UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
CIVIL MINUTES – GENERAL

Case No.	8:24-cv-02221-AH-KESx	Date	August 3, 2026
Title	*Dhimant Patel v. Edwards Lifesciences Corporation et al.*		

Present: The Honorable	Anne Hwang, United States District Judge

Yolanda Skipper	Not Reported
Deputy Clerk	Court Reporter
Attorney(s) Present for Plaintiff(s):	Attorney(s) Present for Defendant(s):
None Present	None Present

Proceedings: (IN CHAMBERS) ORDER GRANTING MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT (DKT. NO. 100)

Before the Court is a Motion for Preliminary Approval of Proposed Class Action Settlement ("Motion") filed by Lead Plaintiffs City of Fort Lauderdale Police & Firefighters' Retirement System ("Fort Lauderdale P&F") and Louisiana Sheriffs' Pension & Relief Fund ("Louisiana Sheriffs"). Dkt. No. 100. Defendants Edwards Lifesciences Corporation ("Edwards") and Bernard J. Zovighian ("Zovighian") did not oppose the Motion. The Court held a hearing on the Motion on July 29, 2026. For the following reasons, GRANTS the Motion.

I. BACKGROUND

A. Factual and Procedural Background

This securities class action arises from Defendants' alleged misrepresentations to investors regarding the growth prospects of Edwards's primary product, the Transcatheter Aortic Valve Replacement. Compl. ¶ 1, Dkt. No. 52. The Court set forth the factual background of this case in detail in its prior Order on Defendants' Motion to Dismiss and incorporates the background here. *See* Dkt. No. 72.

On October 14, 2024, Plaintiffs initiated this action. Dkt. No. 1. On December 29, 2024, the Court appointed Fort Lauderdale P&F and Louisiana Sheriffs as Lead Plaintiffs and Bernstein Litowitz Berger and Grossmann LLP as Lead Counsel. Dkt. No. 43. On March 21, 2025, Lead Plaintiffs filed the Amended Consolidated Complaint ("Complaint"), asserting three causes of action: (1) violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Securities and Exchange Commission ("SEC") Rule 10b-5 as to all defendants (2) violation of Section 20(a) of the Exchange Act as to the individual executive defendants; and (3) violation of Section 20A of the Exchange Act as to Zovighian. Dkt. No. 52. On May 20, 2025, Defendants moved to dismiss the Complaint. Dkt. No. 54. On September 19, 2025, the Court (1) dismissed the Section 10(b) and Rule 10b-5 claims against the individual executive defendants but sustained them against Edwards and Zovighian; (2) dismissed the Section 20(a) claims against the individual executive defendants but sustained them against Zovighian; and (3) dismissed the Section 20A claims against Zovighian. Dkt. No. 72. On October 21, 2025, Defendants filed their Answer. Dkt. No. 79.

On April 20, 2026, the parties participated in mediation before Jed. D. Melnick of JAMS. Mot. at 7. The mediator recommended that the parties settle the action for $39,000,000, which the parties accepted. *Id.* The terms of the parties' agreement were memorialized in a Memorandum of Understanding that the parties negotiated and executed on June 2, 2026. *Id.* The parties then negotiated and executed the formal Stipulation of Settlement on July 1, 2026. *Id.* The parties also entered into a confidential Supplemental Agreement, which gives Defendants the right to terminate the Settlement if requests for exclusion exceed a threshold agreed to by Lead Plaintiffs and Defendants. *Id.*

B. Proposed Settlement Agreement

The proposed Settlement Agreement sets forth the class definition and terms of the settlement. *See* Settlement Agreement, Dkt. No. 100-1.

The "Settlement Class" means all persons or entities who purchased or otherwise acquired Edwards common stock during the period from February 6, 2024, through July 24, 2024, inclusive (the "Class Period"), and were damaged thereby. *Id.* ¶ 1(pp). Excluded from the Settlement Class are Defendants; past and current executive officers and directors of Defendants; immediate family members of Zovighian and the former individual defendants; any entity in which any of the above excluded persons have or had a direct or controlling ownership interest; and the legal representatives, heirs, successors in-interest or assigns of any such excluded persons or entities. *Id.*

Under the Settlement Agreement, Defendants have agreed to pay $39,000,000.00 ("Settlement Amount") into an interest-bearing escrow account. *Id.* ¶ 1(oo). The Settlement Amount, plus accrued interest, after the deduction of attorneys' fees and litigation expenses, notice and administration costs, and taxes ("Net Settlement Fund"), will be distributed among Settlement Class Members who submit valid and timely Claim Forms. *Id.* ¶ 1(z). There will be no reversion of funds to Defendants or their insurers. *Id.* ¶ 13.

The proposed notice procedure involves mailing and distributing the Notice Packet, posting the Notice and Claim Form on the Settlement Website, and publishing or transmitting the Summary Notice in *The Wall Street Journal* and *PR Newswire*. *See* Proposed Order ¶¶ 7–8, Dkt. No. 100-2; *id.*, Exs. 1–3 (Notice, Claim Form, and Summary Notice).

II. DISCUSSION

A. Provisional Class Certification

The plaintiff bears the burden of showing by a preponderance of the evidence that class certification is appropriate under Federal Rule of Civil Procedure 23. *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 350–51 (2011). Class certification is a two-step process. First, a plaintiff must establish that each of the four requirements of Rule 23(a) is met: numerosity, commonality, typicality, and adequacy of representation. *Id.* at 349. Second, a plaintiff must establish that at least one of the bases for certification under Rule 23(b) is met. *DZ Rsrv. v. Meta Platforms, Inc.*, 96 F.4th 1223, 1232 (9th Cir. 2024).

A court may certify a class for settlement purposes only. *See In re Online DVD-Rental Antitrust Litig.*, 779 F.3d 934, 942 (9th Cir. 2015). "The criteria for class certification are applied differently in litigation classes and settlement classes." *In re Hyundai & Kia Fuel Econ. Litig.*, 926 F.3d 539, 556 (9th Cir. 2019). When deciding whether to certify a litigation class, a district court must consider manageability at trial. *Id.* However, this concern is not present in certifying a settlement class. *Id.* at 556–57.

1. Rule 23(a)

The Rule 23(a) requirements are: "(1) the class is so numerous that joinder of all members is impracticable; (2) there are questions of law or fact common to the class; (3) the claims or defenses of the representative parties are typical of the claims or defenses of the class; and (4) the representative parties will fairly and adequately protect the interests of the class." Fed. R. Civ. P. 23(a).

i. Numerosity

Numerosity is met if the class is so large that joinder of all members is impracticable. Fed. R. Civ. P. 23(a)(1); *Evon v. L. Offs. of Sidney Mickell*, 688 F.3d 1015, 1029 (9th Cir. 2012). No specific number is required, although there is a presumption that a class with more than 40 members is impracticable to require joinder. *Smith v. City of Oakland*, 339 F.R.D. 131, 138 (N.D. Cal. 2021); *Rannis v. Recchia*, 380 F. App'x 646, 651 (9th Cir. 2010).

Lead Plaintiffs represent that Edwards common stock was traded on the New York Stock Exchange, with approximately 600 million shares outstanding as of February 29, 2024. Mot. at 19. Courts "may infer that, when a corporation has millions of shares trading on a national exchange, more than 40 individuals purchased stock over the course of more than a year." *See, e.g.*, *In re Cooper Companies Inc. Sec. Litig.*, 254 F.R.D. 628, 634 (C.D. Cal. 2009) (noting that thousands of people likely purchased stock when more than 36 million shares of stock were outstanding). The Court concludes that the class is sufficiently numerous.

ii. Commonality

The commonality requirement is met if there are "questions of law and fact common to the class." Fed. R. Civ. P. 23(a). The "commonality" requirement of Rule 23(a)(2) is minimal and "only requires a single significant question of law or fact" common to putative class members. *Mazza v. Am. Honda Motor Co., Inc.*, 666 F.3d 581, 589 (9th Cir. 2012), *overruled in part on other grounds by Olean Wholesale Grocery Coop., Inc. v. Bumble Bee Foods LLC*, 31 F.4th 651, 682 n.31 (9th Cir. 2022). Commonality requires the plaintiff to demonstrate that the class members' claims depend upon a common contention that is "of such a nature that it is capable of classwide resolution—which means that determination of its truth or falsity will resolve an issue that is central to the validity of each one of the claims in one stroke." *Dukes*, 564 U.S. at 350; *see id.* ("What matters to class certification . . . is not the raising of common 'questions' . . . but, rather, the capacity of a classwide proceeding to generate common *answers* apt to drive the resolution of the litigation").

Lead Plaintiffs assert, and Defendants do not dispute, the following common questions of law and fact: (i) whether Defendants omitted or misrepresented material facts; (ii) whether Defendants acted with scienter; (iii) whether the price of Edwards common stock was artificially inflated or maintained during the Class Period; and (iv) whether Defendants' misrepresentations and omissions caused class members to suffer economic losses. Mot. at 20. In securities class actions, "commonality is easily met in cases where class members all bought or sold the same stock in reliance on the same disclosures made by the same parties, even if damages vary." *See, e.g.*, *In re Hot Topic, Inc. Sec. Litig.*, 2014 WL 12462472, at *4 (C.D. Cal. Nov. 3, 2014) (citation modified). As these questions apply to all class members who held Edwards stock during the relevant period, the Court finds there are questions of law and fact that are common to the class.

iii. Typicality

"[R]epresentative claims are 'typical' if they are reasonably co-extensive with those of absent class members; they need not be substantially identical." *DZ Rsrv.*, 96 F.4th at 1238. "A named plaintiff is not typical if 'there is a danger that absent class members will suffer if their representative is preoccupied with defenses unique to it.'" *Id.* (quoting *Hanon v. Dataproducts Corp.*, 976 F.2d 497, 508 (9th Cir. 1992)).

Lead Plaintiffs' claims arise from the same events and are based on the same legal theory as the claims of other Settlement Class Members. Mot. at 20. Courts have found typicality where, "like all members of the proposed Class, plaintiffs purchased [a defendant's] common stock during the Class Period and were allegedly damaged by the same misstatements and omissions" made by the defendants. *See, e.g.*, *In re Silver Wheaton Corp. Sec. Litig.*, 2017 WL 2039171, at *7 (C.D. Cal. May 11, 2017). The Court finds that Lead Plaintiffs' claims are typical of the class.

iv. Adequacy

"[A]dequacy of representation . . . requires that two questions be addressed: (a) do the named plaintiffs and their counsel have any conflicts of interest with other class members and (b) will the named plaintiffs and their counsel prosecute the action vigorously on behalf of the class?" *In re Mego Fin. Corp. Sec. Litig.,* 213 F.3d 454, 462 (9th Cir. 2000).

Lead Plaintiffs represent that their claims are coextensive with those of the Settlement Class and they have retained counsel experienced in securities class action litigation. Mot. at 21. The Court has no reason to believe that Lead Plaintiffs or their counsel have conflicts of interest or are unqualified to represent the class in this case, and therefore finds adequacy of representation.

2. Rule 23(b)(3)

Rule 23(b)(3) requires the court to find "the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy." Fed. R. Civ. P. 23(b)(3).

i. Predominance

The predominance inquiry "tests whether proposed classes are sufficiently cohesive to warrant adjudication by representation." *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 623 (1997). "When common questions present a significant aspect of the case and they can be resolved for all members of the class in a single adjudication, there is clear justification for handling the dispute on a representative rather than on an individual basis." *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1022 (9th Cir. 1998) (citation modified), *overruled on other grounds by Dukes*, 564 U.S. at 338.

Courts in similar cases have found that "common questions of law and fact related to misrepresentations and omissions in securities fraud suits could predominate over individual discrepancies between class members regarding reliance, loss causation, and damages." *See, e.g.*, *In re Cooper Companies Inc. Sec. Litig.*, 254 F.R.D. at 369 (citation omitted). The common questions of law and fact discussed above as to falsity, materiality, and scienter, *see supra* at III.A.1.ii, are class-wide questions that predominate over individual questions. *See, e.g.*, *LaFrano v. Loandepot, Inc.*, 2023 WL 12023569, at *5 (C.D. Cal. Dec. 8, 2023) (finding the predominance requirement satisfied by common questions including: "whether Defendants made false or misleading public statements; whether Defendants acted with scienter; and whether any misrepresentations inflated the market price for [Defendants'] shares"). The Court finds that common questions predominate over individual questions.

ii. Superiority

"Rule 23(b)(3) also requires that class resolution must be 'superior to other available methods for the fair and efficient adjudication of the controversy.'" *Hanlon*, 150 F.3d at 1023 (quoting Fed. R. Civ. P. 23(b)(3)). "The superiority inquiry under Rule 23(b)(3) requires determination of whether the objectives of the particular class action procedure will be achieved in the particular case." *Id.*

The alternative to a class action would be for individual members to file individual claims, which would not be economical for potential plaintiffs or the judicial system. *See Zinser v. Accufix Rsch. Inst., Inc.*, 253 F.3d 1180, 1190 (9th Cir.), *as amended on denial of reh'g*, 273 F.3d 1266 (9th Cir. 2001) ("Where damages suffered by each putative class member are not large, this factor weighs in favor of certifying a class action."). The Court finds the class format is superior.

Because each of the four requirements of Rule 23(a) and at least one of the requirements of Rule 23(b) are met, the Court provisionally certifies the proposed class for settlement purposes only.

B. Preliminary Approval of Proposed Class Settlement

A class action settlement must be "fair, reasonable, and adequate." Fed. R. Civ. P. 23(e)(2). To determine the fairness, adequacy, and reasonableness of the agreement, Rule 23(e) requires the court to consider four factors: "(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; and (D) the proposal treats class members equitably relative to each other." *Id.* In the Ninth Circuit, district courts consider additional factors from *Churchill Village, L.L.C. v. General Electric*, 361 F.3d 566 (9th Cir. 2004) ("*Churchill* factors"), many of which overlap with Rule 23(e)'s factors:

> (1) the strength of the plaintiff's case; (2) the risk, expense, complexity, and likely duration of further litigation; (3) the risk of maintaining class action status throughout the trial; (4) the amount offered in settlement; (5) the extent of discovery completed and the stage of the proceedings; (6) the experience and views of counsel; (7)

the presence of a governmental participant; and (8) the reaction of the class members of the proposed settlement.

In re Bluetooth Headset Prods. Liab. Litig., 654 F.3d 935, 946 (9th Cir. 2011) (citation modified).

Rule 23(e)(2)(C), amended in 2018, provides four additional factors for consideration:

(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).

Fed. R. Civ. P. 23(e)(2)(C); *see also Kim v. Allison*, 8 F.4th 1170, 1179 (9th Cir. 2021).

In addition to these factors, the Court must also confirm that the "settlement is not the product of collusion among the negotiating parties." *In re Bluetooth*, 654 F.3d at 946–47. The Ninth Circuit has identified three signs of potential collusion: (1) "when counsel receive a disproportionate distribution of the settlement"; (2) "when the parties negotiate a 'clear sailing' arrangement providing for the payment of attorneys' fees separate and apart from class funds"; and (3) "when the parties arrange for fees not awarded to revert to defendants rather than be added to the class fund." *Id.* at 947 (citation modified).

At the preliminary approval stage, "a full fairness analysis is unnecessary," *Alberto v. GMRI, Inc.*, 252 F.R.D. 652, 665 (E.D. Cal. 2008) (citation modified), and "the settlement need only be potentially fair," *Acosta v. Trans Union, LLC*, 243 F.R.D. 377, 386 (C.D. Cal. 2007). Preliminary approval is appropriate where "the proposed settlement appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class, and falls within the range of possible approval." *In re Tableware Antitrust Litig.*, 484 F. Supp. 2d 1078, 1079 (N.D. Cal. 2007) (citation modified). Whether a settlement agreement has been negotiated before a class has been certified or after, courts must also undertake an additional search for "subtle signs that class counsel have allowed pursuit of their own self-interests . . . to infect the negotiations." *Briseño v. Henderson*, 998 F.3d 1014, 1023 (9th Cir. 2021) (applying *In re Bluetooth*'s collusion factors to post-class certification settlement approvals).

1. **Collusion Factors**

i. Class Counsel Award

The Ninth Circuit has approved two methods for calculating a reasonable attorneys' fee: the lodestar method and the percentage-of-recovery method. *See In re Bluetooth*, 654 F.3d at 942. "[T]he choice between lodestar and percentage calculation depends on the circumstances, but . . . either method may . . . have its place in determining what would be reasonable compensation for creating a common fund." *Six (6) Mexican Workers v. Arizona Citrus Growers*, 904 F.2d 1301, 1311 (9th Cir. 1990) (quoting *Paul, Johnson, Alston & Hunt V. Graulty*, 886 F.2d 268, 272 (9th Cir. 1989)) (citation modified). Thus, "[u]nder Ninth Circuit law, the district court has discretion in common fund cases to choose either the percentage-of-the-fund or the lodestar method." *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1047 (9th Cir. 2002). "The district court abuses its discretion when it uses a mechanical or formulaic approach that results in an unreasonable reward." *Powers v. Eichen*, 229 F.3d 1249, 1256 (9th Cir. 2000). The district court's discretion to "choose which calculation method they use . . . must be exercised so as to achieve a reasonable result." *In re Bluetooth*, 654 F.3d at 942 (citing *In re Coordinated Pretrial Proceedings*, 109 F.3d 602, 607 (9th Cir. 1997)). "The benchmark percentage should be adjusted, or replaced by a lodestar calculation, when special circumstances indicate that the percentage recovery would be either too small or too large in light of the hours devoted to the case or other relevant factors." *Six (6) Mexican Workers*, 904 F.2d at 1311.

This Motion does not request the Court's approval of attorneys' fees but indicates that Lead Counsel will apply for attorneys' fees in an amount not to exceed 25 percent of the settlement and litigations expenses in an amount not to exceed $195,000. Mot. at 17; Settlement Agreement, Ex. A-1 at 17, Dkt. No. 100-1. The proposed attorneys' fees does not appear to indicate collusion, but the Court defers ruling on the appropriateness of the award. *See In re Easysaver Rewards Litig.*, 906 F.3d 747, 758 (9th Cir. 2018) (noting that the Ninth Circuit has "generally held" a fee award within 25 percent of the total recovery as a "benchmark" for "reasonable" fee award in a class action settlement).

ii. Clear-Sailing Provision

A settlement agreement contains a "clear-sailing arrangement" when "the defendant agrees not to challenge a request for an agreed-upon attorney's fee." *Briseño*, 998 F.3d at 1023. The Settlement Agreement does not include a "clear-sailing" provision, and therefore this factor does not indicate collusion. *See* Settlement Agreement ¶ 15 ("Lead Counsel's application for attorneys' fees and/or Litigation Expenses is not the subject of any agreement between Defendants and Lead Plaintiffs other than what is set forth in this Stipulation.").

iii. Reversion or Kicker

The Settlement Fund is non-reversionary, so this factor does not indicate collusion. Settlement Agreement ¶ 13 ("[N]o Defendant, other Released Defendants' Party, or any other person or entity that paid any portion of the Settlement Amount, shall have any right to the return of the Settlement Fund or any portion thereof for any reason whatsoever . . . .").

2. <u>Rule 23(e)</u>

i. Adequate Representation

The Court next considers whether "the class representatives and class counsel have adequately represented the class." Fed. R. Civ. P. 23(e)(2)(A). This analysis is "redundant of the requirements of Rule 23(a)(4)." *See, e.g.*, *Hudson v. Libre Tech., Inc.*, 2020 WL 2467060, at *5 (S.D. Cal. May 13, 2020) (quoting Rubenstein, 4 Newberg on Class Actions § 13:48 (5th ed.)); *see also In re GSE Bonds Antitrust Litig.*, 414 F. Supp. 3d 686, 701 (S.D.N.Y. 2019) (noting similarity of inquiry under Rule 23(a)(4) and Rule 23(e)(2)(A)). Because the Court has found that the proposed class satisfies Rule 23(a)(4) for purposes of provisional class certification, the adequacy factor under Rule 23(e)(2)(A) is also met. *See Hudson*, 2020 WL 2467060, at *5. This factor weighs in favor of approval.

ii. Arm's Length Negotiation

The Court must be satisfied that the settlement "appears to be the product of serious, informed, non-collusive negotiations." *In re Tableware Antitrust Litig.*, 484 F. Supp. 2d at 1079 (citation modified). Lead Counsel represents that the Settlement Agreement followed motion practice, extensive discovery, and settlement negotiations, including completion of mediation before a JAMS mediator in April 2026, during which the mediator made a recommendation of the settlement amount. Mot. at 6–7. Given the adversarial nature of the proceedings and the resolution via mediation, this factor weighs in favor of approval of the Motion. *See, e.g.*, *Lusk v. Five Guys Enters. LLC*, 2022 WL 4791923, at *9 (E.D. Cal. Sep. 30, 2022) ("The fact that the parties engaged in mediation and that the Settlement is based on a mediator's proposal further supports a finding that the settlement agreement is not the product of collusion."); *Loreto v. Gen. Dynamics Info. Tech., Inc.*, 2021 WL 3141208, at *4 (S.D. Cal. July 26, 2021) (noting that Rule 23(e)(2)(B) was likely satisfied where the settlement was "the result of an arm's length negotiation facilitated by an experienced mediator after the exchange of sufficient discovery.").

iii. Adequate Relief

Rule 23(e)(2)(C) requires that "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 [ ]; (iii) the terms of any proposed award of attorney's fees [ ]; and (iv) [any agreement made in connection with the proposal]." *See* Fed. R. Civ. P. 23(e)(2)(C), Fed. R. Civ. P. 23(e)(3).

a. <u>Costs, Risks, and Delays</u>

When assessing "costs, risks, and delay of trial and appeal," "courts in the Ninth Circuit evaluate the strength of the plaintiffs' case; the risk, expense, complexity, and likely duration of further litigation; [and] the risk of maintaining class action status throughout the trial." *See, e.g.*, *Baron v. HyreCar Inc.*, 2024 WL 3504234, at *7 (C.D. Cal. July 19, 2024) (citation modified) (quoting *Hanlon*, 150 F.3d at 1026); *see also Botonis v. Bimbo Bakeries USA, Inc.*, 2024 WL 100545, at *9 (E.D. Cal. Jan. 9, 2024) (describing how Plaintiffs detailed the potential difficulties they would face in proving specific claims). Courts often compare the defendant's total exposure to the amount offered in settlement. *See Rodriguez v. W. Publ'g Corp.*, 563 F.3d 948, 964 (9th Cir. 2009); *Grady v. RCM Techs., Inc.*, 671 F. Supp. 3d 1065, 1075 (C.D. Cal. 2023) ("To determine whether the amount offered in settlement is fair, district courts in the Ninth Circuit must compare the settlement amount to what the parties estimate would be the maximum recovery in a successful litigation.").

Lead Plaintiffs argue they would face substantial risk if this case proceeded to summary judgment or trial, given that Defendants have challenged multiple aspects of their claims, including Zovighian's scienter, the falsity of forward-looking statements, and the "loss causation" element. Mot. at 15–16. Based on the procedural history of this case, particularly the Court's granting in part of Defendants' Motion to Dismiss and subsequent discovery, the Court finds the parties have "sufficient information to make an informed decision about settlement." *See In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 459 (9th Cir. 2000). Lead Plaintiffs also represent that their damages consultant provided a preliminary estimate of the maximum class-wide damages possible if Lead Plaintiffs prevailed at all stages, which was $1.36 billion using a conservative estimate methodology and assuming no need to disaggregate any confounding information. Mot. at 15. Accordingly, the settlement amount represents approximately 2.8 percent of the maximum exposure. Considering the risk and expense of further litigation, the proposed settlement amount is comparable to settlement recoveries approved in other securities class actions. *See, e.g.*, *Baron v. HyreCar Inc.*, 2024 WL 3504234, at *8 (C.D. Cal. July 19, 2024) (granting preliminary approval of a settlement that reflected approximately two percent of the maximum damages amount in a securities fraud class action). This factor weighs in favor of approval.

b. <u>Proposed Distribution Method</u>

"Often it will be important for the court to scrutinize the method of claims processing to ensure that it facilitates filing legitimate claims." Fed. R. Civ. P. 23 Advisory Committee's Note to 2018 Amendment. "A claims processing method should deter or defeat unjustified claims, but the court should be alert to whether the claims process is unduly demanding." *Id.* "The purpose of developing a plan of allocation is to devise a method that permits the equitable distribution of limited settlement proceeds to eligible class members." *McHorney v. GameStop Corp.*, 2010 WL 11549399, at *4 (C.D. Cal. June 17, 2010).

The Settlement Agreement establishes a non-reversionary settlement fund by which Settlement Class Members may make a claim by submitting a valid and timely Claim Form to the Settlement Administrator, after which settlement payments will be distributed on a *pro rata* basis. Settlement Agreement ¶¶ 18–30. This pro rata distribution method "has frequently been determined to be fair, adequate, and reasonable." *See, e.g.*, *Hefler v. Wells Fargo & Co.*, 2018 WL 4207245, at *12 (N.D. Cal. Sept. 4, 2018); *Wang v. Dada Nexus Ltd.*, 2025 WL 1722997, at *6 (C.D. Cal. Mar. 14, 2025) (describing this distribution method as "standard in security class actions"). This factor weighs in favor of approval.

c. Terms of Proposed Award of Attorneys' Fees

As discussed above, the Court defers ruling on the appropriateness of the attorneys' fee award. *See supra* at III.B.1.i.

d. Other Agreements

In addition to the Settlement Agreement, the parties entered into a confidential Supplemental Agreement, which gives Defendants the right to terminate the Settlement if requests for exclusion exceed a threshold agreed to by Lead Plaintiffs and Defendants. Mot. at 7. Courts have recognized that the "existence of a termination option triggered by the number of class members who opt out of the Settlement does not by itself render the Settlement unfair." *See, e.g.*, *Hefler*, 2018 WL 4207245, at *11. "This type of agreement is common in securities fraud actions and does not weigh against approval of the settlement." *See, e.g.*, *Wang*, 2025 WL 1722997, at *6 (citation modified).

iv. Equitable Treatment of Class Members

Here, the Settlement Agreement offers no preferential treatment to Lead Plaintiffs or any Settlement Class Member. The Settlement Fund is distributed to all Class Members demonstrating a loss on their transactions in Edwards common stock related to the alleged fraud, based on the estimated amount of artificial inflation in the price of Edwards's stock during the Class Period related to the alleged misconduct. Mot. at 16. The "Recognized Loss Amount" is calculated based on when the claimant purchased and/or sold the eligible securities, whether the claimant held the securities through the statutory 90-day "look-back" period, and the value of the securities when the claimant purchased, sold, or held them, "which is standard procedure in these cases." Mot. at 17; Settlement Agreement, Ex. A-1, App. A ¶¶ 80–81; *see, e.g.*, *Wang*, 2025 WL 1722997, at *6. This factor weighs in favor of approval.

Considering each of the factors discussed above, the Court finds the proposed settlement fair, reasonable, and adequate. *See* Fed. R. Civ. P. 23(e)(2). The Court preliminary approves the Settlement Agreement.

III. CONCLUSION

For the foregoing reasons, the Court **GRANTS** the Motion. The Court additionally orders that:

- The proposed notice procedure is approved;
- Lead Counsel is authorized to retain Kroll Settlement Administration; and
- The following deadlines for the settlement approval process are approved:

EVENT	**DEADLINE**
Deadline to commence mailing the Notice and Claim Form to Settlement Class Members ("Notice Date")	15 business days after entry of the Preliminary Approval Order
Deadline for publishing the Summary Notice	10 business days after the Notice Date
Deadline for submitting Claim Forms	100 calendar days after the Notice Date
Deadline for requesting exclusion from the Settlement Class or filing an objection to the Settlement	100 calendar days after the Notice Date
Deadline for filing papers in support of final settlement approval, the Plan of Allocation, and the request for attorneys' fees and Litigation Expenses	35 calendar days before the date scheduled for the Settlement Hearing
Deadline for filing reply papers	7 calendar days before the date scheduled for the Settlement Hearing
Settlement Hearing	Wednesday, December 16, 2026, at 1:30 p.m.

IT IS SO ORDERED.