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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **WESTERN DIVISION**

11 IN RE MATTEL, INC. SECURITIES
12 LITIGATION

Case No. 2:19-cv-10860-MCS-PLA

13 ~~PROPOSED~~ JUDGMENT
14 APPROVING CLASS ACTION
15 SETTLEMENT
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~~PROPOSED~~ JUDGMENT APPROVING CLASS
ACTION SETTLEMENT
Case No. 2:19-cv-10860-MCS-PLA

1 WHEREAS, a securities class action is pending in this Court entitled *In re*
2 *Mattel, Inc. Securities Litigation*, Case No. 2:19-cv-10860-MCS-PLA (the
3 “Action”);

4 WHEREAS, on October 6, 2021, the Court issued an Order certifying a class
5 consisting of all persons and entities who purchased or otherwise acquired the
6 common stock of Mattel from August 2, 2017 to August 8, 2019, inclusive, and who
7 were damaged thereby (the “Class”). The Court also certified a subclass (the “PwC
8 Subclass”) consisting of all persons and entities who purchased or otherwise
9 acquired the common stock of Mattel from February 27, 2018 to August 8, 2019,
10 inclusive, and who were damaged thereby;¹

11 WHEREAS, (a) DeKalb County Employees Retirement System and New
12 Orleans Employees’ Retirement System (together, “Lead Plaintiffs”), on behalf of
13 themselves and the Class; and (b) Defendants Mattel, Inc. (“Mattel” or the
14 “Company”), Margaret H. Georgiadis, Joseph J. Euteneuer, and Kevin Farr
15 (collectively, with Mattel, the “Mattel Defendants”), PricewaterhouseCoopers LLP
16 (“PwC”), and Joshua Abrahams (collectively with the Mattel Defendants and PwC,
17 “Defendants”) have entered into a Stipulation and Agreement of Settlement dated
18 November 23, 2021 (the “Stipulation”), that provides for a complete dismissal with
19 prejudice of the claims asserted in the Action on the terms and conditions set forth
20 in the Stipulation, subject to the approval of this Court (the “Settlement”);
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23 ¹ Excluded from the Class and PwC Subclass are Defendants Mattel, Inc., Margaret
24 H. Georgiadis, Joseph J. Euteneuer, Kevin Farr, PricewaterhouseCoopers LLP, and
25 Joshua Abrahams; the officers, directors, and affiliates of Defendants; members of
26 Defendants’ Immediate Families and their legal representatives, heirs, successors or
27 assigns; and any entity in which Defendants have or had a controlling interest. Also
28 excluded from the Class and PwC Subclass are the persons or entities listed on
Exhibit 1 hereto, who or which are excluded pursuant to request.

1 WHEREAS, unless otherwise defined in this Judgment, the capitalized terms
2 herein shall have the same meaning as they have in the Stipulation;

3 WHEREAS, by Order dated January 18, 2022 (the “Preliminary Approval
4 Order”), this Court: (a) found, pursuant to Rule 23(e)(1)(B), that it would likely be
5 able to approve the Settlement as fair, reasonable, and adequate under Rule 23(e)(2);
6 (b) ordered that notice of the proposed Settlement be provided to potential Class
7 Members; (c) provided Class Members with the opportunity either to exclude
8 themselves from the Class or to object to the proposed Settlement; and (d) scheduled
9 a hearing regarding final approval of the Settlement;

10 WHEREAS, due and adequate notice has been given to the Settlement Class;

11 WHEREAS, the Court conducted a hearing on May 2, 2022 (the “Settlement
12 Hearing”) to consider, among other things, (a) whether the terms and conditions of
13 the Settlement are fair, reasonable, and adequate to the Class, and should therefore
14 be approved; and (b) whether a judgment should be entered dismissing the Action
15 with prejudice as against the Defendants; and

16 WHEREAS, the Court having reviewed and considered the Stipulation, all
17 papers filed and proceedings held herein in connection with the Settlement, all oral
18 and written comments received regarding the Settlement, and the record in the
19 Action, and good cause appearing therefor;

20 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

21 1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the
22 Action, and all matters relating to the Settlement, as well as personal jurisdiction
23 over all of the Parties and each of the Class Members.

24 2. **Incorporation of Settlement Documents** – This Judgment
25 incorporates and makes a part hereof: (a) the Stipulation filed with the Court on
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1 November 24, 2021; and (b) the Notice and the Summary Notice, both of which
2 were filed with the Court on March 28, 2022.

3 3. **Notice** – The Court finds that the dissemination of the Notice and the
4 publication of the Summary Notice: (a) were implemented in accordance with the
5 Preliminary Approval Order; (b) constituted the best notice practicable under the
6 circumstances; (c) constituted notice that was reasonably calculated, under the
7 circumstances, to apprise Class Members of (i) the pendency of the Action; (ii) the
8 effect of the proposed Settlement (including the Releases to be provided thereunder);
9 (iii) Lead Counsel’s motion for attorneys’ fees and Litigation Expenses; (iv) their
10 right to object to any aspect of the Settlement, the Plan of Allocation and/or Lead
11 Counsel’s motion for attorneys’ fees and Litigation Expenses; (v) their right to
12 exclude themselves from the Class; and (vi) their right to appear at the Settlement
13 Hearing; (d) constituted due, adequate, and sufficient notice to all persons and
14 entities entitled to receive notice of the proposed Settlement; and (e) satisfied the
15 requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States
16 Constitution (including the Due Process Clause), the Private Securities Litigation
17 Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable laws
18 and rules. The Court further finds that the notice requirements set forth in the Class
19 Action Fairness Act of 2005, 28 U.S.C. § 1715, have been satisfied.

20 4. **Final Settlement Approval and Dismissal of Claims** – Pursuant to,
21 and in accordance with, Rule 23(e)(2) of the Federal Rules of Civil Procedure, this
22 Court hereby fully and finally approves the Settlement set forth in the Stipulation in
23 all respects (including, without limitation, the amount of the Settlement, the Releases
24 provided for therein, and the dismissal with prejudice of the claims asserted against
25 Defendants in the Action), and finds that the Settlement is, in all respects, fair,
26 reasonable and adequate to the Class and PwC Subclass. Specifically, the Court
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finds that (a) Lead Plaintiffs and Lead Counsel have adequately represented the Class and PwC Subclass; (b) the Settlement was negotiated by the Parties at arm's length; (c) the relief provided under the Settlement is adequate taking into account the costs, risks, and delay of trial and appeal, the proposed means of distributing the Settlement Fund to the Class, and the proposed attorneys' fee award; and (d) the Settlement treats members of the Class equitably relative to each other. The Parties are directed to implement, perform, and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

5. The Action and all of the claims asserted against Defendants in the Action by Lead Plaintiffs and the other Class Members are hereby dismissed with prejudice as to all Defendants. The Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

6. **Binding Effect** – The terms of the Stipulation and of this Judgment shall be forever binding on Defendants, Lead Plaintiffs, and all other Class Members (regardless of whether or not any individual Class Member submits a Claim Form or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective successors and assigns. The persons and entities listed on Exhibit 1 hereto are excluded from the Class pursuant to request and are not bound by the terms of the Stipulation or this Judgment.

7. **Releases** – The Releases set forth in paragraphs 4 and 5 of the Stipulation, together with the definitions contained in paragraph 1 of the Stipulation relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date. Accordingly, this Court orders that:

(a) Without further action by anyone, and subject to paragraph 8 below, upon the Effective Date of the Settlement, Lead Plaintiffs and each of the other Class Members, on behalf of themselves, and their respective heirs,

1 executors, administrators, predecessors, successors, and assigns, in their
 2 capacities as such, shall be deemed to have, and by operation of law and of
 3 the judgment shall have, fully, finally, and forever compromised, settled,
 4 released, resolved, relinquished, waived, and discharged each and every
 5 Released Plaintiffs' Claim against Defendants and the other Defendants'
 6 Releasees, and shall forever be barred and enjoined from prosecuting any or
 7 all of the Released Plaintiffs' Claims against any of the Defendants'
 8 Releasees.

9 (b) Without further action by anyone, and subject to paragraph 8
 10 below, upon the Effective Date of the Settlement, Defendants, on behalf of
 11 themselves, and their respective heirs, executors, administrators,
 12 predecessors, successors, and assigns, in their capacities as such, shall be
 13 deemed to have, and by operation of law and of the judgment shall have, fully,
 14 finally, and forever compromised, settled, released, resolved, relinquished,
 15 waived, and discharged each and every Released Defendants' Claim against
 16 Lead Plaintiffs and the other Plaintiffs' Releasees, and shall forever be barred
 17 and enjoined from prosecuting any or all of the Released Defendants' Claims
 18 against any of the Plaintiffs' Releasees. This Release shall not apply to any
 19 person or entity listed on Exhibit 1 hereto.

20 8. Notwithstanding paragraphs 7(a) – (b) above, nothing in this Judgment
 21 shall bar any action by any of the Parties to enforce or effectuate the terms of the
 22 Stipulation or this Judgment.

23 9. **Rule 11 Findings** – The Court finds and concludes that the Parties and
 24 their respective counsel have complied in all respects with the requirements of Rule
 25 11 of the Federal Rules of Civil Procedure in connection with the institution,
 26 prosecution, defense, and settlement of the Action.

1 10. **No Admissions** – Neither this Judgment, the Term Sheet, the
 2 Stipulation, including the exhibits thereto and the Plan of Allocation contained
 3 therein (or any other plan of allocation that may be approved by the Court), the
 4 negotiations leading to the execution of the Term Sheet and the Stipulation, nor any
 5 proceedings taken pursuant to or in connection with the Term Sheet and the
 6 Stipulation, or the approval of the Settlement (including any arguments proffered in
 7 connection therewith):

8 (a) shall be offered against any of the Defendants' Releasees as
 9 evidence of, or construed as, or deemed to be evidence of any presumption,
 10 concession, or admission by any of the Defendants' Releasees with respect to
 11 the truth of any fact alleged by Lead Plaintiffs or the validity of any claim that
 12 was, could have been, or could in the future be asserted or the deficiency of
 13 any defense that has been, could have been, or could in the future be asserted
 14 in this Action or in any other litigation, or of any liability, negligence, fault,
 15 or other wrongdoing of any kind of any of the Defendants' Releasees or in
 16 any way referred to for any other reason as against any of the Defendants'
 17 Releasees, in any civil, criminal, arbitration, or administrative action or
 18 proceeding, other than such proceedings as may be necessary to effectuate the
 19 provisions of the Stipulation;

20 (b) shall be offered against any of the Plaintiffs' Releasees, as
 21 evidence of, or construed as, or deemed to be evidence of any presumption,
 22 concession, or admission by any of the Plaintiffs' Releasees that any of their
 23 claims are without merit, that any of the Defendants' Releasees had
 24 meritorious defenses, or that damages recoverable under the Complaint would
 25 not have exceeded the Settlement Amount or with respect to any liability,
 26 negligence, fault, or wrongdoing of any kind, or in any way referred to for any
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1 other reason as against any of the Plaintiffs' Releasees, in any civil, criminal,
 2 arbitration, or administrative action or proceeding, other than such
 3 proceedings as may be necessary to effectuate the provisions of this
 4 Stipulation; or

5 (c) shall be construed against any of the Releasees as an admission,
 6 concession, or presumption that the consideration to be given hereunder
 7 represents the amount which could be or would have been recovered after
 8 trial;

9 *provided, however*, that the Parties and the Releasees and their respective counsel
 10 may refer to this Judgment and the Stipulation to effectuate the protections from
 11 liability granted hereunder and thereunder or otherwise to enforce the terms of the
 12 Settlement.

13 11. **Bar Order** – The Court hereby enters a bar order consistent with the
 14 full extent of the Private Securities Litigation Reform Act ("PSLRA"), 15 U.S.C.
 15 § 78u-4(f)(7)(A), barring all future claims for contribution or indemnity (or any
 16 other claim or claim-over, however denominated on whatsoever theory, for which
 17 the injury claimed is that person's or entity's alleged liability to Lead Plaintiffs or
 18 Class Members) among and against Lead Plaintiffs, any and all Class Members, and
 19 the Defendants' Releasees arising out of the Action and Released Claims ("Bar
 20 Order"), provided, however, that the Bar Order shall not preclude either (i)
 21 Defendants' Releasees from seeking to enforce any rights they may have under any
 22 applicable insurance policies, or (ii) any right of indemnification or contribution that
 23 the Individual Defendants may have under contract or otherwise.

24 12. **Retention of Jurisdiction** – Without affecting the finality of this
 25 Judgment in any way, this Court retains continuing and exclusive jurisdiction over:
 26 (a) the Parties for purposes of the administration, interpretation, implementation, and
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1 enforcement of the Settlement, including enforcement of the permanent injunctions
 2 included therein; (b) the disposition of the Settlement Fund; (c) any motion for an
 3 award of attorneys' fees and/or Litigation Expenses by Lead Counsel in the Action
 4 that will be paid from the Settlement Fund; (d) any motion to approve the Plan of
 5 Allocation; (e) any motion to approve the Class Distribution Order; and (f) the Class
 6 Members for all matters relating to the Action.

7 13. Separate orders shall be entered regarding approval of a plan of
 8 allocation and the motion of Lead Counsel for attorneys' fees and Litigation
 9 Expenses. Such orders shall in no way affect or delay the finality of this Judgment
 10 and shall not affect or delay the Effective Date of the Settlement.

11 14. **Modification of the Agreement of Settlement** – Without further
 12 approval from the Court, Lead Plaintiffs and Defendants are hereby authorized to
 13 agree to and adopt such amendments or modifications of the Stipulation or any
 14 exhibits attached thereto to effectuate the Settlement that: (a) are not materially
 15 inconsistent with this Judgment; and (b) do not materially limit the rights of Class
 16 Members in connection with the Settlement. Without further order of the Court,
 17 Lead Plaintiffs and Defendants may agree to reasonable extensions of time to carry
 18 out any provisions of the Settlement.

19 15. **Termination of Settlement** – If the Settlement is terminated as
 20 provided in the Stipulation or the Effective Date of the Settlement otherwise fails to
 21 occur, this Judgment shall be vacated, rendered null and void, and be of no further
 22 force and effect, except as otherwise provided by the Stipulation, and this Judgment
 23 shall be without prejudice to the rights of Lead Plaintiffs, the other Class Members,
 24 and Defendants, and the Parties shall revert to their respective positions in the Action
 25 immediately prior to the execution of the Term Sheet on October 28, 2021, as
 26 provided in the Stipulation.

Mark C. Scarisi

~~[PROPOSED]~~ JUDGMENT APPROVING CLASS
ACTION SETTLEMENT
Case No. 2:19-cv-10860-MCS-PLA

Exhibit 1

1. Carollee E. Brue
Brodheads ville, PA
2. Barbara Buchanan
Etowah, NC
3. Emily M. Clayton, Trustee
Bosque Farms, NM
4. Bruce A. Dauzat
Leesville, LA
5. Roger D. Deminna
Salem, OR
6. Cynthia A. Hach
Mazomanie, WI
7. Steven J. Hermsen
Hudson, WI
8. James J. Loftus & Maryann Loftus Trust 10/23/2015
Loftus Living Trust
Bowie, MD
9. Julio A. Lopez
Pembroke Pines, FL
10. Estate of Linda Susan Luckjohn
by Larry L. Luckjohn
Jackson, WI
11. Charles L. Kersey
Las Vegas, NV
12. Joshua S. Mayer
Colorado Springs, CO