million Settlement was a favorable result.

However, even if Defendants "could afford to pay more does not mean that [they are] obligated to pay any more than what the . . . class members are entitled to under the theories of liability that existed at the time the settlement was reached." *In re Warfarin Sodium Antitrust Litig.*, 391 F.3d 516, 538 (3d Cir. 2004). Thus, "[e]ven if the Court were to presume that the defendants' resources far exceeded the settlement amount, in light of the balance of the other factors considered which indicate the fairness, reasonableness, and adequacy of the settlement, the ability of the

defendants to pay more, does not weigh against approval of the settlement." *Ahrendsen v. Prudent Fiduciary Servs., LLC*, 2023 WL 4139151, at *6 (E.D. Pa. June 22, 2023).

7. The Reaction of the Settlement Class to Date

In assessing a settlement, courts in the Third Circuit also consider "the reaction of the class to the settlement." *Girsh*, 521 F.2d at 157; *NFL Players*, 821 F.3d at 438. The deadline for Settlement Class Members to object to the Settlement is April 22, 2026. ¶ 72. To date, the no Settlement Class Members have objected to any aspect of Settlement or requested exclusion from the Settlement Class. *Id*. Lead Plaintiffs will address any objections or requests for exclusion that may be received in their reply papers, which will be filed by May 6, 2026.

8. The Relevant *Prudential* Factors Also Support the Settlement

Courts in this Circuit also consider various *Prudential* factors, as appropriate to the specifics of the litigation. As relevant here, these factors support approval of the proposed Settlement. *See Prudential*, 148 F.3d at 323 (these factors include: the maturity of the substantive issues; the existence of other possible claims by class members; the comparison of the results achieved to those of other class members or potential class members; the ability of class members to opt out of settlement; the reasonableness of attorneys' fees; and the reasonableness of the claims processing procedure).

First, the substantive issues are mature because Lead Plaintiffs and Lead Counsel thus had a well-developed understanding of the strengths and weaknesses of the case based on their extensive investigation of the Settlement Class's claims. Second, Settlement Class Members are being offered the opportunity to opt out of the Settlement. Third, Lead Plaintiffs are not aware of any settlements that have been "achieved—or [are] likely to be achieved" by any individuals or other potential Settlement Class Members related to the claims in this case. *Prudential*, 148 F.3d at 323. Other relevant *Prudential* factors, including the reasonableness of attorneys' fees, and the

reasonableness of the procedure for processing individual claims, *id*., favor the Settlement. Lead Counsel's request for attorneys' fees is also reasonable, as set forth below in § II.D and in the accompanying Fee Memorandum, and the Plan of Allocation, which was developed with Lead Plaintiffs' damages expert and which will govern the allocation of the Net Settlement Fund, is fair and reasonable. *See* § III, *infra*; ¶¶ 73-82. Accordingly, the *Prudential* factors also support approval of the Settlement.

D. The Remaining Rule 23(e)(2) Factors Support Approval of the Settlement

In evaluating the proposed Settlement, Rule 23(e)(2) instructs courts to also consider: (i) the effectiveness of the proposed method of distributing the relief provided to the class, including the method of processing class member claims; (ii) the terms of any proposed award of attorney's fees, including the timing of payment; (iii) any other agreement made in connection with the proposed settlement; and (iv) whether class members are treated equitably relative to each other. Fed. R. Civ. P. 23(e)(2)(C)(ii)-(iv) & (e)(2)(D). These factors also support final approval.

First, the proposed method of distribution and claims processing ensures equitable treatment of Settlement Class Members. *See* Fed. R. Civ. P. 23(e)(2)(C)(ii) & (e)(2)(D). Settlement Class Members' claims will be processed, and the Net Settlement Fund will be distributed, pursuant to a standard method routinely approved in securities class actions. The Court-authorized Claims Administrator, Kroll Settlement Administration ("Kroll"), will review and process all Claims received, provide Claimants with an opportunity to cure any deficiency or request judicial review of the denial of their Claims, if applicable, and will ultimately mail or wire Authorized Claimants their *pro rata* share of the Net Settlement Fund, as calculated under the Court-approved plan of allocation. One hundred percent of the Net Settlement Fund will be distributed to Settlement Class Members and none of the Settlement proceeds will revert to Defendants. *See* Stipulation ¶ 13.2.

Second, as further discussed in the accompanying Fee Memorandum, the requested attorneys' fees of 25% of the Settlement Fund, to be paid only upon the Court's approval, are reasonable in light of the efforts devoted by Lead Plaintiffs' Counsel, the recovery obtained for the Settlement Class, and the significant risks that counsel faced. The request is also consistent with attorneys' fee percentages awarded to counsel in other complex class actions in this Circuit. *See Wilmington Tr.*, 2018 WL 6046452, at *9 (finding 28% to be a "typical fee percentage" in the Third Circuit). Of note, the approval of attorneys' fee awards is separate from the approval of the Settlement, and neither Lead Plaintiffs nor Lead Plaintiffs' Counsel may terminate the Settlement based on this Court's or any appellate court's ruling with respect to attorneys' fees. Stipulation ¶¶ 7.3, 7.5.

Lastly, courts consider the fairness of a proposed settlement in light of any other agreements required to be identified under Rule 23(e)(3). *See* Fed. R. Civ. P. 23(e)(2)(C)(iv). As previously disclosed, the only agreement the Settling Parties have entered into—other than the Stipulation—is a confidential Supplemental Agreement, which sets forth the conditions under which AdaptHealth may terminate the Settlement if the Settlement Class Members who request exclusion reach a certain threshold. *See* Stipulation ¶ 12.2. This type of agreement is standard in securities class actions and has no negative impact on the fairness of the Settlement. *See, e.g.*, *In re Signet Jewelers Ltd. Sec. Litig.*, 2020 WL 4196468, at *13 (S.D.N.Y. July 21, 2020).

For all the reasons herein and in the Sinderson Declaration, the proposed Settlement is fair, reasonable, and adequate and, thus, should be approved.

III. THE COURT SHOULD APPROVE THE PLAN OF ALLOCATION

"Approval of a plan of allocation of a settlement fund in a class action is governed by the same standards of review applicable to approval of the settlement as a whole: the distribution plan must be fair, reasonable and adequate." *In re Am. Bus. Fin. Servs. Inc. Noteholders Litig.*, 2008

WL 4974782, at *9 (E.D. Pa. Nov. 21, 2008). To meet this standard, a plan of allocation recommended by experienced and competent class counsel "need only have a reasonable and rational basis." *PAR Pharm.*, 2013 WL 3930091, at *8. "In general, a plan of allocation that reimburses class members based on the type and extent of their injuries is reasonable." *Kanefsky v. Honeywell Int'l Inc.*, 2022 WL 1320827, at *6 (D.N.J. May 3, 2022). In determining whether a plan of allocation is reasonable, "courts give great weight to the opinion of qualified counsel." *In re Valeant Pharms. Int'l, Inc. Sec. Litig.*, 2021 WL 358611, at *3 (D.N.J. Feb. 1, 2021).

The Plan, which is set forth in full in the Notice, s*ee* Marquez Decl. (Ex. 7) Ex. A, at pp. 16-21, was developed by Lead Counsel in consultation with Lead Plaintiffs' damages consultant, Chad Coffman, an expert financial economist, and his team. ¶ 74. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing in the Action. ¶ 75.

The Plan calculates a Recognized Loss Amount for each purchase or acquisition of AdaptHealth common stock during the Settlement Class Period that is listed on the Claim Form and for which adequate documentation is provided. ¶ 78. Lead Plaintiffs' damages expert calculated the estimated amount of artificial inflation in the price of AdaptHealth common stock during the Settlement Class Period that allegedly was proximately caused by Defendants' alleged materially false and misleading statements by considering the price changes in AdaptHealth common stock in reaction to the alleged corrective disclosures, adjusting for price changes on those days attributable to market or industry factors. *Id.* ¶ 76.

Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the prices of AdaptHealth common stock at the time of purchase or acquisition

and at the time of sale, or the difference between the actual purchase price and sale price. ¶ 77. In order to have a Recognized Loss Amount under the Plan of Allocation, a Settlement Class Member that purchased or otherwise acquired AdaptHealth stock during the Settlement Class Period must have held those shares through at least one date on which new corrective information was alleged to have been released to the market and partially removed artificial inflation from the price of AdaptHealth common stock. *Id.*

The sum of a claimant's Recognized Loss Amounts for all purchases and acquisitions of AdaptHealth common stock during the Settlement Class Period is the Claimant's "Recognized Claim." ¶ 79. The Net Settlement Fund will be allocated to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. ¶ 80; *see also Kanefsky*, 2022 WL 1320827, at *6 (finding plan of allocation fair, reasonable and adequate where each authorized claimant would be reimbursed based on a *pro rata* share of the net settlement fund based upon each claimant's recognized loss); *Beneli v. BCA Fin. Servs., Inc.*, 324 F.R.D. 89, 105 (D.N.J. Feb. 6, 2018) ("pro rata distributions are consistently upheld . . . .").

Under the Plan of Allocation, 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 distributions to Authorized Claimants will be conducted. ¶ 81. 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, 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.*; *see also McDermid v. Inovio Pharms., Inc.*, 2023 WL 227355, at *9 (E.D. Pa. Jan. 18, 2023) (approving plan of allocation under which each class member's claim was based on his or her individual recognized loss amount as determined by when

each class member purchased and sold his or her stocks, and any funds remaining following initial redistribution would be further distributed among the authorized claimants on a continuing basis until it became economically unfeasible).

Lead Plaintiffs and Lead Counsel believe that the proposed Plan of Allocation provides a fair and reasonable method to equitably allocate the Net Settlement Fund among Settlement Class Members who suffered losses as a result of the conduct alleged in the Action. Moreover, the Plan was fully set forth in the Notice, and to date, no objections to the Plan have been received.

IV. THE COURT SHOULD CERTIFY THE SETTLEMENT CLASS

As set forth in Lead Plaintiffs' preliminary approval motion, the Settlement Class satisfies all of the requirements of Rules 23(a) and (b)(3). *See* ECF No. 94-1, at 21-25; *see also* ECF No. 96, ¶¶ 2-4 (preliminarily certifying the Settlement Class for purposes of Settlement). None of the facts supporting certification of the Settlement Class have changed since Lead Plaintiffs' preliminary approval motion. Accordingly, Lead Plaintiffs respectfully request that the Court certify the Settlement Class under Rules 23(a) and (b)(3) for purposes of the Settlement.

V. THE NOTICE SATISFIED RULE 23, DUE PROCESS, AND THE PSLRA

Lead Plaintiffs have provided the members of the Settlement Class with adequate notice of the Settlement. Here, the notice satisfied both Rule 23, as it was "the best notice . . . practicable under the circumstances" and directed "in a reasonable manner to all class members who would be bound by the" Settlement, Fed. R. Civ. P. 23(c)(2)(B) & (e)(1)(B); and due process, as it was "reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections." *Mullane v. Cent. Hanover Bank & Tr. Co.*, 339 U.S. 306, 314 (1950).

In accordance with the Court's Preliminary Approval Order, beginning on February 25, 2026, Kroll began mailing copies of the Notice and Claim Form ("Notice Packet") to potential

Settlement Class Members identified by AdaptHealth and to brokers and other nominees contained in its broker database, who then forwarded the Notice Packet to the beneficial owners or provided their names and addresses to Kroll. *See* Marquez Decl. ¶¶ 3-9. Kroll also posted copies of Notice and the Claim Form on the case website, www.AdaptHealth2025SecuritiesLitigation.com, *Id.* ¶ 12. Through April 7, 2026, Kroll has disseminated a total of 61,216 Notice Packets. *Id.* ¶ 10. In addition, Kroll caused the Summary Notice to be published in *The Wall Street Journal* and transmitted over *PR Newswire* on March 9, 2026. *Id.* ¶ 11.

This combination of sending notice by individual first-class mail or email to all Settlement Class Members who could be identified with reasonable effort, supplemented by notice in an appropriate publication, transmission over a newswire, and publication on the case website and Lead Counsel's website, was "the best notice that is practicable under the circumstances." Fed. R. Civ. P. 23(c)(2)(B). Comparable notice programs are routinely approved by Courts in this Circuit. *See, e.g.*, *Holden v. Guardian Analytics, Inc.*, 2024 WL 2845392, at *2-4 (D.N.J. June 5, 2024); *Kanefsky*, 2022 WL 1320827, at *2-3.

VI. CONCLUSION

For the reasons set forth herein and in the Sinderson Declaration, Lead Plaintiffs respectfully request that the Court grant final approval of the Settlement and approve the Plan of Allocation.

Dated: April 8, 2026

Respectfully submitted,

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

/s/ *Katherine M. Sinderson*
Hannah Ross
John Rizio-Hamilton (*pro hac vice)*
Katherine M. Sinderson (*pro hac vice)*
John J. Esmay (*pro hac vice)*
Timothy Fleming (*pro hac vice)*
Sarah K. Schmidt (*pro hac vice)*
1251 Avenue of the Americas
New York, New York 10020
Telephone: (212) 554-1400
Facsimile: (212) 554-1444
hannah@blbglaw.com
johnr@blbglaw.com
katiem@blbglaw.com
john.esmay@blbglaw.com
timothy.fleming@blbglaw.com
sarah.schmidt@blbglaw.com

Counsel for Lead Plaintiffs and the Settlement Class

KASKELA LAW LLC

D. Seamus Kaskela (No. 204351)
Adrienne Bell (No. 202231)
18 Campus Boulevard, Suite 100
Newtown Square, PA 19073
Telephone: (484) 258-1401
skaskela@kaskelalaw.com
abell@kaskelalaw.com

Liaison Counsel for Lead Plaintiffs and the Settlement Class

CERTIFICATION OF SERVICE

I HEREBY CERTIFY that on April 8, 2026, I caused the Memorandum of Law in Support of Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation to be electronically filed with the Clerk of the Court using the ECF system. Notice of this filing will be sent to all counsel of record by operation of the Court's electronic filing system and the filing will be available for viewing and downloading from the CM/ECF system.

/s/ *Katherine M. Sinderson*
Katherine M. Sinderson