UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF PENNSYLVANIA

In re EQT Corporation Securities Litigation	Case No. 2:19-cv-00754-RJC

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

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Lead Plaintiffs Government of Guam Retirement Fund ("Guam"), Eastern Atlantic States Carpenters Annuity Fund (f/k/a Northeast Carpenters Annuity Fund), and Eastern Atlantic States Carpenters Pension Fund (f/k/a Northeast Carpenters Pension Fund) (collectively, "EAS Carpenters," and, together with Guam, "Lead Plaintiffs"), and additional Plaintiff Cambridge Retirement System ("Cambridge Retirement" and, collectively with Lead Plaintiffs, "Plaintiffs"), on behalf of themselves and the Class, respectfully submit this memorandum of law in support of their motion for final approval of the proposed class action settlement (the "Settlement") and approval of the proposed Plan of Allocation for the settlement funds.[1]

I. INTRODUCTION

Following more than six years of hard-fought litigation, Plaintiffs have negotiated a favorable $167.5 million Settlement to resolve this Action in its entirety. As detailed herein, the Settlement not only eliminates the risks of continued litigation—including overcoming Defendants' pre-trial challenges to Plaintiffs' experts and loss causation theory and obtaining a favorable trial judgment on liability and damages, as well as the uncertainty, further delay, and expense of litigating the Action through trial and post-trial appeals—but it also recovers an above-average percentage of Class Members' damages. The Settlement is (by far) the largest securities class action recovery ever in the history of this District and the 14th largest in the history of the Third Circuit. The Settlement is the result of extensive negotiation by well-informed counsel, culminating in a mediator's proposal that was ultimately accepted by all Parties.

[1] Unless otherwise stated or defined, all capitalized terms used herein have the meanings provided in the Stipulation and Agreement of Settlement dated June 25, 2025 (ECF No. 549) ("Stipulation"), and the Joint Declaration of Adam H. Wierzbowski and S. Douglas Bunch in Support of (I) Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation; and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses ("Joint Declaration") filed herewith. All references to "¶" are to the numbered paragraphs of the Joint Declaration. Citations to "¶__" herein refer to paragraphs in the Joint Declaration and citations to "Ex. __" herein refer to exhibits to the Joint Declaration.

As detailed herein, the Settlement took place after comprehensive discovery, in which over seven million pages of documents were produced. It also took place after the parties took or defended 28 fact witnesses' depositions, exchanged numerous expert reports, took or defended 17 depositions of 9 experts, and fully briefed summary judgment and *Daubert* motions. As a result, Plaintiffs and Lead Counsel fully understood the strengths and weaknesses of the Class's claims at the time of Settlement.

The Settlement represents a highly favorable recovery under any assessment, but it is particularly strong in light of the risks of continuing litigation to trial and on any appeal. Plaintiffs believe that their claims are meritorious and supported by evidence developed during discovery, but they also recognized that the claims faced substantial risks, including with respect to loss causation and damages. Plaintiffs expect that Defendants would have marshalled a number of arguments at trial to attempt to dramatically reduce, if not eliminate, Plaintiffs' estimated damages. Defendants would have argued, for example, that Plaintiffs' damages estimate should be discounted to account for so-called "negative" causation, *i.e.*, the amount by which the decline in EQT's stock price was due to factors other than the alleged fraud. Similarly, Defendants would have argued that multi-day windows following certain of Plaintiffs' alleged corrective disclosures were inappropriate.

Accordingly, absent the Settlement, there was a very real risk that after trial and appeals, Class Members might recover less than the Settlement, or nothing at all. The Settlement avoids this uncertainty, as well as the delay and expense of continued litigation, while providing a substantial and immediate benefit to the Class. Moreover, the Settlement is not a "claims-made" or reversionary settlement. Rather, all Settlement proceeds, after deducting Court-approved fees and costs, will be distributed to Class Members who submit valid Claims. Because the Settlement

easily satisfies the factors set forth in Rule 23(e)(2) and *Girsh v. Jepson*, 521 F.2d 153 (3d Cir. 1975), for approving class action settlements, and because the Plan of Allocation treats Class Members equitably and ensures that each Authorized Claimant will receive a *pro rata* share of the proceeds from the Settlement, Plaintiffs respectfully request that the Court grant final approval of the proposed Settlement, including the Plan of Allocation.

II. THE SETTLEMENT WARRANTS FINAL APPROVAL

Rule 23(e)(2) requires judicial approval of any class action settlement. Whether to grant such approval lies within the district court's discretion. *See In re Warfarin Sodium Antitrust Litig.*, 391 F.3d 516, 535 (3d Cir. 2004). This Circuit also has a strong judicial policy favoring settlement, which "is especially strong 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, 595 (3d Cir. 2010); *see also McDonough v. Horizon Blue Cross Blue Shield of N.J.*, 641 F. App'x 146, 150 (3d Cir. 2015) (noting "overriding public interest in settling class action litigation").

Under Rule 23(e)(2), the Court should approve a proposed class action settlement if it finds it to be "fair, reasonable, and adequate." *See also In re NFL Players Concussion Injury Litig.*, 821 F.3d 410, 436 (3d Cir. 2016). 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.[2]

In addition, courts in this Circuit have long considered the factors enumerated in *Girsh v. Jepson* in deciding whether to approve a class action 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) (ellipses in original); *In re Wilmington Tr. Sec. Litig.*, 2018 WL 6046452, at *4 (D. Del. Nov. 19, 2018). "These factors are a guide and the absence of one or more does not automatically render the settlement unfair." *In re Valeant Pharms. Int'l Sec. Litig.*, 2020 WL 3166456, at *7 (D.N.J. June 15, 2020). The Third Circuit also advises courts to consider, where applicable, the additional factors set forth in *In re Prudential Ins. Co. Am. Sales Prac. Litig. Agent Actions*, 148 F.3d 283 (3d Cir. 1998). All of these factors, to the extent they apply, favor approval.

A. Plaintiffs and Lead Counsel Have Adequately Represented the Class Through Their Litigation Efforts, Including Extensive Discovery

The first Rule 23(e)(2) factor—whether Plaintiffs and Lead Counsel "have adequately represented the class"—favors approval of the Settlement. This determination "primarily examines two matters: the interests and incentives of the class representatives, and the experience

[2] The Advisory Committee Notes to the 2018 amendments to Rule 23 explain that the four Rule 23(e)(2) factors are not intended to "displace" any factor previously adopted by the courts, but "rather to focus the court and the lawyers on the core concerns of procedure and substance that should guide the decision whether to approve the proposal." Fed. R. Civ. P. 23(e)(2) Advisory Committee's Note to 2018 Amendment. Accordingly, Plaintiffs address the fairness, reasonableness, and adequacy of the Settlement principally in relation to the four Rule 23(e)(2) factors, but also discuss the application of the non-duplicative factors articulated by the Third Circuit in *Girsh* and *Prudential*.

and performance of class counsel." *In re Cmty. Bank of N. Va. Mortg. Lending Pracs. Litig.*, 795 F.3d 380, 392 (3d Cir. 2015). The adequacy inquiry overlaps with the third *Girsh* factor, which covers the stage of the proceedings and the amount of discovery completed. *See Girsh*, 521 F.2d at 157; *Prudential*, 148 F.3d at 323.

This Court previously determined that Plaintiffs and Lead Counsel satisfied Rule 23's adequacy requirement. ECF Nos. 256-257. Their vigorous representation of Class Members in this litigation confirms that finding to be correct. Among other things, Plaintiffs and Lead Counsel: (a) conducted an extensive investigation into the alleged fraud, including interviewing dozens of former employees of EQT and other industry participants; (b) drafted a detailed amended complaint based on this extensive investigation; (c) successfully opposed Defendants' motion to dismiss the Complaint through extensive briefing; (d) conducted wide-ranging fact and expert discovery, including reviewing over seven million pages of documents obtained from Defendants and third parties, locating and producing over 80,000 pages of documents in response to Defendants' document requests, and taking or defending a total of 53 depositions, including 28 fact depositions, 17 expert depositions at the merits stage, and 8 depositions at the class certification stage; (e) successfully moved for class certification, and opposed Defendants' Rule 23(f) petition; (f) worked extensively with experts in the areas of loss causation and damages, natural gas drilling, the oil and gas industry, due diligence, and investment banking; (g) opposed Defendants' motion for summary judgment and Defendants' four *Daubert* motions; (h) affirmatively moved for partial summary judgment and filed five *Daubert* motions to exclude certain opinions and testimony from Defendants' proposed experts; and (i) participated in lengthy arm's-length settlement negotiations, including three mediation sessions, each of which included the preparation and exchange of detailed mediation statements. ¶¶ 3, 11-64.

At each of these stages, Plaintiffs diligently supervised and provided meaningful direction and assistance to Lead Counsel. Plaintiffs' efforts included, *inter alia*, communicating regularly with Lead Counsel about case developments and strategy, reviewing and commenting on court filings and other material documents, responding to Defendants' discovery requests, including by reviewing and verifying interrogatory responses and searching for and producing responsive documents, preparing for and providing testimony at depositions, assessing the settlement negotiations, and analyzing the proposed Settlement. *See* Exs. 1-3 to Joint Declaration. In addition, Plaintiffs have no interests antagonistic to the Class and share claims in common with Class Members. *See Utah Ret. Sys. v. Healthcare Servs. Grp., Inc.*, 2022 WL 118104, at *4 (E.D. Pa. Jan 12, 2022) ("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: they share the same interest in holding Defendants accountable for their alleged misconduct.").

Plaintiffs also demonstrated their adequacy by retaining highly competent lawyers experienced in prosecuting complex securities class actions. Lead Counsel Cohen Milstein Sellers & Toll PLLC ("Cohen Milstein") and Bernstein Litowitz Berger & Grossmann LLP ("BLB&G") have each successfully prosecuted hundreds of securities class actions on behalf of damaged investors in courts throughout the country. *See, e.g., In re Datatec Sys., Inc. Sec. Litig.*, 2007 WL 4225828, at *7 (D.N.J. Nov. 28, 2007) (recognizing Cohen Milstein as "highly skilled attorneys with experience in securities class action litigation"); *Roofer's Pension Fund v. Papa*, 333 F.R.D. 66, 76 (D.N.J. 2019) (finding BLB&G "qualified to represent the Classes"). The two firms also have substantial experience in successfully prosecuting securities class actions together, including in *In re Wells Fargo & Co. Sec. Litig.*, No. 1:20-cv-04494-JLR-SN (S.D.N.Y.), which resulted in a recovery of $1 billion for investors; and in *In re Bear Stearns Mortg. Pass-Through Certificates*

Litig., No. 1:08-cv-08093-LTS-KNF (S.D.N.Y.), which resulted in a recovery of $500 million for investors.

Lead Counsel vigorously pursued the Class's claims for many years and negotiated a favorable Settlement through extensive negotiations. "[C]ourts in this Circuit traditionally attribute significant weight to the belief of experienced counsel that settlement is in the best interest of the class." *Alves v. Main*, 2012 WL 6043272, at *22 (D.N.J. Dec. 4, 2012), *aff'd*, 559 F. App'x 151 (3d Cir. 2014).

B. The Parties Negotiated the Settlement at Arm's Length after Extensive Discovery

The second factor under Rule 23(e)(2) considers whether the Settlement was negotiated at arm's length. *See* Rule 23(e)(2)(B). A presumption of fairness attaches where, as here, the Parties engaged in arm's-length negotiations following years of litigation that included extensive discovery and consultation with an expert. *See, e.g.*, *NFL*, 821 F.3d at 436; *Warfarin*, 391 F.3d at 535, 537. This presumption is further supported where a neutral mediator is involved, because the "participation of an independent mediator in settlement negotiations virtually insures that the negotiations were conducted at arm's length and without collusion between the parties." *Alves*, 2012 WL 6043272, at *22.

Here, settlement negotiations were prolonged and intense. The Parties participated in three separate mediation sessions before two different private mediators. ¶¶ 60-62. First, in March 2021, the Parties participated in an initial Court-ordered mediation before former U.S. District Judge Layn R. Phillips. ¶ 60. Subsequently, in June 2024 and May 2025, the Parties participated in two mediation sessions before Mr. Jed Melnick of JAMS. ¶¶ 61-62. It was only after extensive negotiations that the Parties agreed to accept Mr. Melnick's mediator's recommendation to settle the case for $167,500,000. ¶ 62.

When a settlement results from arm's-length negotiations, the assessment by experienced counsel that a settlement is in the best interest of the class is entitled to "considerable weight." *In re Viropharma Inc. Sec. Litig.*, 2016 WL 312108, at *11 (E.D. Pa. Jan. 25, 2016) (courts "'afford[] considerable weight to the views of experienced counsel regarding the merits of the settlement'"); *In re Nat'l Football League Players' Concussion Inj. Litig.*, 307 F.R.D. 351, 387 (E.D. Pa. 2015) ("'A presumption of correctness is said to attach to a class settlement reached in arms-length negotiations between experienced, capable counsel after meaningful discovery.'"), *amended*, 2015 WL 12827803 (E.D. Pa. May 8, 2015), *aff'd*, 821 F.3d 410 (3d Cir. 2016). This flows from the principle that "a settlement represents the result of a process by which opposing parties attempt to weigh and balance the factual and legal issues that neither side chooses to risk taking to final resolution." *Fulton-Green v. Accolade, Inc.*, 2019 WL 4677954, at *9 (E.D. Pa. Sept. 24, 2019). Based on their experience and knowledge of this case, Lead Counsel believe that the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members. ¶¶ 4, 81.

Rule 23(e)(2) and *Girsh* also consider the amount of discovery completed at the time of settlement, because that is an objective measure of how informed the parties are as to the strengths and weaknesses of their case. At the time of the Settlement, there can be no doubt that Plaintiffs and Lead Counsel had completed extensive discovery and were well-informed. As noted above, the Parties had completed all fact and expert discovery, during which Plaintiffs had obtained and reviewed over seven million pages of documents, thoroughly researched the legal bases for their claims and the defenses asserted by Defendants, taken or defended 53 depositions, and worked with experts who prepared eight expert reports. ¶¶ 3, 25-39, 52-55. As a result, Plaintiffs and Lead Counsel understood the strengths and risks of the case when they agreed to settle. *See* 4 NEWBERG AND RUBENSTEIN ON CLASS ACTIONS § 13:49 (6th ed. 2023) (approval warranted

"[w]here a court can conclude that the parties had sufficient information to make an informed decision about settlement").

C. The Settlement Provides Adequate Relief Considering the Risks, Costs, and Delay of Trial and Appeal

Several of the *Girsh* factors and Rule 23(e)(2)(C) involve "a substantive review of the terms of the proposed settlement" and the "relief that the settlement is expected to provide to" Class Members. *See* Fed. R. Civ. P. 23(e)(2)(C). Because the Settlement here provides a strong recovery relative to the risks, costs, and delay of continued litigation, these factors favor approval.

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

Rule 23(e)(2)(C)(i) and the first *Girsh* factor look to "the complexity, expense and likely duration of the litigation." *Girsh*, 521 F.2d at 157. This factor is intended to "capture the 'probable costs, in both time and money, of continued litigation.'" *In re ViroPharma Inc. Sec. Litig.*, 2016 WL 312108, at *9 (E.D. Pa. Jan. 25, 2016). To assess this factor, the Court weighs the value of an immediate guaranteed settlement against the challenges that remain in proceeding with the litigation. *Kanefsky v. Honeywell Int'l Inc.*, 2022 WL 1320827, at *5 (D.N.J. May 3, 2022); *see also Beltran v. SOS Ltd.*, 2023 WL 319895, at *4 (D.N.J. Jan. 3, 2023), *report & recommendation adopted*, 2023 WL 316294 (D.N.J. Jan. 19, 2023) (finding that securities cases are "notably complex, lengthy, and expensive … to litigate").

This case has been pending since 2019, and Class Members still face substantial hurdles, costs, and delay to recovery absent the Settlement. Motions to exclude the testimony of each of Plaintiffs' trial experts were pending at the time the Parties reached the proposed Settlement, as were both Plaintiffs' and Defendants' motions for summary judgment. ¶ 77. To the extent Plaintiffs' claims survived, Plaintiffs would face an uncertain and costly trial, followed by appeals. As explained below, the Settlement is more than adequate in the face of those obstacles.

2. Risks and Costs of Establishing Liability and Damages

In assessing a settlement, a court should also consider "the risks of establishing liability," "the risks of establishing damages," and "the risks of maintaining the class action through the trial." *Girsh*, 521 F.2d at 157. "These [*Girsh*] factors balance the likelihood of success and the potential damage award if the case were taken to trial against the benefits of immediate settlement." *Wilmington Tr.*, 2018 WL 6046452, at *5. *See also* Fed. R. Civ. P. 23(e)(2)(C)(i) (court should consider whether "the relief provided for the class is adequate, taking into account . . . the . . .risks, . . . of trial and appeal").

Plaintiffs and Lead Counsel believe that their remaining case was strong but acknowledge that there were substantial risks to establishing liability and damages. Notably, Plaintiffs recognize that there were significant challenges in proving that Defendants' statements were materially false and misleading when made. As they have throughout the litigation, Defendants would continue to assert that their statements were accurate when made, including their statements that they expected that the combined company would have sufficient acreage to drill 1,200 new wells at an average lateral length of 12,000 feet, and that EQT would realize $2.5 billion in synergies, including $1.9 billion in "capital efficiencies" and $0.6 billion in general and administrative synergies. ¶ 70. Defendants would also likely continue to argue that their statements concerning 1,200 wells at a 12,000-foot average lateral length merely referred to the combined company's potential undeveloped well inventory, and was not a commitment to actually drilling 1,200 wells at an average lateral length of 12,000 feet. *Id.* Defendants would also continue to argue that the challenged synergy projections were based on financially sound models that were the result of a thorough, iterative process. *Id.* Defendants would also continue to argue that the challenged synergies projections were statements of opinion and/or forward-looking statements that were accompanied by appropriate cautionary language. *Id.* In addition, Defendants would have argued

that their drilling record subsequent to the closing of the Acquisition demonstrated that EQT was, in fact, drilling large numbers of long-lateral wells, and that their average lateral length had exceeded 12,000 feet. ¶ 71.

Plaintiffs faced additional challenges associated with proving scienter. Defendants maintained that they each reasonably believed that their statements were truthful and not misleading. ¶ 72. Defendants would contend that the synergies and drilling claims were generated by a thorough review done by "a cross-functional team of experts," and that the Individual Defendants had reasonably relied on those experts in making their statements. *Id.* Defendants would also argue that the circumstantial evidence of purported scienter identified by Plaintiffs concerned non-final analyses conducted as part of an iterative process of diligence, and that the final analyses supported the claimed synergies and drilling goals. *Id.*

Defendants would also continue to argue that they had no motive to commit fraud and that Plaintiffs' theory of motive was implausible. ¶ 73. Defendants argued that they had no motivation to misrepresent the potential synergies of the Acquisition if the truth behind such synergies would invariably be revealed shortly after the Acquisition closed, and that because EQT repurchased over $500 million worth of EQT common stock during the Class Period, EQT viewed its share price as undervalued rather than artificially inflated. *Id.*

Finally, Plaintiffs further recognize that Defendants had meaningful challenges to loss causation and damages in this Action. Plaintiffs and Lead Counsel anticipate that Defendants would argue at trial, as they did at summary judgment, that the declines in the price of EQT common stock identified by Plaintiffs were not caused entirely—or at all—by the alleged corrective disclosures. ¶ 75. Specifically, Defendants would argue that Plaintiffs' damages expert failed to disaggregate other confounding news released on the corrective disclosure dates. *Id.* For

example, Defendants identified other disclosures in EQT's third quarter 2018 Earnings Report that supposedly contributed to the $300 million CapEx budget revision that were supposedly not related to the alleged misstatements, but whose impact on the stock price Defendants claim Plaintiffs' expert needed to but did not disaggregate. *Id.* Plaintiffs also expected Defendants to argue at trial that Plaintiffs' damages expert improperly "skipped" the increase in EQT's stock price on June 18, 2019 (the day after the final corrective disclosure), and that Plaintiffs thus failed to demonstrate a statistically significant stock decrease caused by the June 17, 2019 disclosure. ¶ 76. Finally, Defendants would likely argue that the information disclosed in the second and third corrective disclosures was "stale" news already previously disclosed to the market, including that the third corrective disclosure merely "repackage[ed]" information published in the second disclosure. *Id.*

Furthermore, at the time of the Settlement, the Parties had fully briefed summary judgment and *Daubert* motions. If Defendants prevailed on their summary judgment arguments, Plaintiffs might have recovered nothing at all. Likewise, if Defendants succeeded on their *Daubert* motions, Plaintiffs would have been severely limited in their ability to prove their case at trial. ¶ 77.

If Plaintiffs' damages expert were to testify at trial, Defendants would also present a well-qualified expert who would testify that loss causation was not supported, and there was no certainty as to which expert's testimony might be accepted by the jury. *See Beltran*, 2023 WL 319895, at *5 ("proving damages in securities fraud cases … invariably requires expert testimony which may, or may not be, accepted by a jury"); *Dartell v. Tibet Pharms., Inc.*, 2017 WL 2815073, at *6 (D.N.J. June 29, 2017) ("loss causation would be reduced to a 'battle of experts.' The reaction of a jury to such competing expert testimony is impossible to predict.").

There are strong responses to most of Defendants' arguments on liability and damages, but they pose undeniable risks. Any one of these arguments, if successful, could result in the claims

at issue being severely curtailed or even eliminated. *See Huffman v. Prudential Ins. Co. of Am.*, 2019 WL 1499475, at *4 (E.D. Pa. Apr. 5, 2019) (Courts should "'give credence to the estimation of the probability of success proffered by class counsel, who are experienced with the underlying case, and the possible defenses which may be raised to their cause of action.'").

If the claims survived, a trial would be costly and risky. At trial, Defendants would have aggressively challenged the falsity of each of their alleged misrepresentations, and Plaintiffs would have had to prove the elements of their claims largely through evidence presented by adverse witnesses. ¶ 78. In addition, Plaintiffs faced the daunting task of explaining to a jury the intricacies and economics of natural gas drilling, which are complex and highly technical subject matters. *Id.* Plaintiffs also considered that the trial would be based in western Pennsylvania, an area where EQT is well-known and had historically created many employment opportunities, and contributed substantially to the local economy—which might have lent EQT sympathy with a local jury. *Id.*[3]

Moreover, any trial victory would inevitably lead to an appeal, which certainly would delay and could potentially eliminate any financial recovery. *See Honeywell*, 2022 WL 1320827, at *4. There are many instances in which favorable trial results in securities fraud class actions were overturned on appeal. *See, e.g.*, *In re Vivendi Universal, S.A. Sec. Litig.*, 765 F. Supp. 2d 512, 533 (S.D.N.Y. 2011), *aff'd sub nom. In re Vivendi, S.A. Sec. Litig.*, 838 F.3d 223 (2d Cir. 2016) (in a case brought in 2005, a Supreme Court decision after entry of a verdict in Plaintiffs' favor reduced the billion-dollar award into an approximately $78 million recovery). Consequently, the risks associated with establishing liability and damages at trial, and preserving any trial victory through appeal, strongly favor approving the Settlement.

[3] While *Girsh* also addresses the risks of maintaining a certified class through trial, Plaintiffs believe that was not a significant risk here. Nevertheless, they acknowledge that the Court "retains the authority to decertify or modify a class at any time during the litigation." *Sullivan v. DB Invs., Inc.*, 667 F.3d 273, 322 (3d Cir. 2011).

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, typically considered in tandem, ask "whether the settlement is reasonable in light of the best possible recovery and the risks the parties would face if the case went to trial." *Prudential*, 148 F.3d at 322. "In making this assessment, 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." *In re Par Pharm. Sec. Litig.*, 2013 WL 3930091, at *7 (D.N.J. July 29, 2013); *see also In re AT&T Corp. Sec. Litig.*, 455 F.3d 160, 170 (3d Cir. 2006) ("[T]he percentage recovery[] must represent a material percentage recovery to plaintiff in light of all the risks[.]").

After consulting with damages experts, Lead Counsel estimate that the $167.5 million Settlement represents a recovery of approximately 7% to 21% of the Class's total maximum and realistic damages. ¶ 80. The recovery is also many multiples of Defendants' own damages estimates, which attributed little to no value to Plaintiffs' claims. *Id.* The entire 7%-21% range is also above the median recovery for securities fraud actions in this Circuit. *See Wilmington Tr.*, 2018 WL 6046452, at *8 (noting "Third Circuit median recovery of 5% of damages in class action securities litigation"); *see also 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) (5.2% recovery "falls squarely within the range of reasonableness approved in other securities class action settlements"); *In re Am. Bus. Fin. Servs. Inc. Noteholders Litigation*, 2008 WL 4974782, at *7 (E.D. Pa. Nov. 21, 2008) (approving settlement that provided 2.5% recovery of damages); *AT&T*, 455 F.3d at 169 (affirming settlement for 4% of total damages). That the Settlement represents a larger-than-normal recovery despite the heightened risks favors approval. As another

court in this Circuit recently noted, the "certainty" of the Settlement is better than the "gamble" of a trial. *See Beltran*, 2023 WL 319895, at *5.

D. The Parties Reached the Settlement After They Completed Both Fact and Expert Discovery

Girsh also directs courts to consider "the degree of case development that class counsel have accomplished prior to settlement" to "determine whether counsel had an adequate appreciation of the merits of the case before negotiating" the settlement. *Cendant*, 264 F.3d at 235. As noted above, here both fact and expert discovery were *completed* prior to settlement, and Lead Counsel had the benefit of having fully briefed summary judgment. There can be no doubt that counsel had adequate information to assess the strengths and weaknesses of Lead Plaintiff's claims when negotiating the Settlement. *See Dartell*, 2017 WL 2815073, at *5 (finding factor favored approval where parties had "fully briefed motions to dismiss, a motion for class certification, and [had] engaged in discovery," as well as the "engage[ment of] two experts").

E. 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 [s]ettlement." *Cendant*, F.3d at 240. This factor applies only when "a settlement in a given case is less than would ordinarily be awarded but the defendant's financial circumstances do not permit a greater settlement." *In re Flonase Antitrust Litig.*, 951 F. Supp. 2d 739, 744 (E.D. Pa. 2013). That is not the case here—the Settlement represents an above-average recovery and was not tempered based on ability to pay. Accordingly, this factor is neutral. *Id.*

F. Reaction of Class Members

Each of the Plaintiffs, whose financial interests are aligned with other Class Members, strongly supports the Settlement. *See* Exs. 1-3 to Joint Declaration. While the objection deadline

has not yet passed, no Class Member has objected to date. Plaintiffs will address any future objections that may be received in their reply brief.

G. The Settlement Satisfies Applicable *Prudential* Factors

The applicable *Prudential* factors also support the Settlement. *In re Innocoll Holdings Pub. Ltd. Co. Sec. Litig.*, 2022 WL 16533571, at *7-8 (E.D. Pa. Oct. 28, 2022) ("*Innocoll II*"). Plaintiffs and Lead Counsel are well-informed of the strengths and weaknesses of the case after many years of litigation (Section II(B)-(C), *supra*). The method for processing claims is fair and reasonable (Section III, *infra*). Class Members were afforded a full and fair opportunity to opt out of the Class following certification. ¶¶ 46-51.[4] And, the requested attorneys' fees are fair and reasonable (Section II(H)(2), *infra*).

H. The Settlement Satisfies Other Rule 23(e)(2) Factors

The remaining factors of Rule 23(e)(2) instruct courts to consider: (i) the effectiveness of the proposed method for distributing relief; (ii) the terms of the proposed attorneys' fees, including the timing of payment; (iii) the existence of any other agreements; and (iv) whether the settlement treats class members equitably relative to each other. *See* Fed. R. Civ. P. 23(e)(2)(C)(ii)-(iv); Fed. R. Civ. P. 23(e)(2)(D). These factors also support approval here.

1. The Proposed Method for Distributing Relief Is Effective

Under Rule 23(e)(2)(C)(ii), the court must "scrutinize the method of claims processing to ensure that it facilitates [the] filing [of] legitimate claims." Fed. R. Civ. P. 23, 2018 Advisory

[4] "Due process does not require a second opt-out period." *Winn-Dixie Stores, Inc. v. E. Mushroom Mktg. Coop.*, 2020 WL 5211035, at *13 (E.D. Pa. Sept. 1, 2020) (*quoting Nat. Football League Players' Concussion*, 307 F.R.D. at 423); *see also Low v. Trump Univ., LLC*, 246 F. Supp. 3d 1295, 1309 (S.D. Cal. 2017) (approving settlement without second opt-out period and holding that neither due process nor Rule 23(e) require a second opportunity to exclude), *aff'd*, 881 F.3d 1111 (9th Cir. 2018); *In re HIV Antitrust Litig.*, 2023 WL 11897610, at *2 (N.D. Cal. Sept. 25, 2023) (same, and further noting that a second opt-out period is particularly unnecessary where, as here, the parties likely to opt out are "sophisticated").

Note, subdiv. (e)(2). Here, the method for processing claims follows well-established and effective procedures that courts have used in many securities class action settlements. Class Members must provide basic information and trading records to substantiate their transactions in EQT common stock. Requiring such documentation is reasonable because neither EQT nor Plaintiffs possess that information and it "prevent[s] fraudulent claims." *Beltran*, 2023 WL 319895, at *7 ("there is no central repository of the owners of the securities"); *see also In re Innocoll Holdings Pub. Ltd. Co. Sec. Litig.*, 2022 WL 717254, at *5 (E.D. Pa. Mar. 10, 2022) ("*Innocoll I*") (It is "standard" to require the submission of records "proving ownership of the shares" in securities cases.). In addition, claimants have the opportunity to cure claim deficiencies or request that the Court review any claim denial (Stipulation, ¶¶25(d)-(e)). *See Se. Pa. Transp. Auth. v. Orrstown Fin. Servs., Inc.*, 2023 WL 1454371, at *11 (M.D. Pa. Feb. 1, 2023) (allowing claimants to "cure any deficiencies … or request that the Court review a denial" supports approval under Rule 23(e)(2)).

2. The Requested Attorneys' Fees Are Reasonable

As set forth in more detail in the accompanying Memorandum of Law in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses, Lead Counsel's 28% fee request, to be paid upon approval of the Settlement and award of the fees, is reasonable and appropriate. Moreover, the Settlement may not be terminated based on a ruling regarding attorneys' fees. *See* Stipulation ¶ 35. This further supports approval. *See Innocoll I*, 2022 WL 717254, at *5.

3. The Only Supplemental Agreement Is Not Operative

As discussed in the motion for preliminary approval, the Parties have entered into a standard supplemental agreement providing Defendants with the right (but not the obligation) to terminate the Settlement if the Court had ordered a second exclusion period and if a certain level of valid requests for exclusion were received. Because no second exclusion period was ordered, that supplemental agreement has no effect.

4. The Settlement Treats Class Members Equitably

Settlement proceeds will be distributed according to a Plan of Allocation that treats all Class Members equitably because it does not give any preference to Plaintiffs or any other Class Member. *See In re Ocean Power Techs., Inc., Sec. Litig.*, 2016 WL 7638464, at *1 (D.N.J. June 7, 2016). The Plan, set out in the Settlement Notice attached as Exhibit A-1 to the Stipulation, explains how the Settlement proceeds will be distributed among Authorized Claimants. It provides that each Class Member will receive a *pro rata* share equal to all other Class Members who bought and sold at the same time. All Class Members, including Plaintiffs, will receive their payment pursuant to the same formula. *See also* Section III, *infra.*

III. THE PLAN OF ALLOCATION SHOULD BE APPROVED

"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." *Beltran*, 2023 WL 319895, at *9. An allocation formula recommended by experienced and competent class counsel "need only have a reasonable and rational basis." *Par Pharm.*, 2013 WL 3930091, at *8. Moreover, "[a] plan of allocation that reimburses class members based on the type and extent of their injuries [relative to strength and value of their claims] is generally reasonable." *In re Lucent Techs., Inc., Sec. Litig.*, 307 F. Supp. 2d 633, 649 (D.N.J. 2004).

The Plan here has been crafted by Lead Counsel and Plaintiffs' damages expert, and is intended to equitably distribute the Net Settlement Fund to Class Members who timely submit valid Claims demonstrating they suffered economic losses as a result of Defendants' alleged violations of the federal securities laws set forth in the Complaint, as opposed to economic losses caused by other factors. ¶¶ 89-107. Lead Counsel believe that the Plan of Allocation provides a fair and reasonable method to equitably allocate the Net Settlement Fund among Class Members

who suffered losses as a result of the alleged violations of the federal securities laws taking into account the securities involved and the types of claims that could be asserted, namely under Sections 10(b), 14(a), and 20A of the Securities Exchange Act of 1934 and under Section 11 of the Securities Act of 1933. *Id.*

Lead Counsel, who have consulted with their expert in formulating the Plan, believe that the Plan represents the most fair and equitable basis for distributing the Net Settlement Fund. *See In re Valeant Pharms. Int'l, Inc. Sec. Litig.*, 2021 WL 358611, at *3 (D.N.J. Feb. 1, 2021), *aff'd in part, appeal dismissed in part sub nom. TIAA v. Valeant Pharms. Int'l, Inc.*, 2021 WL 6881210 (3d Cir. Dec. 20, 2021) ("courts give great weight to the opinion of qualified counsel" when assessing whether a plan of allocation is fair, reasonable, and adequate); *Hemispherx*, 2011 WL 13380384, at *7 (noting favorably in approving plan of allocation that it "has a rational basis and was developed by experienced Class Counsel in conjunction with a damages expert").

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

Plaintiffs, via the Claims Administrator approved by the Court, A.B. Data, have provided notice as specified in the preliminary approval order, ECF No. 552. *See generally* Declaration of Adam D. Walter of A.B. Data, Ltd., attached as Ex. 5 to Joint Decl. On August 8, 2025, A.B. Data mailed copies of the Settlement Notice Packet to all persons and entities who had been identified as potential Class Members in connection with the mailing for Class Notice. *Id.* ¶¶ 3-7. In addition, copies of the Settlement Notice Packet were mailed to brokers and nominees to forward to their customers. *Id.* ¶ 6. Brokers and nominees were instructed to provide names and addresses of any potential Class Members for whom they had not previously provided the same in connection with the Class Notice (or to provide any updated or changed address information), or request additional copies of the Settlement Notice Packet to send to such Class Members. *Id.* As of September 25, 2025, A.B. Data had mailed a total of 201,244 Settlement Notice Packets to

potential Class Members and nominees. *Id.* ¶ 9. On August 26, 2025, in accordance with the Preliminary Approval Order, A.B. Data caused the Summary Notice to be published in *The Wall Street Journal* and to be transmitted over the *PR Newswire*. *Id.* ¶ 10. On August 8, 2025, A.B. Data also updated the dedicated case website, www.EQTSecuritiesLitigation.com, which was previously established in 2023 in connection with mailing of the Class Notice, to include information concerning the Settlement and copies of the Settlement Notice and Claim Form, as well as the Stipulation, Preliminary Approval Order, and other relevant documents. *Id.* ¶ 14.

This comprehensive plan of notice satisfied 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)); *see also Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 173-75 (1974)). It likewise satisfied due process, because 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); *see also In re Baby Prods. Antitrust Litig.*, 708 F.3d 163, 180 (3d Cir. 2013) ("Generally speaking, the notice should contain sufficient information to enable class members to make informed decisions on whether they should take steps to protect their rights, including objecting to the settlement or, when relevant, opting out of the class."). The Settlement Notice provides all information required by Rule 23 and the PSLRA. *See* ECF No. 552.

V. CONCLUSION

For the reasons set forth above and in the Joint Declaration, Plaintiffs respectfully request that the Court grant final approval to the Settlement and approve the Plan of Allocation.

Dated: September 25, 2025

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CERTIFICATE OF SERVICE

I, Adam H. Wierzbowski, hereby certify that on September 25, 2025, I caused a true and correct copy of the foregoing to be filed electronically with the Clerk of the Court using the CM/ECF system. Notice of this filing will be sent to counsel of record by operation of the Court's CM/ECF automated filing system.

/s/ Adam H. Wierzbowski
Adam H. Wierzbowski