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6  
7 **UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

8  
9 In re QuantumScape Securities Class Action  
Litigation

Case No 3:21-cv-00058-WHO

10 **NOTICE OF MOTION AND MOTION  
11 FOR FINAL APPROVAL OF CLASS  
12 ACTION SETTLEMENT AND PLAN  
13 OF ALLOCATION AND MEMORANDUM  
SUPPORT THEREOF**

14 JUDGE: Hon. William H. Orrick III  
DATE: November 13, 2024  
15 TIME: 2:00 p.m.

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**TO THE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF RECORD:**

PLEASE TAKE NOTICE that on November 13, 2024, at 2:00 p.m. PDT, by videoconference in the United States District Court, Northern District of California, Courtroom 2, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102 or via Zoom, the Honorable William H. Orrick III presiding, the Court-appointed Lead Plaintiff Frank Fish (“Lead Plaintiff”) and additional plaintiffs Mary Cranny and Kathy Stark (together with Lead Plaintiff, “Plaintiffs”) will and hereby do respectfully move the Court, pursuant to Federal Rule of Civil Procedure 23(e), for entry of a judgment granting final approval of the Stipulation and Agreement of Settlement dated June 11, 2024 (“Stipulation”) and entry of an order granting approval of the proposed plan of allocation. This motion is based on the following Memorandum of Points and Authorities, as well as the accompanying declaration from Nicholas Porritt in Support of (1) Motion for Final Approval of Settlement and Plan of Allocation and (2) Class Counsel’s Motion for an Award of Attorneys’ Fees and Expenses and Award to Class Representatives (the “Porritt Declaration”), with attached exhibits.

Unless otherwise defined herein, capitalized terms in this Motion and supporting Memorandum have the same meanings as given to them in the Stipulation.

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**STATEMENT OF ISSUES TO BE DECIDED**

1. Whether the Court should grant final approval of the Settlement.
2. Whether the Court should approve the Plan of Allocation.

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**MEMORANDUM OF POINTS AND AUTHORITIES****I. INTRODUCTION**

Pursuant to Federal Rules of Civil Procedure Rule 23(e), Plaintiffs, on behalf of themselves and all members of the certified Class, respectfully submit this memorandum in support of their motion for: (1) final approval of the Settlement of the Litigation for \$47,500,000.00 in cash, and (2) approval of the Plan of Allocation. The terms of the Settlement are set forth in the Stipulation (ECF No. 211-2), which was preliminarily approved by the Court on June 11, 2024.

The \$47,500,000 Settlement is procedurally fair, as it is the product of arm's-length negotiations helped facilitated by the with experienced Phillips ADR mediator David Murphy, Esq. and was only achieved after years of hard-fought litigation against skilled defense counsel. The Settlement is also substantively fair, reasonable, and adequate, as demonstrated by application of Rule 23 of the Federal Rules of Civil Procedure and the Ninth Circuit *Hanlon* factors for assessing class action settlements. *Hanlon v. Chrysler Corp.*, 150 F.3d 1011 (9th Cir. 1998).

Prior to reaching the Settlement, Plaintiffs' Counsel developed a thorough understanding of both the strengths and the weaknesses underlying the claims in this Action, and meaningfully assessed the risks of establishing liability and damages. Porritt Decl. ¶14. Indeed, as described in greater detail in the Porritt Declaration, before agreeing to the Settlement, Plaintiffs' Counsel, among other things: (i) conducted comprehensive investigations prior to the filing two amended complaints (the operative pleading being the Second Amended Complaint (ECF 164); (ii) largely defeating Defendants' motion to dismiss; (iii) obtaining class certification; (iv) reviewed over one million pages of documents; (v) completed extensive fact and expert discovery, including nineteen depositions; (vi) briefed and participated in extensive mediation; and (viii) negotiated the Settlement. Porritt Decl. ¶¶11-13. While the mediation efforts were initially unsuccessful, the Parties continued to negotiate in good faith and came to an agreement in principle in April 2024. *Id.* at ¶12.

Based on this substantial work and the experience of Plaintiffs' Counsel, Plaintiffs and Plaintiffs' Counsel believe that the Settlement—which eliminates the significant costs and risks of continuing litigation and instead provides a fair and immediate cash recovery—is in the best interests

1 of the Class. *See* Porritt Declaration of Frank Fish, dated October 9, 2024; Declaration of Mary Cranny,  
2 dated October 9, 2024; and Declaration of Kathy Stark dated October 9, 2024.

3 The Plan of Allocation for the Settlement Fund proposed by Plaintiffs' Counsel reflects an  
4 assessment of the damages that Plaintiffs contends could have been recovered under the theories of  
5 liability and damages asserted in the Action. Porritt Decl., ¶¶125-134. The Plan of Allocation ties each  
6 participating Settlement Class Member's recovery to when the securities were acquired and sold and  
7 is a fair and reasonable method for distributing the Net Settlement Fund. *Id.* The Plan of Allocation  
8 thus warrants approval.

9 While the deadline to file an objection has not yet passed, the reaction of the Settlement Class  
10 also supports final approval. Pursuant to the Order Preliminarily Approving Settlement and Providing  
11 for Notice, ECF 215 (the "Preliminary Approval Order"), over 128,379 copies of the Postcard Notice  
12 were sent to potential Class Members and nominees, and notice was published and transmitted over  
13 PR Newswire. Walter Decl., ¶¶8, 12. The notice describes the terms of the Settlement and sets forth  
14 the Plan of Allocation. No objections have been received and just seven Class Members have elected  
15 to opt out of the Settlement. Porritt Decl., ¶172. The reaction of the Class thus also supports approval  
16 of the Settlement and Plan of Allocation.

17 For these reasons, as well as those set forth below and in the Porritt Declaration, Plaintiffs  
18 respectfully request that the Court grant final approval of the Settlement and Plan of Allocation, grant  
19 final certification of the Settlement Class for settlement purposes, and enter Final Judgment resolving  
20 the claims asserted against the Settling Defendants.

## 21 **II. PROCEDURAL AND FACTUAL BACKGROUND**

22 QuantumScape traded on the NASDAQ under the ticker symbol "QS" during the Class Period.  
23 On January 5, 2021, the initial complaint in this Action was filed, captioned *Malriat v. QuantumScape*  
24 *Corporation f/k/a Kensington Capital Acquisition Corp., et al.*, Case No. 21-cv-00058-WHO (N.D.  
25 Cal), alleging federal securities law violations against QuantumScape and Jagdeep Singh, its then  
26  
27

1 CEO. ECF No. 1. On April 20, 2021, the Court consolidated this and other related later-filed cases,<sup>1</sup>  
2 appointed Frank Fish as Lead Plaintiff, and appointed Levi & Korsinsky, LLP as lead counsel. ECF  
3 No. 115. The related later-filed cases named Fritz Prinz, Timothy Holme, Kevin Hettrich, and  
4 Volkswagen Group of America Investments, LLC as additional defendants. On June 21, 2021, Lead  
5 Plaintiff filed the Consolidated Class Action Complaint, and on July 13, 2021, the Parties stipulated to  
6 voluntarily dismiss Fritz Prinz and Volkswagen Group of America Investments, LLC as defendants,  
7 leaving QuantumScape, Jagdeep Singh, Timothy Holme, and Kevin Hettrich as the remaining  
8 defendants. ECF Nos. 131, 134. Lead Plaintiff alleged, among other things, that Defendants made  
9 misleading statements during the Class Period from November 27, 2020 and April 14, 2021 by: (i)  
10 representing that QuantumScape’s technology was more developed and had better capabilities than it  
11 did in reality, (ii) presenting certain testing results that were incomplete or presented in a misleading  
12 manner, (iii) representing that the “science risk” of QuantumScape’s technology was behind them, (iv)  
13 representing that QuantumScape’s battery was ready for commercial deployment and all that was  
14 needed was to scale up production and make multilayer versions of the cells, and (v) representing that  
15 its battery exceeded what was capable in today’s lithium-ion batteries. ECF No. 131.

16 Lead Plaintiff alleged that these statements caused QuantumScape’s stock to trade at artificially  
17 inflated prices during the Class Period. Lead Plaintiff further alleged that the January 4, 2021, an article  
18 published by Dr. Brian Morin on *Seeking Alpha* partially revealed the truth about areas of overstated  
19 successes and significant challenges associated with QuantumScape’s solid-state batteries. *Id.* at 97-  
20 98. Lead Plaintiff alleged that Dr. Morin’s report revealed to investors that QuantumScape had  
21 overstated a number of data points, including (i) power, (ii) range, (iii) low temperature operation, (iv)  
22 low temperature life, and (v) energy density, and omitted material information related to (vi) dendrites,  
23 (vii) safety and (viii) cost. On this information from Dr. Morin, Lead Plaintiff alleged that  
24 QuantumScape’s stock price fell by \$34.49, or approximately 40.84%. *Id.* at 4.

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27 <sup>1</sup> *Gowda v. QuantumScape Corporation et al.*, Case No. 4:21-cv-00070-JST; *Leo v. QuantumScape*  
28 *Corporation f/k/a Kensington Capital Acquisition Corp. et al.*, 3:21-cv-00150-VC; *Mullur v.*  
*QuantumScape Corporation f/k/a Kensington Capital Acquisition Corp. et al.*, 3:21-cv-03309.

1           The Amended Consolidated Class Action Complaint also included a second alleged corrective  
2 disclosure. *Id.* at 30-41. On April 15, 2021, a research firm called Scorpion Capital published a 188-  
3 page report, titled “QuantumScape (NYSE: QS) *A Pump and Dump SPAC Scam by Silicon Valley*  
4 *Celebrities, That Makes Theranos Look Like Amateurs.*” Lead Plaintiff alleged that the Scorpion  
5 Capital report revealed to the market that QuantumScape had used a number of compromises during  
6 its testing, including cell size, elevated temperatures, and “pulse tests” and published six “[p]hony  
7 claim[s]” relating to its battery technology. These claims included: (a) solid state material resists  
8 dendrites; (b) battery performance in low temperatures; (c) fast charging to 80% in under 15 minutes;  
9 (d) long battery life to 1000+ charge/discharge cycles; (e) battery life in low temperatures; and (f)  
10 aggressive automotive power profiles. The report contained interviews with industry experts and  
11 former QuantumScape employees. *Id.* Plaintiffs alleged that when the Scorpion Capital report was  
12 published on April 15, 2021 and the true state of QuantumScape’s battery technology was revealed to  
13 the market, QuantumScape’s stock price declined from a close of \$40.85 on April 14, 2021, to a close  
14 of \$35.85 on April 15, 2021, a decline of 12.24%, on unusually heavy trading volume of 59.0 million  
15 shares. *Id.* at 98.

16           In short, Lead Plaintiff alleged that during the period between November 27, 2020 and April  
17 14, 2021, QuantumScape and the Individual Defendants made materially false or misleading  
18 statements in violation of § 10(b) of the Securities Exchange Act, and Rule 10b-5 promulgated  
19 thereunder, which caused the price of QuantumScape securities to trade at artificially inflated prices.  
20 Plaintiffs also alleged that the Individual Defendants’ conduct violated §20(a) of the Exchange Act.

21           QuantumScape and the Individual Defendants have consistently denied Lead Plaintiff’s  
22 allegations. Defendants, therefore, moved to dismiss the Complaint. ECF No. 137. Plaintiffs opposed  
23 Defendants’ Motion (ECF 139) and on January 14, 2022, after a full briefing and oral argument, the  
24 Court granted in part and denied in part Defendants’ motion. ECF153.

25           Defendants answered the Complaint on February 25, 2022. ECF 156. On July 14, 2022, Lead  
26 Plaintiff and additional plaintiffs Mary Cranny and Kathy Stark, filed the Second Amended  
27 Consolidated Complaint (ECF 164), Defendants filed their Answer to the Second Amended Complaint

1 on August 4, 2022 (ECF 170), and the parties began formal fact discovery. Discovery was extensive  
2 and required resolution of difficult technical issues, especially over the production of QuantumScape’s  
3 raw testing data in a specialized format to enable review by Plaintiffs and their experts. Ultimately, the  
4 Parties’ fact discovery included the exchange of over 140,000 documents, totaling nearly 1,000,000  
5 pages and large data files, from multiple custodians, and the exchange of hundreds of pages of sworn  
6 interrogatory responses. Porritt Decl., ¶53. Plaintiffs also issued subpoenas to more than 20 third  
7 parties, which produced over 37,000 additional documents. *Id.* at ¶58. Lead Plaintiff and additional  
8 plaintiffs Mary Cranny and Kathy Stark sat for depositions, provided responses to document requests  
9 and interrogatories, and produced hundreds of documents. *Id.* at ¶¶76-81. 101 . The Parties also took  
10 the depositions of 14 additional fact witnesses, including the named Defendants, as well as the  
11 depositions of two experts on the question of market efficiency in connection with Plaintiffs’ class  
12 certification motion. *Id.* at ¶¶55, 70.

13 On December 19, 2022, after briefing from the Parties, the Court certified a class of “[a]ll  
14 persons or entities that purchased or otherwise acquired QuantumScape securities between November  
15 27, 2020 and April 14, 2021, inclusive, and were damaged thereby.”<sup>2</sup> *See* ECF 183. The Court  
16 appointed Mr. Fish, Ms. Cranny, and Ms. Stark as Class Representatives and Levi & Korsinsky LLP  
17 as Class Counsel. *Id.* On January 3, 2023, Defendants filed a petition under Rule 23(f) for the U.S.  
18 Court of Appeals for the Ninth Circuit to review the Court’s Class Certification Order.. Porritt Decl.,  
19 ¶103. Plaintiffs opposed the petition and on March 30, 2023, Circuit Judges Sidney R. Thomas and  
20 Lucy H. Koh issued an order denying the petition. *Id.*

21 In addition to the issue of market efficiency, Plaintiffs also commissioned extensive expert  
22 reports and analysis on issues including loss causation, damages, and battery technology. Given the  
23 complex subject matter of the alleged misrepresentations underlying the Action, Plaintiffs consulted  
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25 <sup>2</sup> Guideline §1(b) states that, “if a litigation class has been certified,” “[t]he motion for preliminary  
26 approval should state . . . any differences between the settlement class and the class certified and an  
27 explanation as to why the differences are appropriate in the instant case.” Here, the certified class is  
28 identical to that contained in the Settlement, a factor that “weighs in favor of preliminary approval.”  
*Norton*, 2021 WL 3129568, at \*12.



1 extensively with Dr. Seth Miller, a highly respected battery expert, and Professor Brett Lucht of the  
2 University of Rhode Island. *Id.* at ¶¶91-100. Professor Lucht reviewed documents provided in  
3 discovery and attended three depositions. *Id.* at ¶100. Dr. Miller reviewed documents produced in  
4 discovery, evaluated Defendants’ testing data, attended eight depositions, and submitted a lengthy  
5 report, which was exchanged with Defendants. *Id.* at ¶96. Plaintiffs’ expert, Dr. Matthew Cain, in  
6 addition to his report on market efficiency, also submitted a report regarding loss causation and  
7 damages. *Id.* at ¶¶86-90

8 During the litigation, the Parties engaged David Murphy, Esq. of Phillips ADR as a neutral  
9 third-party mediator. *Id.* at ¶12. Mr. Murphy held full-day in-person mediation sessions in Wilson  
10 Sonsini’s New York City offices on October 24, 2023 and March 26, 2024, and convened various  
11 teleconferences and meetings regarding a potential resolution of the action throughout that period. *Id.*  
12 The Parties exchanged mediation briefs detailing their respective theories of alleged liability, defenses,  
13 and damages. *Id.* While the Parties did not reach an agreement at the second mediation, they continued  
14 post-mediation discussions with Mr. Murphy. *Id.* Mr. Murphy made a mediator’s recommendation to  
15 settle the claims for \$47,500,000, which the Parties accepted in principle on April 8, 2024, *Id.*

### 16 **III. STANDARDS FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENTS**

17 The Ninth Circuit recognizes a “strong judicial policy that favors settlements, particularly  
18 where complex class action litigation is concerned.” *Campbell v. Facebook, Inc.*, 951 F.3d 1106, 1121  
19 (9th Cir. 2020) (quoting *In re Hyundai & Kia Fuel Econ. Litig.*, 926 F.3d 539, 556 (9th Cir. 2019)).  
20 The decision of whether a settlement is fair is ultimately left for the sound discretion of the trial judge.  
21 See *In re Volkswagen “Clean Diesel” Mktg., Sales Pracs., & Prods. Liab. Litig.*, 895 F.3d 597, 611  
22 (9th Cir. 2018) (“Deciding whether a settlement is fair is ultimately ‘an amalgam of delicate balancing,  
23 gross approximations and rough justice,’ best left for the district judge.”) (citation omitted). Courts,  
24 however, should not convert settlement approval into an inquiry into the merits as “the court’s intrusion  
25 upon what is otherwise a private consensual agreement negotiated between the parties to a lawsuit  
26 must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the  
27 product of fraud or overreaching by, or collusion between, the negotiating parties.” *Kastler v. Oh My*

1 *Green, Inc.*, 2022 WL 1157491, at \*3 (N.D. Cal. Apr. 19, 2022) (quoting *Officers for Just. v. Civ. Serv.*  
2 *Comm’n of City & Cnty. of S.F.*, 688 F.2d 615, 625 (9th Cir. 1982)); see also *Carson v. Am. Brands,*  
3 *Inc.*, 450 U.S. 79, 88 n.14 (1981) (cautioning against “resolv[ing] unsettled legal questions” on  
4 settlement approval).

5 Federal Rule of Civil Procedure 23(e) governs judicial approval of the settlement of claims  
6 brought as a class action and provides “the court may approve [a proposed settlement] only after a  
7 hearing and only on finding that it is fair, reasonable, and adequate.” Fed. R. Civ. P. 23(e)(2). To  
8 determine whether a settlement is “fair, reasonable, and adequate,” the Court must:

9 consider[] whether: (A) the class representatives and class counsel have adequately  
10 represented the class; (B) the proposal was negotiated at arm’s length; (C) the relief  
11 provided for the class is adequate, taking into account: . . . the costs, risks, and delay of  
12 trial and appeal [among other things]; and (D) the proposal treats class members  
equitably relative to each other.

13 In addition to the Rule 23(e) considerations, courts in the Ninth Circuit consider the following  
14 factors when examining whether a proposed settlement comports with Rule 23(e)(2):

15 the strength of the plaintiffs’ case; (2) the risk, expense, complexity, and likely duration  
16 of further litigation; (3) the risk of maintaining class action status throughout the trial;  
17 (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 to the proposed  
settlement.

18 *Mendoza v. Hyundai Motor Co.*, 2017 WL 342059, at \*4 (N.D. Cal. Jan. 23, 2017) (quoting *Churchill*  
19 *Vill., L.L.C. v. Gen. Elec.*, 361 F.3d 566, 575 (9th Cir. 2004)); see also *Hanlon v. Chrysler Corp.*, 150  
20 F.3d 1011, 1026 (9th Cir. 1998)).

21 The Preliminary Approval Order considered the Rule 23(e)(2) and Ninth Circuit factors when  
22 assessing the Settlement and found that it was fair, reasonable, and adequate, subject to further  
23 consideration at the Final Approval hearing. See ECF No. 658. The Court’s conclusion on preliminary  
24 approval is equally true now as nothing has changed between August 5, 2022, and the present. See *In*  
25 *re Chrysler-Dodge-Jeep EcoDiesel Mktg., Sales Practices, & Prods. Liab. Litig.*, 2019 WL 2554232,  
26 at \*2 (N.D. Cal. May 3, 2019) (“Those conclusions [drawn at preliminary approval] stand and counsel  
27 equally in favor of final approval now.”).

28 PLAINTIFFS’ NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL  
OF SETTLEMENT AND PLAN OF ALLOCATION MEMORANDUM OF POINTS AND AUTHORITIES IN  
SUPPORT THEREOF – 7

1 Class Representatives respectfully submit that the proposed Settlement satisfies Rule 23(e)(2),  
 2 the relevant Ninth Circuit factors, and the guidelines set forth in the Northern District of California’s  
 3 Procedural Guidance for Class Action Settlements and warrants approval as fair, reasonable, and  
 4 adequate.

5 **A. The Proposed Settlement Satisfies the Requirements of Rule 23(e)(2)**

6 **1. Rule 23(e)(2)(A): Plaintiffs and Their Counsel Have Adequately Represented the**  
 7 **Class**

8 Plaintiffs and Plaintiffs’ Counsel have adequately represented the Class as required by Rule  
 9 23(e)(2)(A). *See generally* Porritt Decl. The exceptional Settlement negotiated on the Class’s behalf is  
 10 the result of the diligent prosecution of this Litigation for over five years. *See In re Charles Schwab*  
 11 *Corp. Sec. Litig.*, 2011 WL 1481424, at \*5 (N.D. Cal. Apr. 19, 2011) (finding Rule 23(e)(2)(A)  
 12 satisfied when “settlements were reached on the eve of trial when class counsel had completed  
 13 discovery and had conducted extensive motion practice”). Plaintiffs have no interests antagonistic to  
 14 those of other Class Members; rather, they share the common interest in obtaining the largest possible  
 15 recovery from Defendants. *See In re Hyundai & Kia Fuel Econ. Litig.*, 926 F.3d at 566 (“To determine  
 16 legal adequacy, we resolve two questions: ‘(1) do the named plaintiffs and their counsel have any  
 17 conflict of interest with other class members and (2) will the named plaintiffs and their counsel  
 18 prosecute the action vigorously on behalf of the class?’” (quoting *Hanlon*, 150 F.3d at 1020). Plaintiffs’  
 19 Counsel are highly qualified and experienced in securities litigation, *see* Porritt Decl. ¶145, actively  
 20 pursued the claims of QuantumScape investors in this Court, and advocated zealously for the Class’s  
 21 best interests throughout this litigation.

22 **2. Rule 23(e)(2)(B): The Proposed Settlement Was Negotiated at Arm’s-Length**  
 23 **After Mediation with an Experienced Mediator**

24 Rule 23(e)(2)(B) requires procedural fairness; that “the proposal was negotiated at arm’s  
 25 length.” Fed. R. Civ. P. 23(e)(2)(B). Courts in the Ninth Circuit “put a good deal of stock in the product  
 26 of an arms-length, non-collusive, negotiated resolution” in approving a class action settlement.  
 27 *Rodriguez v. W. Publ’g Corp.*, 563 F.3d 948, 965 (9th Cir. 2009); *see also In re Netflix Privacy Litig.*,

1 2013 WL 1120801, at \*4 (N.D. Cal. Mar. 18, 2013) (“Courts have afforded a presumption of fairness  
 2 and reasonableness of a settlement agreement where that agreement was the product of non-collusive,  
 3 arms’ length negotiations conducted by capable and experienced counsel”).

4 Here, Plaintiffs’ Counsel engaged in rigorous settlement negotiations with counsel for the  
 5 Defendants in a process assisted by an experienced, well-respected mediator. Porritt Decl. ¶¶12, 124.  
 6 This included multiple calls with the mediator and the exchange of settlement offers. *Id.* While the  
 7 mediation efforts were initially unsuccessful, the Parties continued to negotiate in good faith and  
 8 signed a stipulation of settlement on June 11, 2024. *Id.* ¶¶1 n.1, 12.

9 It is also important to note that the Settlement has none of the indicia of collusion identified by  
 10 the Ninth Circuit. See *In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 947 (9th Cir. 2011)  
 11 (“subtle signs” of collusion include a “disproportionate distribution of the settlement” between the  
 12 class and class counsel, “a ‘clear sailing’ arrangement providing for the payment of attorneys’ fees  
 13 separate and apart from class funds,” or an agreement for “fees not awarded to revert to defendants  
 14 rather than be added to the class fund”). Accordingly, this factor militates in favor of final approval.

15 **3. Rule 23(e)(2)(C)(i): The Proposed Settlement Is Adequate Considering the Costs,**  
 16 **Risk and Delay of Trial and Appeal**

17 Pursuant to Rule 23(e)(2)(C), the Court also must consider the substantive adequacy of the  
 18 proposed Settlement in determining final approval. Rule 23(e)(2)(C)(i) considers “the costs, risks and  
 19 delay of trial and appeal,” and the relevant overlapping Ninth Circuit factors address “the strength of  
 20 the plaintiffs’ case” and “the risk, expense, complexity, and likely duration of further litigation.”  
 21 *Churchill*, 361 F.3d at 575. As discussed below, the benefits conferred on Class Members by the  
 22 Settlement outweigh the costs, risks, and delay of further litigation, and confirm the adequacy and  
 23 reasonableness of the Settlement.

24 **a. The Costs and Risks of Trial and Appeal Support Approval of the**  
 25 **Settlement**

26 In order to prove liability under the Securities Exchange Act § 10(b) and Rule 10b-5, a plaintiff  
 27 must demonstrate, inter alia, that: (i) defendants were responsible for materially false or misleading  
 28 statements; (ii) defendants acted with scienter (i.e., that defendants made their misrepresentations

1 knowingly or recklessly); (iii) that plaintiffs' losses were caused by defendants' misrepresentations  
2 (i.e., "loss causation"); and (iv) that plaintiffs and the class members suffered damaged. *See Dura*  
3 *Pharms., Inc. v. Broudo*, 544 U.S. 336, 341-42 (2005). Plaintiffs would be required to prove each of  
4 these elements to prevail, whereas Defendants needed only to succeed on one defense to defeat the  
5 entire action. Although the Plaintiffs are confident in their ability to prove the case, the risk of loss was  
6 still real. *See Redwen v. Sino Clean Energy, Inc.*, 2013 U.S. Dist. LEXIS 100275, at \*19 (C.D. Cal.  
7 July 9, 2013) ("Courts experienced with securities fraud litigation 'routinely recognize that securities  
8 class actions present hurdles to proving liability that are difficult for plaintiffs to clear.'" (quoting *In*  
9 *re Flag Telecom Holdings, Ltd. Sec. Litig.*, 2010 WL 4537550, at \*17 (S.D.N.Y. Nov. 8, 2010))).  
10 Defendants advanced several plausible arguments disputing both liability and damages. *See* Porritt  
11 Decl. at ¶¶107-121. For example, Defendants disputed the falsity of their statements and scienter. *See*,  
12 e.g., *id.* ¶114. Scienter is notoriously "complex and difficult to establish at trial" in any case. *In re*  
13 *Immune Response Sec. Litig.*, 497 F. Supp. 2d 1166, 1172 (S.D. Cal. 2007). In this case the task was  
14 even more difficult because the false statements at issue involved cutting edge technology in a  
15 developing industry. *See* Porritt Decl., ¶114. If the Plaintiffs successfully navigated falsity and scienter,  
16 they would then have to resolve Defendants' arguments regarding materiality, loss causation and  
17 damages. *See id.* at ¶¶115-121. Defendants argued that the first corrective stock price movements  
18 following publication of Dr. Morin's report were caused by factors unrelated to Plaintiffs' allegations  
19 and the second corrective stock price movements, following the publication of information by the  
20 Scorpion Capital Report, should be discredited because they were caused by a self-interested short  
21 seller. *id.* at ¶¶115-117. For lay people, both the solid-state battery science and technical intricacies of  
22 stock price movements were not going to be easy issues to understand, much less resolve, in the face  
23 of competing expert testimony. *See, e.g., In re Zynga Inc. Sec. Litig.*, 2015 WL 6471171, at \*9 (N.D.  
24 Cal. Oct. 27, 2015) ("[I]t [is] difficult for [plaintiff] to prove loss causation and damages at trial."  
25 (second and third alterations in original)). These arguments, plus the sheer complexity of the  
26 underlying issues here, would have been substantial obstacles to Plaintiffs' success at trial.

1                                   **b.       The Proposed Settlement Eliminates the Additional Cost and Delay of**  
2                                   **Continued Litigation**

3                                   The Action settled on the eve of the expert depositions, and shortly before the deadline for  
4                                   filing dispositive motions, thus avoiding substantial time, expense, and significant risk of continued  
5                                   litigation. Courts have consistently recognized that “the cost, complexity and time of fully litigating  
6                                   the case” are key factors in evaluating the reasonableness of a settlement. *Torrisi v. Tucson Elec. Power*  
7                                   *Co.*, 8 F.3d 1370, 1376 (9th Cir. 1993); *see also In re Yahoo! Inc. Customer Data Sec. Breach Litig.*,  
8                                   2020 WL 4212811, at \*9 (N.D. Cal. July 22, 2020) (“[F]urther litigation would have delayed any  
9                                   potential recovery . . . and would have been costly and risky. By contrast, the Settlement provides . . .  
10                                  timely and certain recovery.”). Here, Plaintiffs’ and Plaintiffs’ Counsel recognize that further litigation  
11                                  of this Action, as noted above, would have presented considerable obstacles and delays and that failure  
12                                  on any of the relevant elements would have been fatal to the Class’s claims. The Settlement, which  
13                                  results in an immediate and substantial recovery, is a far better option for the Class.

14                                  **4.       Rule 23(e)(2)(C)(ii): The Proposed Method for Distributing Relief Is Effective**

15                                  The method for processing Class Members’ claims and distributing the Net Settlement Fund to  
16                                  eligible claimants is well-established and effective. The Court-approved Claims Administrator, A.B.  
17                                  Data Ltd., will process claims under the guidance of Plaintiffs’ Counsel, allow claimants an  
18                                  opportunity to cure any deficiencies in their claims, or request the Court to review a denial of their  
19                                  claims, and, lastly, mail or wire Authorized Claimants their pro rata share of the Net Settlement Fund  
20                                  (per the Plan of Allocation), after Court-approval. Claims processing like the method proposed here is  
21                                  standard in securities class action settlements as it has been long found to be effective, as well as  
22                                  necessary insofar as neither Plaintiffs nor Defendants possess the individual investor trading data  
23                                  required for a claims-free process to distribute the Net Settlement Fund. *See Hefler v. Wells Fargo &*  
24                                  *Co.*, 2018 WL 6619983, at \*12 (N.D. Cal. Dec. 18, 2018); *Thomas v. MagnaChipSemiconductor*  
25                                  *Corp.*, 2017 WL 4750628, at \*8 (N.D. Cal. Oct. 20, 2017) (approving similar plan of distribution).

26                                  **5.       Rule 23(e)(2)(C)(iii)**

27                                  The relief provided for the Settlement Class is also adequate when the terms of the proposed  
28                                  award of attorneys’ fees is considered. As detailed in the accompanying Fee Memorandum, a proposed  
PLAINTIFFS’ NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL  
OF SETTLEMENT AND PLAN OF ALLOCATION MEMORANDUM OF POINTS AND AUTHORITIES IN  
SUPPORT THEREOF – 11



1 attorneys' fee of 30% (\$14,250,000 plus interest) of the Settlement Fund is reasonable in light of the  
2 work performed and the results obtained. In complex securities class actions such as this, courts in this  
3 Circuit regularly award fee percentages of 30% to 33⅓%. *See, e.g., In re Mego Fin. Corp. Sec. Litig.*,  
4 213 F.3d 454, 463 (9th Cir. 2000) (affirming 33⅓% fee); *Pac. Enters. Sec. Litig.*, 47 F.3d 373, 379  
5 (9th Cir. 1995) (affirming 33% fee); *see also* Porritt Dec. Exhibit F, collecting cases. Similarly, courts  
6 in the Ninth Circuit regularly approve fee awards of one-third in antitrust litigation. *See, e.g., In re*  
7 *Lidoderm Antitrust Litig.*, No. 14-MD-02521-WHO, 2018 WL 4620695, at \*4 (N.D. Cal. Sept. 20,  
8 2018) (Orrick, J.) (collecting cases).

9 **6. Rule 23(e)(2)(C)(iv):**

10 In accordance with Rules 23(e)(2)(C)(iv) and 23(e)(3), and as Plaintiffs noted in their  
11 preliminary approval papers, Plaintiffs and Defendants entered into a confidential agreement that  
12 establishes certain conditions pursuant to which Defendants may terminate the Settlement in the event  
13 that Class Members who timely and validly requesting exclusion (or “opt out”) from the Settlement  
14 Class meet the conditions set forth in the agreement “This type of agreement is standard in securities  
15 class action settlements and has no negative impact on the fairness of the Settlement.” *See In re Carrier*  
16 *IQ, Inc., Consumer Privacy Litig.*, 2016 WL 4474366, at \*5 (N.D. Cal. Aug. 25, 2016) (granting final  
17 approval of class action settlement and observing that such “opt-out deals are not uncommon as they  
18 are designed to ensure that an objector cannot try to hijack a settlement in his or her own self-interest.”).

19 **7. Rule 23(e)(2)(D): The Proposed Plan of Allocation Treats Class Members**  
20 **Equitably**

21 Pursuant to Rule 23(e)(2)(D), the Plan of Allocation must “treat[] class members equitably  
22 relative to each other.” Assessment of the Settlement’s Plan of Allocation “is governed by the same  
23 standards of review applicable to approval of the settlement as a whole: the plan must be fair,  
24 reasonable and adequate.” *In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1042 (N.D. Cal. 2008).  
25 The Plan of Allocation details how the settlement proceeds will be distributed among Authorized  
26 Claimants and provides formulas for calculating the recognized claim of each Class Member based on  
27 each such Person’s purchases or acquisitions of QuantumScape common stock and other securities

1 during the Class Period and if or when they sold. It is fair, reasonable, and adequate because all eligible  
 2 Class Members will be subject to the same formulas for distribution of the Settlement and each  
 3 Authorized Claimant, including the Plaintiffs, will receive a pro rata distribution pursuant to the Plan  
 4 of Allocation.

5 **8. The Positive Reaction Of The Settlement Class Supports Settlement Approval**

6 The eighth *Hanlon* factor—the reaction of the Class—overlaps with Rules 23(e)(4), on the  
 7 opportunity for exclusion, and 23(e)(5), on the opportunity to object. As required by Rules 23 (e)(4)  
 8 & (5), the Settlement affords Settlement Class Members the opportunity to request exclusion from, or  
 9 object to, the Settlement. Walter Decl., Ex. B. Approximately 128,379 copies of the Postcard Notice  
 10 have been distributed to potential Settlement Class Members and the Summary Notice was published  
 11 in *Investor’s Business Weekly* and transmitted over the PR Newswire on, a national online newswire  
 12 service on August 26, 2024. *Id.*, at ¶¶9-11. To date, no objections have been filed with the Court or  
 13 received by the Parties and just seven requests for exclusion have been received. *Id.*, at ¶¶12. The  
 14 Settlement Class’s overwhelmingly positive reaction strongly supports final approval of the  
 15 Settlement. *Omnivision*, 559 F. Supp. 2d at 1043 (“the absence of a large number of objections to a  
 16 proposed class action settlement raises a strong presumption that the terms of a proposed class action  
 17 settlement are favorable to class members.”).

18 **B. The Remaining *Hanlon* Factors Are Neutral Or Weigh In Favor Of Final Approval**

19 *Hanlon* also outlined several factors that are not coextensive with Rule 23(e)(2)’s new factors.  
 20 These factors, viewed in light of the Rule 23(e)(2) factors identified above, support final approval.

21 The Amount Offered In Settlement: “To evaluate the adequacy of the settlement amount,  
 22 ‘courts primarily consider plaintiffs’ expected recovery against the value of the settlement offer.”  
 23 Wells Fargo, 2018 WL 6619983, at \*8. “This determination requires evaluating the relative strengths  
 24 and weaknesses of the plaintiffs’ case; it may be reasonable to settle a weak claim for relatively little,  
 25 while it is not reasonable to settle a strong claim for the same amount.” *Vikram v. First Student*  
 26 *Management, LLC*, 2019 WL 1084169, at \*3 (N.D. Cal. March 7, 2019). Indeed, “[t]here is no reason,  
 27 at least in theory, why a satisfactory settlement could not amount to a hundredth or even a thousandth



1 part of a single percent of the potential recovery.” *City of Detroit v. Grinnell Corp.*, 495 F.2d 448, 455  
2 n.2 (2nd Cir. 1974); *see also In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 459 (9th Cir. 2000) (“It  
3 is well-settled law that a cash settlement amounting to only a fraction of the potential recovery does  
4 not per se render the settlement inadequate or unfair.”).

5 Here, the Settlement recovers approximately 4% of the estimated aggregate damages of \$1.1  
6 Billion as estimated by Plaintiffs’ damages expert. This result is above the median ratio of settlements  
7 to investor losses in securities cases in 2023. See Edward Flores and Svetlana Starykh, Recent Trends  
8 in Securities Class Action Litigation: 2023 Full-Year Review, at 26, Figure 22 (NERA Jan. 23, 2024)  
9 (median ratio of settlement to investor losses was 1.8% in 2023)( ECF 211-10); Laarni T. Bulan, Laura  
10 E. Simmons, Securities Class Action Settlements – 2023 Review and Analysis at 9, Fig. 5 (Cornerstone  
11 Research 2023) (finding median settlement as a percentage of estimated damages was 2% in 2023 for  
12 Rule 10b-5 cases involving over \$1 billion in damages)(ECF 211-11); *see also Vataj v. Johnson*, 2021  
13 WL 1550478, at \*9 (N.D. Cal. Apr. 20, 2021) (finding 2% of damages was “consistent with the typical  
14 recovery in securities class action settlements).

15 To achieve the full amount of aggregate damages as estimated by Plaintiffs’ damages expert,  
16 Plaintiffs would have need to: (i) convince a jury that liability was proven by a preponderance of the  
17 evidence on all elements of their fraud claims; and (ii) the Court and jury accept Plaintiffs’ damages  
18 theory, including defeating Defendants’ affirmative defenses as to each stock price drop dates as  
19 alleged in this case. Plaintiffs’ Counsel is aware of the risks presented by proving a fraud claim to a  
20 jury, having received an adverse jury verdict in *In re Tesla, Inc. Securities Litigation* after obtaining  
21 summary judgment in plaintiff’s favor on the issues of falsity and scienter. In light of the risks of  
22 continued litigation, the percentage of recovery is reasonable and well within the range of other  
23 securities class action settlements, especially given the procedural history and stage of the litigation.

24 The Extent Of Discovery Completed And The Stage Of The Proceedings: “In the context of  
25 class action settlements, formal discovery is not a necessary ticket to the bargaining table where the  
26 parties have sufficient information to make an informed decision about settlement.” *In re Mego Fin.*  
27 *Corp.*, 213 F.3d at 459 (9th Cir. 2000). “Instead, courts look for indications the parties carefully

1 investigated the claims before reaching a resolution.” *In re: Volkswagen “Clean Diesel” Mktg., Sales*  
2 *Practices, & Prod. Liab. Litig.*, 2016 WL 6248426, at \*13-14 (N.D. Cal. Oct. 25, 2016). Here,  
3 Plaintiffs’ Counsel, among other things, obtained voluminous discovery from parties and non-parties,  
4 took 14 fact depositions, and commissioned four lengthy expert reports. Porritt Decl., ¶¶41-75.  
5 Additionally, Plaintiffs’ Counsel opposed Defendants’ motion to dismiss, and participated in two  
6 mediations. *Id.*, at ¶¶11-12. As a result of these efforts, Plaintiffs and Plaintiffs’ Counsel had a  
7 thorough understanding of the claims and defenses asserted in the Action, and the significant risks to  
8 establishing liability and damages.

9           The Experience And Views Of Counsel: “The recommendation of experienced counsel carries  
10 significant weight in the court’s determination of the reasonableness of the settlement.” *In re Heritage*  
11 *Bond Litig.*, 2005 WL 1594403, at \*9 (C.D. Cal. June 10, 2005). This makes sense, as counsel  
12 discussed above, Plaintiffs’ Counsel has a thorough understanding of the merits and weakness of the  
13 claims, as well as extensive prior experience litigating securities class action cases. Under such  
14 circumstances, Plaintiffs’ Counsel’s conclusion that the Settlement is fair and reasonable and in the  
15 best interests of the Settlement Class likewise supports the Settlement’s approval. *See In re*  
16 *Omnivision*, 559 F. Supp. 2d 1036, 1043 (N.D. Cal. 2008) (finding class counsel’s recommendation in  
17 favor of settlement presumptively reasonable because counsel demonstrated knowledge about the case  
18 and securities litigation in general).

19           The Presence Of A Governmental Participant “Because no government entities are participants  
20 in this case, this factor is neutral.” *In re Amgen, Inc. Sec. Litig.*, 2016 WL 10571773, at \*4 (C.D. Cal.  
21 Oct 25, 2016). As discussed in detail above, each of the Rule 23(e)(2) and Hanlon factors either  
22 supports a finding that the Settlement is fair, reasonable, and adequate, or is neutral. Final approval is,  
23 therefore, appropriate.

#### 24           **IV. THE COURT SHOULD APPROVE THE PLAN OF ALLOCATION**

25           In addition to seeking final approval of the Settlement, Class Representatives seek final  
26 approval of the Plan of Allocation that the Court preliminarily approved on July 18, 2024. ECF 215.  
27 The Plan of Allocation is considered separately from the fairness of the Settlement but is nevertheless

1 governed by the same legal standards: the plan must be fair and reasonable. *See Class Pls. v. City of*  
2 *Seattle*, 955 F.2d 1268, 1284 (9th Cir. 1992); *see also Vataj v. Johnson*, 2021 WL 1550478, at \*10  
3 (N.D. Cal. Apr. 20, 2021) (“[C]ourts recognize that an allocation formula need only have a reasonable,  
4 rational basis, particularly if recommended by experienced and competent counsel.”). As noted, the  
5 Plan of Allocation here provides an equitable basis to allocate the Net Settlement Fund among all  
6 Authorized Claimants (Class Members who submit an acceptable Proof of Claim and who have a  
7 recognized loss under the Plan of Allocation). Individual claimants’ recoveries will depend upon when  
8 they bought Twitter stock during the Class Period and whether and when they sold their shares.  
9 Authorized Claimants will recover their proportional “pro rata” amount of the Net Settlement Fund.  
10 This is the traditional and reasonable approach to allocating securities settlements. *See, e.g., Mauss v.*  
11 *NuVasive, Inc.*, 2018 WL 6421623, at \*4 (S.D. Cal. Dec. 6, 2018) (“A plan of allocation that  
12 reimburses class members based on the extent of their injuries is generally reasonable.”).

13 The Plan of Allocation, is detailed in ¶¶125-134 of the Porritt Declaration, and set forth in the  
14 Notice (Walter Decl., Ex. B). Under the proposed Plan of Allocation, each Authorized Claimant will  
15 receive his, her, or its pro rata share of the Net Settlement Fund, which is the Settlement Fund (i.e., the  
16 \$47,500,000 Settlement Amount plus any and all interest earned thereon) less any: (i) Taxes; (ii) Notice  
17 and Administration Costs; (iii) Litigation Expenses awarded by the Court; and (iv) attorneys’ fees  
18 awarded by the Court.

19 The Plan of Allocation provides for distribution of the Net Settlement Fund among Authorized  
20 Claimants on a pro rata basis based on a “Recognized Loss” formula that is based on the timing of the  
21 purchases and sales of QuantumScape securities and the decline that occurred in the price of those  
22 securities. Porritt Decl., ¶¶129-130; Walter Decl., Ex. B at ¶50-71. An individual Claimant’s recovery  
23 under the Plan of Allocation will depend on several factors, including the number of valid claims filed  
24 by other Claimants and how many shares of QuantumScape common stock the Claimant purchased,  
25 acquired, or sold during the Settlement Class Period. If a Claimant purchased and sold shares prior to  
26 a corrective disclosure, the Claimant’s recovery under the Plan of Allocation will be zero. This is a  
27 widely accepted approach to the fair distribution of settlement funds in securities class action

1 settlements. If any funds remain after an initial distribution to Authorized Claimants, because of  
2 uncashed or returned checks or other reasons, subsequent distributions will be conducted as long as  
3 they are cost effective. Porrit Decl., ¶133; Walter Decl., Ex. B at ¶65. When it is determined that the  
4 re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining  
5 balance shall be contributed—subject to Court approval—to an appropriate non-profit organization.  
6 *Id.* at. Plaintiffs’ Counsel proposes that the Bay Area Financial Education Foundation receive any *cy*  
7 *pres* award. Porrit Decl., ¶133. The Bay Area Financial Education Foundation is a 501(c)(3) nonprofit  
8 organization devoted to financial education on Title I schools and low to moderate income  
9 communities, at-risk youth, and organizations that support BIPOC students; bringing financial literacy  
10 to those who need it most. Part of its financial curriculum is a module titled “Basics of Investing”  
11 which involves “foundational investing principles, including stocks, bonds, index funds, and  
12 exchange-traded funds.” <https://www.bafef.org/modules>. Therefore, this is a proper *cy pres* recipient  
13 because of the nature of the securities fraud claims asserted in the Action Plaintiffs’ Counsel believes  
14 that the Plan of Allocation will result in a fair and equitable distribution of the Settlement proceeds  
15 among Class Members who submit valid claims.

16 To date, no objections to the Plan of Allocation have been received by Plaintiffs’ Counsel or  
17 filed on this Court’s docket. Porrit Decl. ¶172; Walter Decl. ¶12. Accordingly, Plaintiffs respectfully  
18 request that the Court approve the proposed Plan of Allocation. *See In re Heritage Bond Litig.*, 2005  
19 WL 1594403, at \*12 (C.D. Cal. June 10, 2005) (“In light of the lack of objectors to the plan of  
20 allocation at issue, and the competence, expertise, and zeal of counsel in bringing and defending this  
21 action, the Court finds the plan of allocation as fair and adequate.”).

## 22 V. NOTICE TO THE CLASS SATISFIED DUE PROCESS

23 A district court “must direct notice in a reasonable manner to all class members who would be  
24 bound by the proposal,” Fed. R. Civ. P. 23(e)(1)(B), and “must direct to class members the best notice  
25 that is practicable under the circumstances, including individual notice to all members who can be  
26 identified through reasonable effort,” Fed. R. Civ. P. 23(c)(2)(B). The notice also must describe “the  
27 terms of the settlement in sufficient detail to alert those with adverse viewpoints to investigate and to

1 come forward and be heard.” *Rodriguez*, 563 F.3d at 962. The PSLRA further requires that the  
2 settlement notice include a statement explaining a plaintiff’s recovery “to allow class members to  
3 evaluate a proposed settlement.” *In re Veritas Software Corp. Sec. Litig.*, 496 F.3d 962, 969 (9th Circ.  
4 2007); *see also In re Portal Software, Inc. Sec. Litig.*, 2007 WL 4171201, at \*8 (N.D. Cal. Nov. 26,  
5 2007) (recognizing the “overarching policy concern of fair, accurate disclosure to class members”).

6 The substance of the Notice satisfies Rule 23 and due process. The Claims Administrator has  
7 disseminated over 128,379 copies of the Court-approved Notice to potential Class Members and their  
8 nominees who could be identified with reasonable effort, from multiple sources. See Walter Decl. ¶ 8.  
9 In addition, the Court-approved Summary Notice was published in Investor’s Business Daily and PR  
10 Newswire. *Id.* ¶ 9. The Claims Administrator also provided all information regarding the Settlement  
11 online through the Settlement website. *Id.* ¶ 11. The Notice provides the necessary information for  
12 Class Members to make an informed decision regarding the proposed Settlement, as required by the  
13 PSLRA. The Notice further explains that the Net Settlement Fund will be distributed to eligible Class  
14 Members who submit valid and timely Proof of Claim forms under the Plan as described in the Notice.  
15 The notice program here fairly apprises Class Members of their rights with respect to the Settlement,  
16 is the best notice practicable under the circumstances, and complies with the Court’s Preliminary  
17 Approval Order, Federal Rule of Civil Procedure 23, the PSLRA, and due process. *See, e.g., Hayes v.*  
18 *MagnaChip Semiconductor Corp.*, 2016 WL 6902856, at \*4 (N.D. Cal. Nov. 21, 2016); *Nat’l Rural*  
19 *Telecomms. Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 526 (C.D. Cal. 2004) (finding notice sufficient  
20 when, as here, it described background of case and terms of proposed settlement and it provided class  
21 members “with clear instructions about how to object”).

1 **VI. CONCLUSION**

2 For the foregoing reasons, Plaintiffs respectfully request that the Court grant the unopposed  
3 motion for final approval of the Settlement and approve the proposed Plan of Allocation.

4  
5 Dated: October 9, 2024

Respectfully submitted,

6 **LEVI & KORSINSKY, LLP**

7 /s/ Nicholas I. Porritt

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**CERTIFICATE PURSUANT TO LOCAL RULE 5-1(i)(3)**

I, NICHOLAS I. PORRITT, am the ECF User whose identification and password are being used to file this document. Pursuant to Local Rule 5-1(i)(3), I attest that concurrence in the filing of the document has been obtained from each of the other signatories.

Dated: October 9, 2024

s/ Nicholas I. Porritt  
NICHOLAS I. PORRITT

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7 *Counsel for Plaintiffs and the Class*

8 [additional counsel on signature page]

9  
10 **UNITED STATES DISTRICT COURT**  
11 **NORTHERN DISTRICT OF CALIFORNIA**

12 In re QuantumScape Securities Class Action  
13 Litigation

14 Case No. 4:21-cv-00058-WHO

15 **DECLARATION OF NICHOLAS I.**  
16 **PORRITT IN SUPPORT OF:**  
17 **(I) PLAINTIFFS' MOTION FOR FINAL**  
18 **APPROVAL OF CLASS**  
19 **ACTION SETTLEMENT AND PLAN OF**  
20 **ALLOCATION; AND (II) LEAD**  
21 **COUNSEL'S MOTION FOR AN AWARD**  
22 **OF ATTORNEYS' FEES,**  
23 **REIMBURSEMENT OF LITIGATION**  
24 **EXPENSES AND AWARD TO PLAINTIFFS**  
25 **PURSUANT TO 15 U.S.C. §78u-4(a)(4)**

26 Honorable Hon. William H. Orrick III  
27 Hearing Date: November 13, 2024  
28 Hearing Time: 2:00 p.m.



1 I, Nicholas I. Porritt, declare under penalty of perjury pursuant to 28 U.S.C. § 1746, as  
2 follows:

3 1. I am an attorney admitted pro hac vice before this Court. I am a partner in the firm  
4 of Levi & Korsinsky, LLP, counsel for Lead Plaintiff Frank Fish, Plaintiffs Mary Cranny and Kathy  
5 Stark, and the Class.<sup>1</sup> Levi & Korsinsky was appointed as Class Counsel in this matter by order of  
6 this Court dated December 18, 2022. ECF No. 183. I was actively involved in the prosecution of  
7 this Action, am familiar with its proceedings, and have personal knowledge of the matters set forth  
8 herein based upon my supervision of, and participation in, all material aspects of the Litigation. If  
9 called upon to testify, I could and would do so truthfully and accurately.

10 2. I respectfully submit this declaration in support of Lead Plaintiff’s application,  
11 pursuant to Rule 23 of the Federal Rules of Civil Procedure, for approval of: (a) the Stipulation for  
12 a cash settlement of \$47,500,000 on behalf of the Class; (b) the proposed Plan of Allocation; (c) the  
13 application for attorneys’ fees and expenses; and (d) an award to Plaintiffs pursuant to 15 U.S.C.  
14 §78u-4(a)(4).

15 3. The Class, previously certified by the Court in its Order granting Plaintiffs’ motion  
16 and supplemental motion for class certification, is defined as:

17  
18 All persons or entities that purchased or otherwise acquired QuantumScape securities  
19 between November 27, 2020 and April 14, 2021, inclusive (“Class Period”), and  
20 were damaged thereby. Excluded from the Class are QuantumScape and its  
21 subsidiaries and affiliates, the Individual Defendants, and any of the Defendants’ or  
22 QuantumScape’s respective offices and directors at all relevant times, and any of  
23 their immediate families, legal representatives, heirs, successors, or assigns, and any  
24 entity in which Defendants has or had a controlling interest.<sup>2</sup>

25  
26  
27 **I. PRELIMINARY STATEMENT**

28 4. This action was brought against QuantumScape Corp., Jagdeep Singh, Kevin  
Hettrich, and Timothy Holme on behalf of a class, for violations of §§ 10(b) and 20(a) of the

<sup>1</sup> Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in the Stipulation of Settlement dated June 11, 2024 (ECF 211-2) (the “Stipulation”)

<sup>2</sup> ECF 183 at 4.

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1 Securities Exchange Act of 1934 (the “Exchange Act”) (15 U.S.C. §§78j(b) and 78t(a)) and Rule  
2 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5).

3           5.       Plaintiffs alleged, among other things, that on December 8, 2020, Defendants made  
4 false and misleading statements, and omitted material information, during their “Solid-State  
5 Showcase” presentation concerning the true state of QuantumScape’s battery technology, including  
6 its capabilities and the status of its development. Plaintiffs alleged that Defendants’ statements  
7 during this presentation and other statements during the Class Period were misleading by: (i)  
8 representing that QuantumScape’s technology was more developed and had better capabilities than  
9 it did in reality, (ii) presenting certain testing results that were incomplete or presented in a  
10 misleading manner, (iii) representing that the “science risk” of QuantumScape’s technology was  
11 behind them, (iv) representing that QuantumScape’s battery was ready for commercial deployment  
12 and all that was needed was to scale up production and make multilayer versions of the cells, and  
13 (v) representing that its battery exceeded what was capable in today’s lithium-ion batteries.

14           6.       Plaintiffs further alleged that Defendants statements were materially false and  
15 misleading when made because Defendants knew or deliberately disregarded and failed to disclose  
16 that (i) their technology was less developed and had worse capabilities than it did in reality, (ii) that  
17 the “science risk” of their technology was not behind them, (iii) that their battery was not “ready for  
18 commercial deployment” and more needed to be done besides “scale up production and make  
19 multilayer versions of these cells”, and (iv) that their battery did not exceed what was capable in  
20 lithium-ion batteries. ECF 131 at ¶16.

21           7.       Plaintiffs’ allegations were supported by evidence obtained in discovery and which  
22 would be presented at trial to prove that Defendants’ statements and omissions were materially false  
23 and misleading and made with the requisite scienter.

24           8.       Plaintiffs claimed that the alleged misrepresentations and omissions distorted the  
25 prices of QuantumScape’s publicly traded securities, thereby causing economic harm to Class  
26 members when the true state of QuantumScape’s technology which had been concealed was  
27 disclosed to the public in two corrective disclosures. The first came on January 4, 2021, when Dr.

1 Brian Morin published an article on Seeking Alpha containing his analysis of QuantumScape’s  
2 technology and the public statements made during the “Solid-State Showcase.” Dr. Morin identified  
3 what he believed were overstatements about the state of QuantumScape’s battery cell prototypes  
4 and the challenges to achieving commercialization. QuantumScape’s stock price fell by \$34.49, or  
5 approximately 40.84% on January 4, 2021. The second came on April 15, 2021, when a research  
6 firm called Scorpion Capital published a 188-page report, titled “QuantumScape (NYSE: QS) A  
7 Pump and Dump SPAC Scam by Silicon Valley Celebrities, That Makes Theranos Look Like  
8 Amateurs.” Plaintiffs alleged that when the Scorpion Capital Report was published on April 15,  
9 2021 and the true state of QuantumScape’s battery technology was revealed to the market,  
10 QuantumScape’s stock price declined from a close of \$40.85 on April 14, 2021, to a close of \$35.85  
11 on April 15, 2021, a decline of 12.24%, on unusually heavy trading volume of 59.0 million shares.

12 9. Defendants vehemently deny all these allegations. They contend that they did make  
13 any false or misleading statements and that they disclosed all information required to be disclosed  
14 by the federal securities laws. Defendants maintain that the alleged misstatements concerning  
15 QuantumScape’s technology were accurate statements, not misleading, and taken out of context.  
16 Defendants also contend that any decline in QuantumScape’s stock price on January 4, 2021, was  
17 due to reasons other than the disclosures related to the alleged false or misleading statements, and  
18 that they have other valid defenses to Plaintiff’s claims. They argue that neither Dr. Morin’s report,  
19 based upon public information, nor a short-seller report can establish loss causation both as a matter  
20 of law and of fact.

21 10. This Action was vigorously contested for over three years from commencement to  
22 resolution with strong advocacy from both sides at every stage, including the filing of a detailed  
23 amended complaint; a motion to dismiss; a vigorously contested class certification motion and  
24 related Rule 23(f) petition; extensive fact and expert discovery, including an application to obtain  
25 non-party discovery from Germany; retention of several experts; and participation in extensive  
26 settlement negotiations.

27

28

DECLARATION OF NICHOLAS I. PORRITT  
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APPLICATION FOR AWARD OF ATTORNEYS’ FEES AND EXPENSES  
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1           11.     This Settlement was not achieved until Lead Plaintiff and Additional Plaintiffs, *inter*  
2 *alia*: (a) moved for the appointment of lead plaintiff and identified the most appropriate claims likely  
3 to succeed; (b) drafted a Consolidated Complaint (ECF 131) with respect to the allegations  
4 concerning additional statements by Defendants about their technology and commercial readiness;  
5 (c) prepared extensive briefing and conducted oral argument to defeat Defendants’ motion to  
6 dismiss; (d) obtained certification of a class of purchasers of QuantumScope securities; (e)  
7 conducted extensive party and non-party fact discovery, including: obtaining approximately  
8 180,000 documents totaling (encompassing over a million pages) and taking and defending  
9 numerous depositions; (f) engaged in countless lengthy and contentious discovery related disputes;  
10 (g) conducted complex expert discovery on a variety of issues (including loss causation, damages,  
11 and battery technology); and (h) engaged in lengthy settlement negotiations with a nationally  
12 recognized mediator.

13           12.     The settlement of this Action was negotiated under the oversight of David Murphy,  
14 Esq. of Phillips ADR, a well-respected mediator with significant experience in mediating claims  
15 arising under the federal securities laws. The Parties participated in full-day in-person mediation  
16 sessions with Mr. Murphy in Wilson Sonsini’s New York City offices on October 24, 2023 and  
17 March 26, 2024. In advance of these mediations, Plaintiffs and Defendants prepared comprehensive  
18 mediation briefs, supported by evidentiary materials, and thereafter vigorously advanced and  
19 defended their positions at the respective mediation sessions. The Parties did not reach a settlement  
20 during these sessions. After careful and detailed consideration of the Parties’ positions and multiple  
21 calls with the Parties, Mr. Murphy made a mediator’s proposal to settle this action for a cash  
22 payment of \$47,500,000. Both sides accepted Mr. Murphy’s proposal and agreed to the material  
23 terms of the Settlement on April 8, 2024. The Parties continued to negotiate the terms of the  
24 Settlement up until the filing of the Motion for Preliminary Approval of the Settlement on June 10,  
25 2024.

26           13.     The proposed Settlement is the result of hard-fought and contentious litigation  
27 characterized by zealous advocacy on both sides and takes into consideration the significant risks

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1 specific to the case. It was negotiated by experienced counsel for Plaintiffs and Defendants with a  
2 thorough understanding of both the strengths and weaknesses of their respective positions informed  
3 by years of litigation.

4 14. I believe that this Settlement represents an excellent result for the Class. Based upon  
5 the extensive fact and expert discovery, investigation, research, analysis, and motion practice, I  
6 believe that this case had significant merit. Lead Plaintiff's perseverance through years of litigation  
7 resulted in the discovery of substantial evidence in support of the alleged claims. I also believe that  
8 discovery revealed evidence sufficient to survive summary judgment and ultimately sustain a jury  
9 verdict in Plaintiffs' favor. This evidence, I believe, would demonstrate that, contrary to Defendants'  
10 representations during the Class Period, QuantumScape had overstated the capabilities of their  
11 technology and readiness for commercial development.

12 15. Despite the strength of the evidence developed in discovery, there were substantial  
13 risks to Plaintiffs' ability to obtain a favorable judgment at trial. First, Defendants vigorously  
14 contested liability and maintained that the alleged misstatements concerning QuantumScape's  
15 technology were accurate statements, not misleading, and taken by Plaintiffs out of context. With  
16 respect to loss causation, Defendants argue that neither Dr. Morin's report, based upon public  
17 information, nor a short-seller report can establish loss causation both as a matter of law and of fact.

18 16. Significant trial risks existed. Defendants would marshal evidence at trial they hoped  
19 would convince the jury that the alleged misrepresentations were in fact truthful statements  
20 concerning the technological capabilities of QuantumScape's battery technology and its readiness  
21 for production. Defendants were also expected to argue that testing conditions and remaining steps  
22 required for commercialization had all been disclosed and were known to investors. And, regardless  
23 of the truth or falsity of Defendants' statement, they would argue that they did not act with the  
24 requisite intent to defraud investors, as evidenced by a lack of traditional indicia of securities fraud,  
25 such as meaningful sales of QuantumScape stock by insiders during the Class Period, or the lack of  
26 clear motive.

1 17. The complexity of the underlying issues requires significant scientific analysis and  
2 explanation to understand. Clearly explaining the science and why Defendants' statements were  
3 false and misleading, while all of Defendants' fact witnesses and competing expert witnesses would  
4 testify in support of Defendants' major defenses, would be a considerable obstacle to Plaintiffs'  
5 potential for success at trial.

6 18. Even if plaintiffs prevailed on liability, there were also significant risks to proving  
7 damages. Defense experts would testify that some or all the stock price declines which Plaintiffs  
8 premises their damages claims were unrelated to the alleged false and misleading statements and  
9 omissions. A jury could credit Defendants' expert who could argue that it is impossible to tell  
10 whether it was Dr. Morin's report that moved the stock price or the repetition of previously disclosed  
11 information. Defendants' expert would also offer evidence that the availability of additional shares  
12 on January 4, 2021 caused the stock price to move and not Dr. Morin's report. As matter of law,  
13 Defendants have consistently argued at the motion to dismiss and class certification stages that,  
14 because Dr. Morin based his report on publicly available information, he did not reveal anything for  
15 the first time to the market and as a matter of law it cannot be a corrective disclosure. I anticipate  
16 that Defendants would have continued to pursue this line of argument both at summary judgment,  
17 at trial, and, if necessary, on appeal.

18 19. In addition to these disputes, other risks would exist at the time of trial, including  
19 Defendants' potential motions *in limine* seeking to exclude key evidence supporting Plaintiffs'  
20 claims and arguments and to object to other significant evidence as hearsay.

21 20. Even if plaintiffs prevailed at trial, there was also significant risk of delay in  
22 providing Class members with compensation for the harm caused by Defendants' alleged fraud.  
23 Post-trial proceedings would threaten to delay the Class recovery on any favorable judgment  
24 obtained at trial. Defendants would also undoubtedly appeal any verdict achieved in plaintiffs' favor  
25 and the appeals process could span years during which time the Class would receive no recovery.

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1           21. All these factors were considered by me in concluding that the mediator’s proposal  
2 to settle this Action for \$47,500,000 was fair, reasonable, adequate, and in the best interest of the  
3 Class.

4           22. Plaintiffs’ Counsel has, as described below, vigorously prosecuted this Litigation on  
5 a wholly contingent basis for more than three years and advanced or incurred significant litigation  
6 expenses. Plaintiffs’ Counsel has long borne the risk of an unfavorable result. It has not received  
7 any compensation for its substantial effort; nor has it been paid for its expenses. The Settlement  
8 should be approved as fair, reasonable, and adequate; Plaintiffs’ Counsel should be awarded  
9 attorneys’ fees of \$14,250,000 representing 30% of the Settlement Amount, and its expenses of  
10 \$1,866,135.53, plus accrued interest on such fees and expenses; the Plan of Allocation should be  
11 approved; and Plaintiffs should be collectively awarded \$40,000 for their time and expenses in  
12 representing the Class pursuant to 15 U.S.C. §78u-4(a)(4).

13           23. The fee application is fair both to the Class and Plaintiffs’ Counsel, has been  
14 approved by Lead Plaintiff, and warrants this Court’s approval. This fee request is within the range  
15 of fees awarded in these types of actions and is justified considering the outstanding recovery on  
16 behalf of the Class, the risks undertaken, the quality of representation, and the nature and extent of  
17 legal services performed.

18           24. Plaintiffs’ Counsel should also be awarded its expenses plus interest earned  
19 thereupon in the aggregate of \$1,865,135.53, all of which were reasonably and necessarily incurred  
20 in prosecuting the Litigation. As described in detail below, these expenses were reasonably and  
21 necessarily incurred to plead Lead Plaintiff’s claims with particularity, certify the Class, complete  
22 discovery, respond to summary judgment and other pretrial motions, prepare this case for trial, and  
23 obtain a settlement on the terms proposed.

24           25. Plaintiffs seek awards in the amount \$30,000 for Lead Plaintiff Frank Fish and  
25 \$5,000 each to additional plaintiffs Mary Cranny and Kathy Stark, pursuant to 15 U.S.C. §78u-  
26 4(a)(4), for reasonable costs and expenses directly relating to their representation of the Class.  
27 Plaintiffs actively monitored the Action and supervised Plaintiffs’ Counsel. Plaintiffs also dedicated

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1 time and resources to discovery, which included gathering documents and information responsive  
2 to Defendants’ discovery requests, as well as preparing for and sitting for depositions as part of the  
3 class certification process. Finally, Plaintiffs participated in mediation and approved the ultimate  
4 settlement.

5 26. The Court entered the Order Preliminarily Approving Settlement and Providing for  
6 Notice on July 18, 2024 (the “Preliminary Approval Order”), and thereby directed notice of the  
7 Settlement to be disseminated to the Settlement Class. See ECF No. 215. Pursuant to the  
8 Preliminary Approval Order, A.B. Data, Ltd., the Court-approved Claims Administrator,  
9 implemented a comprehensive notice program under the direction of Plaintiffs’ Counsel, whereby  
10 notice was given to potential Settlement Class Members by mail and by publication. In total, notice  
11 has been disseminated to 129,657 potential Settlement Class Members and nominees, and thus far  
12 no requests exclusions or objections have been received.

13 **II. PROSECUTION OF THE ACTION**

14 **A. Lead Plaintiff Motions, the Consolidated Complaint, and Defendants’ Motion to**  
15 **Dismiss**

16 27. This litigation commenced on January 5, 2021, with the filing of *Malriat v.*  
17 *QuantumScape Corporation, et al.*, Case No. 21-cv-00058-WHO (N.D. Cal.), which alleged  
18 securities fraud claims on behalf of a putative class against QuantumScape and Jagdeep Singh  
19 pursuant to §§10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§ 78j(b) and 78t(a), and SEC Rule  
20 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5. ECF 1.

21 28. On January 6, 2021, and January 8, 2021, respectively, two related securities class  
22 action lawsuits were also filed: *Gowda v. QuantumScape Corporation et al.*, Case No. 4:21-cv-  
23 00070 JST, ECF 1, and *Leo v. QuantumScape Corporation f/k/a Kensington Capital Acquisition*  
24 *Corp. et al.*, 3:21-cv-00150-VC, ECF No. 1. By Order dated February 18, 2021, the Court found all  
25 3 of the filed complaints were related. ECF 18. By Order dated March 3, 2021, the Court found  
26 *Gervat v. Singh*, Case No. 21-cv 00989-BLF to also be a related case. ECF 19.

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1           29.     On March 8, 2021, twelve Motions for Consolidation of the Related Actions, and  
2 Motions to Appoint Lead Plaintiff and Lead Counsel were filed. ECF Nos. 20, 27, 28, 40, 41, 42,  
3 50, 54, 65, 67, 72, 76.

4           30.     Plaintiffs alleged, among other things, that that Defendants’ statements were  
5 misleading by representing that: (i) QuantumScape’s technology was more developed and had better  
6 capabilities than it did in reality, (ii) that certain testing results were incomplete or presented in a  
7 misleading manner, (iii) that the “science risk” of QuantumScape’s technology was behind them,  
8 (iv) that QuantumScape’s battery was ready for commercial deployment and all that was needed  
9 was to scale up production and make multilayer versions of the cells, and (v) that its battery exceeded  
10 what was capable in today’s lithium-ion batteries.

11           31.     Following the publication of a notice as required under the Private Securities  
12 Litigation Reform Act of 1995 and the filing of competing motions for appointment as lead plaintiff  
13 and lead counsel, on April 20, 2021, the Court consolidated this and other later-filed cases, appointed  
14 Frank Fish as Lead Plaintiff, and appointed Levi & Korsinsky, LLP as lead counsel, recaptioning  
15 the case as “In re QuantumScape Securities Class Action Litigation,” Case No. 3:21-cv-00058-  
16 WHO. ECF 115.

17           32.     On May 5, 2021, Bala Mullur filed an Administrative Motion to Consider Whether  
18 Cases Should Be Related and Requesting Modification of Schedule Pending the Court’s Review of  
19 Lead Plaintiff Process. ECF No. 122-23. On May 18, 2021 the Court Ordered the cases Related and  
20 Consolidated the Mullur case with this Action, and Denied the Motion to Modify the Case Schedule  
21 and Reconsider Lead Plaintiff Appointment. ECF 130.

22           33.     Following the appointment as lead counsel, my firm then engaged in an investigation  
23 into QuantumScape’s operations during the PSLRA automatic discovery stay. This investigation  
24 included: (a) a detailed review of (i) QuantumScape’s SEC filings, press releases, conference calls,  
25 news reports, blog postings, and other public statements made by Defendants prior to, during, and  
26 after the Class Period; (ii) public documents, reports, announcements, and news articles concerning  
27 QuantumScape and the broader EV battery industry; (iii) research reports by securities and financial

1 analysts; and (iv) economic analyses of stock price movement and pricing data; (v) consulting with  
2 an expert in the field of electric vehicle battery technology; (vi) a review and analysis of other  
3 publicly available material and data; and (vii) consulting with experts in the field of damages.

4 34. Based on this factual investigation, my firm filed on behalf of Lead Plaintiff, Frank  
5 Fish, the Amended Consolidated Class Action Complaint on June 21, 2021. ECF 131. On July 13,  
6 2021, the Parties stipulated voluntarily to dismiss Fritz Prinz and Volkswagen Group of America  
7 Investments, LLC as defendants. ECF 134.

8 35. The Amended Consolidated Class Action Complaint asserted claims on behalf of all  
9 persons who purchased or otherwise acquired QuantumScape securities between November 27,  
10 2020, and April 14, 2021, inclusive (the “Class Period”). ECF 131. The Amended Consolidated  
11 Class Action Complaint included many additional alleged false and misleading statements made by  
12 Defendants in the press, during live interviews, and in SEC filings. These included an interview in  
13 the publication the Mobilist, two interviews with CNBC, a LinkedIn article, QuantumScape’s  
14 shareholder letter, an earnings call, Defendants’ Form 10-K, and a Yahoo Finance interview. *Id.* at  
15 45-90.

16 36. Plaintiffs alleged that these statements caused QuantumScape’s stock to trade at  
17 artificially inflated prices during the Class Period. Plaintiffs further alleged that the January 4, 2021  
18 Dr. Morin article partially revealed the truth about areas of overstated successes and significant  
19 challenges associated with QuantumScape’s solid-state batteries. *Id.* at 97-98. Lead Plaintiff alleged  
20 that Dr. Morin’s report revealed to investors that QuantumScape had overstated several data points,  
21 including (i) power, (ii) range, (iii) low temperature operation, (iv) low temperature life, and (v)  
22 energy density, and omitted material information related to (vi) dendrites, (vii) safety and (viii) cost.  
23 On this information from Dr. Morin, Lead Plaintiff alleged that QuantumScape’s stock price fell by  
24 \$34.49, or approximately 40.84%. *Id.* at 4.

25 37. The Amended Consolidated Class Action Complaint also included a second alleged  
26 corrective disclosure. *Id.* at 30-41. On April 15, 2021, a research firm called Scorpion Capital  
27 published a 188-page report, titled “QuantumScape (NYSE: QS) A Pump and Dump SPAC Scam

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1 by Silicon Valley Celebrities, That Makes Theranos Look Like Amateurs.” Lead Plaintiff alleged  
2 that the Scorpion Capital Report revealed to the market that QuantumScape had used several  
3 compromises during its testing, including cell size, elevated temperatures, and “pulse tests” and  
4 published six “[p]hony claim[s]” relating to its battery technology. These claims included: (i) solid  
5 state material resists dendrites; (ii) battery performance in low temperatures; (iii) fast charging to  
6 80% in under 15 minutes; (iv) long battery life to 1000+ charge/discharge cycles; (v) battery life in  
7 low temperatures; and (vi) aggressive automotive power profiles. The report contained interviews  
8 with industry experts, former QuantumScape employees, and Volkswagen. *Id.* Plaintiffs alleged that  
9 when the Scorpion Capital Report was published on April 15, 2021 and the true state of  
10 QuantumScape’s battery technology was revealed to the market, QuantumScape’s stock price  
11 declined from a close of \$40.85 on April 14, 2021, to a close of \$35.85 on April 15, 2021, a decline  
12 of 12.24%, on unusually heavy trading volume of 59.0 million shares. *Id.* at 98.

13         38. On August 20, 2021, Defendants moved to dismiss plaintiff’s claims under Section  
14 10(b) of the Exchange Act for failure to sufficiently allege actionable misstatements, a strong  
15 inference of scienter, and loss causation, and the Exchange Act Section 20(a) claim for failure to  
16 allege a predicate violation. ECF 137. Defendants moved to dismiss every misrepresentation alleged  
17 by Plaintiffs in the Amended Consolidated Class Action Complaint. In support of their Motion to  
18 Dismiss, Defendants created an appendix to enumerate what they saw as the allegedly false and  
19 misleading statements, excluding the slides from the “Solid-State Showcase.” ECF 137-1. Plaintiffs  
20 opposed Defendants’ motion on October 19, 2021 (ECF 139) and Defendants replied on November  
21 18, 2021 (ECF 142). One month after the Court heard oral argument on December 8, 2021, the Court  
22 issued its order on the Motion to Dismiss. ECF 153.

23         39. Even adopting Defendants’ categorization of the alleged misstatements and  
24 omissions from the complaint and permitting Defendants to supplement their arguments with  
25 additional citations (ECF 144), the Court substantially denied Defendants’ motion, holding that  
26 Lead Plaintiff’s allegations were sufficient to state a claim in connection with 26 of the 27 alleged  
27 misrepresentations identified by Defendants in their Appendix to their motion to dismiss. ECF 153.

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1 However, the Court also found that many of QuantumScape’s arguments were not without some  
2 force. First, if Dr. Morin was considered to be CEO of a competing company, that would diminish  
3 his credibility. *Id.* at 14. Second, the Court also noted, that Scorpion Capital was allegedly short on  
4 QuantumScape may raise serious credibility issues for a factfinder.” *Id.* Finally, with respect to  
5 QuantumScape’s disclosures, the Court noted that they were, “certainly extensive and may well  
6 weaken or even defeat the plaintiffs’ case at a later stage when a factfinder can weigh them  
7 contextually.” *Id.* at 17.

8 40. Defendants answered the Amended Consolidated Class Action Complaint on  
9 February 25, 2022. ECF No. 156. On July 14, 2022, Lead Plaintiff and additional plaintiffs Mary  
10 Cranny and Kathy Stark, filed the Second Amended Consolidated Complaint and Defendants filed  
11 their Answer to the Second Amended Consolidated Complaint on August 4, 2022. ECF Nos. 164,  
12 170.

13 **B. Fact Discovery.**

14 41. Fact discovery in this action was extensive, involving the production of  
15 approximately 180,000 documents (exceeding one million pages) from Defendants and non-parties,  
16 the exchange of hundreds of pages of sworn interrogatory responses, and seventeen depositions.  
17

18 **a. Plaintiffs’ Discovery Demanded from Defendants.**

19 42. The Parties engaged in fact discovery and related disputes from March 2022 until the  
20 settlement was agreed in principle in April 2024. Plaintiffs obtained and analyzed nearly one million  
21 pages of documents from Defendants and took the depositions of ten QuantumScape witnesses  
22 during discovery.  
23

24 43. Shortly after the Court issued its order on the Motion to Dismiss, the Parties held  
25 their first Fed. R. Civ. P. Rule 26(f) conference. Over the following weeks, the Parties began to  
26 negotiate discovery related matters including parameters for electronic discovery, search terms,  
27 custodians, and protective order for Defendants’ productions. On March 8, 2022, after spending  
28 significant time meeting conferring to negotiate terms, Parties submitted their Joint Case  
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1 Management Statement, which, among other matters, set forth a summary of the factual allegations,  
2 described the principal legal issues in dispute, detailed the Parties' competing views over the  
3 anticipated scope of discovery, as well as proposed a discovery and pretrial schedule. ECF 157, On  
4 March 18, 2022, the Parties served their initial disclosures pursuant to Red. R. Civ. P. 26(a)(1)

5 44. Counsel for the Parties also spent significant time negotiating the Stipulated  
6 Protective order concerning the treatment of confidential information. Discovery in this matter  
7 involved highly sensitive information relating to QuantumScape's proprietary technology and  
8 warranted heightened protections. Notably, Defendants' Counsel insisted, and Plaintiffs' Counsel  
9 ultimately agreed, that to serve as an expert for Plaintiffs in this matter, one would have to agree not  
10 to work for as an employee or consult with a QS competitor during the litigation and for a period of  
11 3 years thereafter. On July 28, 2022, the Court entered the Stipulated Protective Order. ECF 168.

12  
13 **1. Lead Plaintiff's Fed. R. Civ. P. 34 Requests for Production of Documents**

14 45. On May 11, 2022, Lead Plaintiff served, pursuant to Fed. R. Civ. P. 34, Lead  
15 Plaintiff's First Set of Requests for Production of Documents ("Lead Plaintiff's 1st RFPs"), to  
16 Defendants containing 36 requests regarding all aspects of the claims. For example, Lead Plaintiff  
17 sought: (i) documents and communications concerning QuantumScape December 8, 2020 "Solid-  
18 State Showcase" presentation and internal testing behind the presentation; (ii) documents and  
19 communications concerning QuantumScape's claims about resisting dendrites, charging speeds,  
20 performance at low temperatures, safety, life cycle, energy density, and cost; and (iii) documents  
21 and communications concerning QuantumScape's statements about commercial readiness and  
22 product.

23  
24 46. On June 8, 2022, Lead Plaintiff served, pursuant to Fed. R. Civ. P. 34, Lead  
25 Plaintiff's Second Set of Requests for Production of Documents ("Lead Plaintiff's 2nd RFPs"). Lead  
26 Plaintiff's 2nd RFPs contained four additional requests that sought documents and correspondence  
27 relating to QuantumScape's financial results, their joint venture with Volkswagen, and regulatory  
28 investigations.

1           47.     On July 12, 2022, Defendants served their objections and responses to Lead  
2 Plaintiff's 1st RFPs and Lead Plaintiff's 2nd RFPs, in which they objected to every request as  
3 irrelevant and overbroad.

4           48.     On September 1, 2022, Plaintiffs served, pursuant to Fed. R. Civ. P. 34, Lead  
5 Plaintiff's Third Set of Requests for Production of Documents ("Plaintiffs' 3rd RFPs"). Plaintiffs'  
6 3rd RFPs contained five additional requests that sought documents and correspondence relating to  
7 QuantumScape's December 17, 2020 Form S-1, QuantumScape's investor relations,  
8 QuantumScape's share price during the Class Period, the effect of QuantumScape's public  
9 statements on the price of its securities, and public disclosure policies.

10           49.     On October 3, 2022, Defendants served their objections and responses to Lead  
11 Plaintiff's 3rd RFPs, in which they objected to every request as irrelevant and overbroad.

12           50.     Despite Defendants objections on several grounds to these requests for production,  
13 the Parties engaged in numerous conferences regarding the scope and size of the document  
14 production. These meetings occurred biweekly during certain periods of fact discovery. The Parties  
15 negotiated search terms and custodians and Defendants searched for and produced documents on a  
16 rolling basis between July 2022 and March 2024.

17           51.     A significant challenge presented during discovery was that the software  
18 QuantumScape used to generate testing data was not well suited to production in civil litigation and  
19 required extensive "bespoke work" from Defendants' e-discovery vendor, tailored specifically to  
20 the requirements of producing the data in a useable format. Resolving these issues required many  
21 conferences between counsel as well as input from e-discovery experts and Plaintiffs' expert Dr.  
22 Seth Miller. This data was necessary to evaluate the veracity of Defendants' representations made  
23 during their December 8, 2022 "Solid State Showcase" and throughout the Class Period.

24           52.     Defendants' use of Microsoft Teams and the project management website, ASANA,  
25 added further complexity to the discovery process. These platforms contained a vast amount of data,  
26 including messages, files, and multimedia content, which was cumbersome, and time consuming  
27 for Defendants' Counsel to gather, review for responsive material, and produce. It was also difficult

1 and time-consuming for Plaintiffs’ Counsel to review once it had been produced, requiring the  
2 engagement of a significant team of experienced document review attorneys and Plaintiffs’ expert  
3 Dr. Seth Miller to complete.

4 53. Ultimately, the Defendants’ fact discovery included more than 140,000 documents  
5 (encompassing nearly one million pages) from 72 different productions. The size of the document  
6 production in this Litigation required expending a tremendous quantity of time on document review  
7 and analysis in preparation for depositions, expert reports, and mediation, as well as substantial  
8 expenses related to hiring experienced document review attorneys and to hosting and maintaining a  
9 review platform.

10 **2. Lead Plaintiffs’ Fed. R. Civ. P. 33 Interrogatories**

11 54. On June 7, 2022, pursuant to Fed. R. Civ. P. 33, Lead Plaintiff served Lead Plaintiff’s  
12 First Set of Interrogatories to All Defendants (“Lead Plaintiff’s 1st Interrogatories”), containing ten  
13 interrogatories seeking, among other things, the basis for Defendants statements in their December  
14 8, 2020 “Solid State Showcase” presentation and statements throughout the class period, as well as  
15 to identify the data supporting their claims. On August 8, 2022, Defendants served objections and  
16 responses to Lead Plaintiff’s 1st Interrogatories.

17 **3. Plaintiffs Depositions of Defendants and QuantumScape Employees**

18 55. During discovery, Plaintiffs took 10 full-day depositions of current and former  
19 QuantumScape employees, including the named Defendants. Each QuantumScape witness was  
20 represented by attorneys from Defendants’ Counsel. Plaintiffs’ Counsel expended significant time  
21 identifying and analyzing documents to use in their examinations and preparation of questions  
22 concerning those documents. Due to the complexity of the subject matter, Plaintiffs’ Counsel also  
23 consulted with their experts to prepare. Eight of the party depositions were taken in Palo Alto,  
24 California, one was taken in New York, New York, and one was taken in Pittsburgh, Pennsylvania.



1 **4. Disputes with Defendants Arising out of Lead Plaintiff’s Discovery**  
2 **Requests**

3 56. During the litigation, there were numerous disputes between counsel regarding  
4 discovery. The Parties disagreed over the scope of the productions, Defendants’ claims of attorney-  
5 client privilege and work product, and Defendants’ claims over confidentiality.

6 57. While the Parties were able to resolve most of these disputes without seeking Court  
7 intervention, on December 12, 2023, the Parties submitted a joint statement pursuant to the Court’s  
8 standing orders regarding Plaintiff’s motion to compel discovery or in the alternative strike  
9 Defendants newly raised defenses. ECF 203. The dispute concerned Defendants’ Amended Initial  
10 Disclosures from November 16, 2023, the eve of the close of fact discovery, which added additional  
11 categories of documents to support their defenses. These documents included filings with the U.S.  
12 Securities and Exchange Commission, including letters to shareholders and press releases from after  
13 the Class Period to the present. When negotiating the period for search terms, the Parties agreed to  
14 limit the production to documents from 2020 and 2021. Accordingly, after Defendants modified  
15 their initial disclosures, Plaintiffs sought Court intervention to compel additional discovery relating  
16 to those post class period statements or in the alternative to strike the newly identified category of  
17 documents that Defendants would rely on to support their defense. The Court denied Plaintiffs’  
18 request, but allowed Plaintiffs the opportunity to re-depose three previously deposed witnesses on  
19 the SEC filings after the putative class period for no more than four hours each. ECF 205. Prior to  
20 agreeing to the Settlement, Plaintiffs were preparing for these three additional depositions.

21 **C. Plaintiffs’ Discovery Served on Non-Parties**

22 58. Plaintiffs’ Counsel spent considerable time obtaining relevant evidence from non-  
23 parties, including those described below. In all, Plaintiffs received more 37,000 documents from  
24 non-parties and took four depositions.

25 **1. Financial Analysts**

26 59. Plaintiffs’ Counsel subpoenaed documents from numerous securities firms that  
27 employed analysts to cover QuantumScape, its predecessor, the Special Purpose Acquisition  
28 Company (SPAC) known as Kensington Capital Acquisition Corp. (“KCAC”), and the electric  
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IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND  
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1 vehicle industry. The subpoenas sought, among other things; documents related to securities reports  
2 issued covering QuantumScape; all notes, research and communications relied upon in issuing these  
3 reports; and communications with QuantumScape employees. Many of these documents were  
4 relevant to market efficiency, the content and impact of QuantumScape-related statements and  
5 disclosures, loss causation, and damages. The documents were also necessary to contest Defendants'  
6 defenses to falsity, materiality, and scienter, as Defendants asserted that the market's understanding  
7 of the alleged false and misleading statements were contrary to Plaintiffs' theory of liability, as  
8 purportedly evidenced by some of the reports of financial analysts.

9 **2. Financial Services Firms**

10 60. Plaintiffs' Counsel subpoenaed financial services firms that provided investment  
11 banking services, financial advice, or were otherwise involved with the SPAC merger with KCAC  
12 through which QuantumScape became a publicly traded company, the associated Public Investment  
13 in Private Equity ("PIPE") offering, and QuantumScape's Secondary Public Offering in 2021. The  
14 subpoenas sought, among other things, documents related to transactions, purchases, loans,  
15 borrowings, or sales in QuantumScape securities; the movement, price, or valuation of  
16 QuantumScape securities; and QuantumScape's technology. Many of these documents were also  
17 relevant to market efficiency, the content and impact of Company-related statements and  
18 disclosures, loss causation, and damages. Among other things, the documents were necessary to  
19 contest Defendants' defense that the price of QuantumScape's securities declined on January 4,  
20 2021 due to the release of PIPE shares that became freely tradable, and not the Morin Report. The  
21 documents were also necessary to contest Defendants' defenses to falsity, materiality, and scienter.

22 **3. Non-Parties with Access to QuantumScape's Technology.**

23 61. Plaintiffs' Counsel subpoenaed automobile companies that had access to  
24 QuantumScape's technology in 2020 and 2021 and an independent battery testing consultant which  
25 performed evaluations of QuantumScape's technology in 2021. The subpoenas sought, among other  
26 things: documents related to testing of QuantumScape's technology and associated data; actual or  
27 potential risks, defects, or challenges facing QuantumScape's battery cells; and the capabilities of

1 QuantumScape’s technology. These documents were necessary to contest Defendants’ defenses to  
2 falsity, materiality, and scienter, as Defendants asserted that their statements to public were  
3 complete and contained no omissions about their technological capabilities and the state of its  
4 development. Plaintiffs’ Counsel also took the deposition of one such automobile company: Tesla,  
5 Inc. The documents and deposition testimony were necessary to contest Defendants’ defenses to  
6 falsity and scienter.

7         62. Certain subpoenaed automobile companies did not voluntarily comply with  
8 Plaintiffs’ subpoenas. As discussed in the following section, while Volkswagen Group of America,  
9 Inc. produced some documents, they claimed that most of the fact discovery Plaintiffs sought was  
10 outside of the United States and not subject to the Court’s jurisdiction. They also maintained that  
11 there were no witnesses with relevant knowledge of the claims and defenses involved in this Action  
12 based in the United States. Another automobile company did not respond to Plaintiffs’ request for  
13 production of documents and Plaintiffs’ Counsel was preparing a motion to compel at the time the  
14 Settlement was reached.

15                     **4. Dr. Brian Morin**

16         63. Plaintiffs’ Counsel subpoenaed Dr. Brian Morin, the author of the first corrective  
17 disclosure at issue in this Action. On January 4, 2021, Dr. Morin published a report on the financial  
18 website Seeking Alpha entitled, “QuantumScape’s Solid State Batteries Have Significant Technical  
19 Hurdles to Overcome.” The report containing his analysis of QuantumScape’s technology, and  
20 Defendants’ public statements made during the “Solid-State Showcase.” Dr. Morin identified what  
21 he believed were overstatements about the state of QuantumScape’s battery cell prototypes and the  
22 challenges to achieving commercialization. QuantumScape’s stock price fell by \$34.49, or  
23 approximately 40.84% on January 4, 2021.

24         64. The subpoena sought, among other things, documents related to his report and his  
25 investigation of QuantumScape’s technology. Plaintiffs’ Counsel also traveled to Greenville, South  
26 Carolina to take Dr. Morin’s deposition. These documents and Dr. Morin’s testimony were relevant  
27

1 to the allegedly falsity of Defendants’ statements, market efficiency, the content and impact of  
2 QuantumScape-related statements and disclosures, loss causation, and damages.

3 **5. Scorpion Capital LLC and Gurkirat Kahlon**

4 65. Plaintiffs’ Counsel subpoenaed Scorpion Capital LLC and Gurkirat Kahlon, its  
5 founder and Chief Investment Officer. On April 15, 2021, Scorpion Capital published a 188-page  
6 report, titled “QuantumScape (NYSE: QS) A Pump and Dump SPAC Scam by Silicon Valley  
7 Celebrities, That Makes Theranos Look Like Amateurs.” (the “Scorpion Report”). Plaintiffs alleged  
8 this report to be the final corrective disclosure at issue in the Action.

9 66. The subpoenas sought, among other things, documents related to the Scorpion  
10 Capital Report; Scorpion Capital’s investigation into QuantumScape; and the identities of the  
11 leading solid-state battery experts, former QuantumScape research and development employees,  
12 and Volkswagen employees allegedly quoted in the report. Plaintiffs’ Counsel took Mr. Kahlon’s  
13 deposition remotely. These documents and Mr. Kahlon’s testimony were relevant to the alleged  
14 falsity of Defendants’ statements, market efficiency, the content and impact of Company-related  
15 statements and disclosures, loss causation, and damages.

16 **6. Kensington Capital Acquisition Corp. (“KCAC”) and Justin Mirro**

17 67. Plaintiffs’ Counsel subpoenaed KCAC, its related entities, and its CEO, Justin Mirro.  
18 On November 25, 2020, QuantumScape closed a merger with a special purpose acquisition company  
19 called KCAC. The merger resulted in net proceeds of approximately \$680 million to QuantumScape,  
20 including \$500 million of fully committed funds through a private investment in public equity (or  
21 PIPE) offering. After the closing of the merger, QuantumScape stock became publicly tradeable on  
22 the New York Stock Exchange. Mr. Mirro also served as a board member at QuantumScape after  
23 the merger closed.

24 68. The subpoenas sought, among other things, documents related to due diligence into  
25 QuantumScape, communications between Defendants and KCAC, and transactions in  
26 QuantumScape Securities. Plaintiffs’ Counsel also took Mr. Mirro’s deposition remotely. These  
27 documents and Mr. Mirro’s testimony were relevant to the alleged falsity of Defendants’ statements,

1 market efficiency, the content and impact of Company-related statements and disclosures, loss  
2 causation, and damages.

3 **7. Miscellaneous Non-Party Discovery**

4 69. Plaintiffs' Counsel also subpoenaed QuantumScape's auditor, outside media  
5 relations firm, and outside investor relations firm. The subpoenas sought, among other things,  
6 documents related to the investigation into allegations contained in the Scorpion Report;  
7 Defendants' public statements during the class period; and investors reactions to Defendants' public  
8 statements, Dr. Morin's report, and the Scorpion Report. These documents were relevant to the  
9 alleged falsity of Defendants' statements, market efficiency, the content and impact of Company-  
10 related statements and disclosures, loss causation, and damages.

11 **8. Depositions of Non-Parties**

12 70. During discovery, Plaintiffs took four non-party depositions. Plaintiffs' Counsel  
13 expended significant time identifying and analyzing documents to use in their examinations and  
14 preparation of questions concerning those documents. Plaintiffs also negotiated with Defendants  
15 counsel as to which documents they could show to non-parties without violating the confidentiality  
16 agreement. These depositions were held remotely and in South Carolina, and included Dr. Morin,  
17 Messrs. Mirro and Kahlon as well as a representative of Tesla, Inc. who had knowledge of tests  
18 conducted by Tesla on QuantumScape's technology during the Class Period.

19 **9. Plaintiffs' Attempts to Obtain Discovery from Volkswagen**

20 71. Plaintiffs' Counsel sought discovery from Volkswagen (and its various related  
21 entities). *See* ECF 13 ("Volkswagen Group of America Investments, LLC (an affiliate of  
22 Volkswagen AG, internationally known as the "Volkswagen Group") owns 10% or more of  
23 QuantumScape's stock."). Volkswagen has collaborated with QuantumScape since 2012 and  
24 invested \$100 million into the company in 2018. It added another \$200 million in 2020 and 2021 in  
25 connection with technical milestones that were not publicly specified. Volkswagen had access to  
26 QuantumScape's technology at all relevant times and tested its cells in labs in Germany during the  
27 Class Period. QuantumScape also highlighted that Volkswagen was its largest investor and invoked

1 Volkswagen’s financial support in reassuring investors about QuantumScape’s battery technology.  
2 Volkswagen employees also allegedly spoke to Scorpion Capital and were quoted in the Scorpion  
3 Report. Accordingly, Plaintiffs’ Counsel served subpoenas on Volkswagen seeking documents and  
4 deposition testimony related to the alleged falsity of Defendants’ statements and their scienter.

5 72. Plaintiffs’ efforts to obtain discovery from Volkswagen were complicated by  
6 arguments raised by QuantumScape’s patron, including confidentiality agreements with  
7 QuantumScape, that the subpoenaed materials were duplicative of documents QuantumScape would  
8 produce, and that Volkswagen and its employees lacked the necessary contacts with the Northern  
9 District of California or other United States jurisdictions, and thus could not be properly served nor  
10 compelled to produce. The individuals who were identified to have firsthand knowledge or  
11 information relevant to Plaintiffs’ claims were also all located in Germany. Volkswagen also argued  
12 that certain documents and electronic communications were protected by EU privacy laws and could  
13 not be produced absent an order from a German Court. Furthermore, Defendants made no effort to  
14 produce Volkswagen witnesses for depositions, even though one was also a QuantumScape  
15 employee.

16 73. After extensive negotiations between Plaintiffs’ Counsel and counsel for  
17 Volkswagen over the scope of Plaintiffs’ requests, Volkswagen produced a relatively limited  
18 number of documents that were mostly duplicative of Defendants’ productions. Once exhausting  
19 the meet-and-confer process, on November 21, 2023, Plaintiffs’ Counsel sought court intervention  
20 and filed a motion requesting that the Court issue Letters Rogatory under the Hague Evidence  
21 Convention. ECF 194.

22 74. Plaintiffs’ application for the issuance by this Court of Letters Rogatory was  
23 addressed to the Central Authority of Germany, and sought judicial assistance in taking of a the  
24 depositions of the following German residents (1) Frank Blome, a QuantumScape director, and an  
25 executive of Volkswagen AG (known internationally as the Volkswagen Group), (2) Ulrich Mähr,  
26 Volkswagen’s Team Leader of Lithium-Ion Simulation, and (3) Stephan Koch, Volkswagen’s  
27 Project Manager, Battery Cell Development. *Id.* Plaintiffs’ Counsel identified these individuals from

1 their investigation into Defendants’ public statement and from evidence obtained from Defendants’  
2 productions. Notably, Mr. Blome’s pre-recorded endorsement was used by Defendants in their  
3 December 8, 2020 Solid-State Showcase. These three individuals were sought to clarify the  
4 significance of several Volkswagen documents that appeared to show Volkswagen’s concerns about  
5 the commercial viability of QuantumScape’s battery, which Defendants argued Plaintiffs’ Counsel  
6 misunderstood. *Id.* Furthermore, the witnesses were needed to confirm the authenticity of certain  
7 documents significant to the Action that they appeared on and had sent or received during their  
8 business at Volkswagen. *Id.* Due to the confidentially provision in place, Plaintiffs’ Counsel also  
9 had to prepare and file an administrative motion to redact portions of the Letters Rogatory that  
10 Defendants’ Counsel deemed to contain confidential information and exhibits that included  
11 documents produced by Defendants in discovery that were designed to be “Highly Confidential” or  
12 “Highly Confidential—Attorneys’ Eyes Only.” ECF 193.

13 75. On November 27, 2023, this Court issued an Order granting Plaintiffs’ Motion and  
14 issuing Letters Rogatory under the Hague Evidence Convention to take evidence from Msrs.  
15 Blome, Mähr and Koch. ECF 198. To marshal this discovery request through the German court  
16 system, Plaintiffs’ Counsel retained the international law firm of Taylor Wessing LLP as German  
17 counsel. Taylor Wessing researched the proper venue for enforcement of the Letters Rogatory and  
18 submitted this Court’s Order, the pleadings, and the Letters Rogatory and annexed exhibits to the  
19 Niedersachsen Central Authority. At the time the Settlement was reached, the Niedersachsen Central  
20 Authority had confirmed receipt of the materials, created a file number for the matter, and appointed  
21 a court officer to handle the Letters Rogatory. The court officer was actively working on the matter  
22 and in communication with Taylor Wessing regarding substantive and logistical issues.

23 **D. Defendants’ Discovery Directed at Plaintiffs**

24 **1. Fed. R. Civ. P. 34 Requests for Production**

25 76. On March 15, 2022, Defendant QuantumScape served its First Set of Requests for  
26 Production on Lead Plaintiff Frank Fish and on July 15, 2022, Defendant QuantumScape served its  
27 First Set of Requests for Production on each Plaintiff Kathy Stark and Mary Cranny. These requests

1 sought, among other things, for each Plaintiff documents related to: their investments in  
2 QuantumScape; the allegations in the complaint; confidential witnesses; and alleged individual and  
3 class-wide damages. On May 16, 2022, Plaintiffs' Counsel served Lead Plaintiff Frank Fish  
4 responses and objections to Defendant QuantumScape's First Set of Requests for Production. On  
5 July 29, 2022, Plaintiffs' Counsel served Plaintiffs Kathy Stark and Mary Cranny's respective  
6 responses and objections to Defendant QuantumScape's First Set of Requests for Production. On  
7 July 29, 2022, Plaintiffs' Counsel also produced hundreds of documents on behalf of Plaintiffs,  
8 which included, among other things: (i) emails from Mr. Fish's, Ms. Stark's and Ms. Cranny's  
9 personal email accounts that hit upon the agreed search protocol; (ii) documents from Plaintiffs'  
10 brokerages reflecting their transactions in QuantumScape securities during the relevant period; (iii)  
11 and their retainer agreements with counsel.

12 77. Lead Plaintiff Frank Fish as well as Plaintiffs Kathy Stark and Mary Cranny each  
13 appeared for a deposition taken by Defendants' Counsel.

14 **2. Defendants' Fed. R. Civ. P. 33 Interrogatories.**

15 78. On March 15, 2022, Defendant QuantumScape served its First Set of Interrogatories  
16 to Lead Plaintiff Frank Fish ("March 15, 2022 Interrogatories"). The March 15, 2022,  
17 Interrogatories contained 25 interrogatories requesting information about Lead Plaintiffs' trades in  
18 QuantumScape Securities, certain allegations in the complaint, and the calculation of damages,  
19 among other things. Lead Plaintiff served his responses and objections on May 16, 2022. On January  
20 12, 2024, Lead Plaintiff served supplemental responses and objections to the March 15, 2022  
21 Interrogatories.

22 79. On July 15, 2022, Defendant QuantumScape served its First Set of Interrogatories to  
23 Plaintiffs Kathy Stark and Mary Cranny, respectively (July 15, 2022 Interrogatories). The July 15,  
24 2022 Interrogatories contained 25 interrogatories that closely resembled the March 15, 2022  
25 Interrogatories. On July 29, 2022, Plaintiffs Stark and Cranny each served their responses and  
26 objections to the July 15, 2022 Interrogatories. On January 12, 2024, Plaintiffs Stark and Cranny  
27 served their supplemental responses and objections to the July 15, 2022 Interrogatories.



1           80.     On October 20, 2023, Defendants Singh, Hettrich, and Holme collectively served 70  
2 additional interrogatories on Lead Plaintiff Frank Fish and named Plaintiffs Mary Cranny and Kathy  
3 Stark (“October 20, 2023 Interrogatories”). These consisted of detailed contention interrogatories to  
4 probe the factual support for all of Plaintiffs’ claims. On January 12, 2022, Plaintiffs each served  
5 their responses and objections to the October 20, 2023 Interrogatories.

6           81.     Plaintiffs’ objections and responses, in combination, totaled over 500 pages, and  
7 responded in both narrative fashion and by identifying the specific documents in the record and in  
8 the public domain supporting their responses, which were included in a 46-page appendix. Plaintiffs  
9 and Plaintiffs’ Counsel expended substantial time preparing these detailed responses.

10           **E. Lead Plaintiffs’ Experts and Related Discovery**

11  
12           82.     Plaintiffs’ Counsel engaged expert witnesses to prepare analyses that would  
13 substantially assist Plaintiffs’ Counsel in refining Plaintiffs’ claims, pursuing discovery, seeking  
14 certification of the class, and in developing evidence to assist the mediator (and in due course a jury)  
15 in understanding the allegations against Defendants and the nature and economic impact of the  
16 alleged fraud. Plaintiffs’ Counsel expended a tremendous amount of time, analysis, and effort  
17 working with retained experts to review documents, analyze relevant research papers, analyze  
18 Defendants’ claims, respond to discovery, prepare expert reports, prepare for depositions, and  
19 prepare for mediation.

20           83.     The experts retained by Plaintiffs’ Counsel provided invaluable guidance on  
21 technical intricacies, helped interpret complex data sets, and offered informed opinions that were  
22 crucial to the prosecution of this case. Due to the confidentiality order’s requirement to not work for  
23 another solid-state battery company for three years following the litigation and the cutting-edge  
24 technology involved in Defendants’ claims, Plaintiffs’ Counsel had an unusually difficult time  
25 identifying and retaining appropriate experts on liability. The restrictions from the confidentiality  
26 order also led to increased costs for expert services. These experts were necessary to comprehend  
27



1 Defendants' claims and this Action could not have been successfully prosecuted without their  
2 substantial participation.

3 **1. Dr. Menahem Anderman**

4 84. Following Levi & Korsinsky's appointment as Class Counsel, they engaged Dr.  
5 Menahem Anderman to help analyze Defendants' public statements during the class period,  
6 including the Solid State Showcase, and assess Plaintiffs' allegations to draft the amended  
7 complaint. Dr. Anderman has a Ph.D. in Physical Chemistry from the University of California,  
8 Santa Barbara and has decades of experience in the battery field. He is the President of Total Battery  
9 Consulting, Inc., a firm that provides independent expert services related to advanced automotive  
10 batteries. Dr. Anderman provides technological assessments to companies worldwide. His client list  
11 includes major automakers, leading international battery developers and suppliers, financial  
12 institutions, and government agencies including the U.S. Senate, the California Air Resources  
13 Board, the National Research Council, and the Department of Energy. Using publicly available  
14 information, Dr. Anderman provided support to Plaintiffs' Counsel during the pleading stage and  
15 was tremendously helpful, as the Court mostly denied Defendants' Motion to Dismiss.

16 85. Dr. Anderson was unavailable during the discovery phase of the Action and was not  
17 provided with any confidential materials from Defendants or non-parties.

18 **2. Matthew Cain, Ph.D.**

19 86. Plaintiffs engaged Dr. Matthew Cain as an expert on market efficiency, loss  
20 causation, and damages. Dr. Cain has a Ph.D. in Finance from Purdue University and serves as a  
21 Senior Fellow at the Berkeley Center for Law and Business at the University of California, Berkeley.  
22 He worked at the U.S. Securities and Exchange Commission between 2014 and 2018 as a Financial  
23 Economist. Prior to working at the SEC, he was an Assistant Professor of Finance at the University  
24 of Notre Dame. He regularly lectures undergraduate and graduate students on finance at leading  
25 universities in the United States. He also has published in leading peer-reviewed finance,  
26 accounting, law, and economics journals, including the Journal of Financial Economics, Journal of  
27

1 Law and Economics, Journal of Accounting and Economics, Journal of Empirical Legal Studies,  
2 and Journal of Financial and Quantitative Analysis.

3 87. Dr. Cain provided expert reports, testimony, and analyzed the expert report of  
4 Defendants' expert in connection with Lead Plaintiff's motion for class certification.

5 88. In support of Lead Plaintiff's motion for class certification, Dr. Cain provided a July  
6 22, 2022 expert report that set forth his opinions on market efficiency for QuantumScape securities  
7 and class-wide damages methodology. Plaintiffs' Counsel also reviewed and provided Defendants  
8 hundreds of pages of documents reviewed by or relied on by Dr. Cain in preparing his report in  
9 connection with Lead Plaintiff seeking class certification. Dr. Cain sat for a deposition in connection  
10 with his report and Plaintiffs' motion for class certification. Following receipt of the report from  
11 Defendants' market efficiency and damages expert, on November 10, 2022, Dr. Cain submitted a  
12 rebuttal report in which he expanded on his findings and provided a detailed refutation of the  
13 analysis contained in the defense expert's report.

14 89. On March 1, 2024, Dr. Cain submitted a merits report on loss causation and damages,  
15 which applied settled economic principles and provided expert analysis of and opinion concerning  
16 QuantumScape's stock price declines on January 4 and April 15, 2021, and their causal connection  
17 to the information previously concealed by the Defendants alleged misrepresentations and  
18 omissions. The report was 95 pages and contained over 300 pages of appendixes. In the report, Dr.  
19 Cain also provided a damages methodology opinion for both QuantumScape common stock and  
20 QuantumScape options

21 90. Plaintiffs' Counsel and Dr. Cain dedicated a significant amount of time and effort in  
22 support of the prosecution of this Action in addition to the above, including preparing for depositions  
23 in connection with his expert reports submitted in the case. Plaintiffs were preparing for his second  
24 deposition prior to agreeing to the Settlement. Dr. Cain and his associates also assisted Plaintiffs'  
25 Counsel in developing the Plan of Allocation.

26  
27

28 DECLARATION OF NICHOLAS I. PORRITT  
IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND  
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1           **3. Seth Miller, Ph.D.**

2           91. Plaintiffs engaged Dr. Seth Miller as a technical expert to evaluate Defendants’  
3 alleged misrepresentations and omissions.

4           92. Dr. Miller has a Ph.D. in chemistry from Caltech and conducted postdoctoral  
5 research at the University of California, Berkley. Dr. Miller has a long history of invention, with  
6 over 75 issued US patents and over 200 US and international patent applications. From 2000 to  
7 2005, he worked in technology development for Texas Instruments. During this time, he received  
8 12 patents and invented two improvements for the processing and structure for films and micro-  
9 machined devices. In recognition of these contributions, he was elected as Member of the Group of  
10 Technical Staff. From 2005 to 2008, he worked at a startup called Zettacore developing a new  
11 electrolyte for a thin film, solid state lithium-ion battery, for application as a semiconductor memory  
12 device. His work with Zettacore was captured in several patents and he consulted Zettacore’s  
13 successor organization, which built the battery cells he designed.

14           93. Since 2008, he has worked as an independent consultant and entrepreneur, and has  
15 worked with dozens of companies, investors, and academics in the field of batteries including  
16 battery materials development, battery architectures, cost modeling, and applicability for scale-p.  
17 He also works with venture capital and private equity firms to evaluate their potential investments  
18 in the battery market, and consults with companies evaluating their own market opportunities for  
19 next generation energy storage devices, including solid state cells. Dr. Miller’s experience in the  
20 battery industry and experience serving as an expert witness in patent lawsuits made him uniquely  
21 qualified to evaluate Defendants’ claims.

22           94. Dr. Miller reviewed documents produced in discovery by Defendants and non-  
23 parties, including data, technical reports and presentations, cost reports and spreadsheets, and  
24 correspondence such as emails, Microsoft Teams’ messages, memorandum, other communication  
25 records. His review also included court filings from this Action, QuantumScape’s SEC filings,  
26 scientific journal articles, trade publications, and other online articles pertinent to the subject matter  
27 of this Action. Dr. Miller helped prepare Plaintiffs’ Counsel for most of the depositions they took

1 on the merits of the case, he attended the depositions of eight current and former QuantumScape  
2 employees, and he reviewed all the deposition transcripts from the Action. Due to the highly  
3 specialized nature of QuantumScape's technology and the technical aspects involved in this Action,  
4 the support he provided during discovery was vital to the prosecution of this Action.

5 95. On March 1, 2024, Dr. Miller submitted a 300-page report. The report provided a  
6 comprehensive evaluation of Defendants' class period statements and their claims about  
7 QuantumScape's technology. The materials Dr. Miller considered for his report include those listed  
8 in the above paragraph. This report was highly detailed and bolstered Plaintiffs' arguments during  
9 mediation.

10 96. Plaintiffs' Counsel and Dr. Miller dedicated a tremendous amount of time and effort  
11 in support of the prosecution of this Action in addition to the above, including responding to  
12 discovery, as well as preparing for his deposition in connection with his expert report submitted in  
13 the case. Plaintiffs' Counsel and Dr. Miller were preparing in-person for his deposition the very day  
14 that the Parties agreed to the Settlement in principle. Overall, Dr. Miller spent approximately 500  
15 hours assisting Plaintiffs' Counsel in the prosecution of this Action.

16 **4. Professor Brett Lucht**

17 97. Plaintiffs also engaged Professor Brett Lucht as a technical expert to evaluate  
18 Defendants' alleged misrepresentations and omissions. Professor Lucht has a Ph.D. in chemistry  
19 from Cornell University, has served as a professor at the University of Rhode Island since 1998, and  
20 is a Fellow of the Electrochemical Society. He was named a Fellow of the Electrochemical Society  
21 for his pioneering research on the chemistry of lithium-ion batteries and his contributions to the  
22 fields of electrochemistry and solid-state science and technology. Professor Lucht's research  
23 focuses on extending the life of and improving the performance of lithium-ion batteries. He explores  
24 the chemistry of electrolytes, the liquid medium that conducts lithium ions between a battery's  
25 electrodes.

26 98. In 2020, Professor Lucht won a contract with Brookhaven National Lab to study the  
27 performance of batteries at low temperatures. Cold temperatures reduce the conductivity of battery

1 electrolytes, reducing operating time and increasing charging time. Lucht is working to understand  
2 exactly why that happens, with the aim of designing new electrolytes that work better in the cold.

3 99. Professor Lucht has published over 170 manuscripts, two book chapters and holds  
4 nine patents. He has been an invited or keynote speaker at over 100 companies, universities, national  
5 laboratories, and international conferences

6 100. Dr. Lucht spent approximately 70 hours reviewing materials and consulting with  
7 Plaintiff's counsel, including his attendance at three depositions. Dr. Lucht helped Plaintiffs'  
8 Counsel understand Defendants' technology and the science underlying EV batteries and develop  
9 strategies for identifying additional relevant materials to request during fact discovery. While Dr.  
10 Lucht did not prepare a separate expert report, he was prepared to testify at trial if necessary.

11 **F. Lead Plaintiff's Motion for Class Certification**

12 101. On July 29, 2022, Lead Plaintiff filed a motion to certify a class of purchasers of  
13 QuantumScape Securities, appoint Frank Fish, Mary Cranny, and Kathy Stark as Class  
14 Representatives, and appoint Levi & Korsinsky as Class Counsel pursuant to Fed. R. Civ. P. 23.  
15 ECF 169. The motion was supported by the expert report of Matthew Cain, Ph.D., who opined on  
16 market efficiency and set forth a methodology to calculate damages on a class-wide basis.  
17 Defendants opposed Lead Plaintiff's class certification motion (ECF 175), arguing that: (1)  
18 plaintiffs are not adequate representatives for the putative class. *Id.* at 22-25; (2) plaintiffs failed to  
19 show that common questions of law and fact predominate because they did not establish the fraud  
20 on-the-market theory of reliance sufficient to entitle the plaintiffs to class wide reliance on the  
21 alleged misstatements. *Id.* 8-19; and (3), plaintiffs failed to articulate a theory of class wide damages  
22 that is consistent with their theory of liability. *Id.* 19-22. Defendants submitted several exhibits,  
23 including an expert report written by Dr. Terrence Hendershott. *Id.*, Ex. 7. Plaintiffs' reply contained  
24 several exhibits, including a rebuttal report prepared by Dr. Cain, ECF 176, Ex. 6. Lead Plaintiff  
25 Frank Fish, and Plaintiffs Kathy Stark and Mary Cranny, Dr. Cain, and Dr. Hendershott were  
26 deposed in connection with the Motion for Class Certification. On December 14, 2022, the Court  
27 heard oral arguments on Plaintiffs' motion. ECF 180.

1           102. On December 19, 2022, the Court granted Plaintiffs’ motion and certified a class of  
2 all persons and entities that purchased or otherwise acquired QuantumScape securities during the  
3 Class Period and were damaged thereby. ECF No. 183. The Court appointed Lead Plaintiff Frank  
4 Fish and additional Plaintiffs Mary Cranny and Cathy Stark as Class Representatives, and appointed  
5 Levi & Korsinsky as Class Counsel. *Id.*

6           103. On January 3, 2023, Defendants filed a petition under Rule 23(f) for the U.S. Court  
7 of Appeals for the Ninth Circuit to review the Court’s Class Certification Order. Plaintiffs opposed  
8 the petition and on March 30, 2023, Circuit Judges Sidney R. Thomas and Lucy H. Koh issued an  
9 order denying the petition.

10           **III. THE SETTLEMENT**

11           104. Plaintiffs and Plaintiffs’ Counsel believe that the Settlement is fair, reasonable, and  
12 adequate. The Settlement provides an immediate and certain benefit to the Class in the form of a  
13 cash payment of \$47,500,000. As explained more fully below, there were significant risks that the  
14 Class might recover substantially less than the Settlement Amount—or nothing at all—if the case  
15 were to proceed through additional litigation to a jury trial, followed by certain appeals. Prior to  
16 contemplating a potential trial, the most immediate risk faced by the Class was the procedural  
17 posture of the case—the deadline for dispositive motions was set for June 2024. Even if Plaintiffs’  
18 claims were able to withstand Defendants’ summary judgment motion, there was no guarantee that  
19 Plaintiffs and the Class would later achieve any recovery, let alone one greater than \$47,500,000.

20           **A. The Strengths and Weaknesses of the Case Favor Settlement**

21           105. Based on more than three years of litigation, including voluminous document  
22 discovery, testimony from 19 fact and expert depositions, extensive motion practice involving  
23 detailed analyses of the factual and legal issues underlying the Action at the motion to dismiss, and  
24 multiple rounds of mediation briefing, I and my team, as well as the Plaintiffs, had a thorough  
25 understanding of the issues and risks present in this case. While Plaintiffs developed substantial  
26 evidence to prove the claims alleged against Defendants, they recognize that there were considerable  
27

1 risks and uncertainties if the case were to continue. Plaintiffs, in consultation with me and other  
2 Plaintiffs' Counsel, carefully considered these risks in deciding to settle this matter.

3 **1. Risks Relating to Proving Falsity, Material Misrepresentations, and Omissions**

4 106. Plaintiffs alleged that Defendants made over twenty misrepresentations during the  
5 Class Period. A jury could agree with the Defendants and find that some or all these statements were  
6 neither materially false nor misleading. Defendants' allegedly fraudulent statements could be  
7 broadly organized in two categories: "(1) statements about QuantumScape's testing conditions and  
8 having solved the 'fundamental risks' or 'fundamental science risks' of solid-state batteries such  
9 that the batteries were ready for commercialization and (2) comparisons of the solid-state batteries  
10 to lithium-ion batteries or 'conventional batteries' already on the market." ECF 153 at 12.  
11 Succeeding in convincing a jury that investors were defrauded by statements in either category  
12 would prove to be challenging.

13 107. Defendants maintained that the alleged misstatements concerning QuantumScape's  
14 technology were accurate statements, not misleading, and taken out of context. Putting aside the  
15 factual dispute over the accuracy of statements about QuantumScape's underlying technology, the  
16 sheer complexity of the underlying issues requires significant scientific analysis and explanation to  
17 understand. Clearly explaining the science and why Defendants' statements were false and  
18 misleading, while all of Defendants' fact witnesses and competing expert witnesses would testify in  
19 support of Defendants' major defenses, would be a substantial obstacle to Plaintiffs' potential for  
20 success at trial.

21 108. Defendants have consistently argued that there was no misrepresentation about the  
22 actual methodology and its statements about testing were all interpretations of the data. They would  
23 present to a jury the disclosures from the December 8, 2020, Solid State Showcase that appeared on  
24 the slides from that event or were said by speakers and contemporaneous Class Period disclosures  
25 in press releases and SEC filings. As the Court noted at the Motion to Dismiss stage, "[the  
26 disclosures] were certainly extensive and may well weaken or even defeat the plaintiffs' case at a  
27 later stage when a factfinder can weigh them contextually." ECF 153 at 17. With the benefit of a



1 fully developed factual record and the testimony from Defendants’ fact witnesses, a jury could  
2 choose to discredit Plaintiffs’ characterization of the presentation of the testing data as false and  
3 misleading.

4 109. Plaintiffs also anticipated a battle of the experts on what constituted the “chemistry  
5 risk,” or “science risk” of solid-state batteries and whether QuantumScape had overcome those risks.  
6 Each side retained experts who were expected to offer opposing testimony about this central feature  
7 of the Action. Defendants’ fact witnesses and competing expert witnesses would testify in support  
8 of Defendants’ characterization of what was meant by chemistry/science risk. Even having retained  
9 experts who are among the most respected in the field of advanced battery technology, there could  
10 be no guarantee that a jury would find Plaintiffs’ expert testimony more convincing than the  
11 countervailing testimony offered by Defendants’ retained experts and Defendants themselves.

12 110. It was also uncertain how a jury could determine how the market characterized this  
13 set of alleged false and misleading statements. As a new company, QuantumScape lacked significant  
14 analyst coverage and the coverage they did receive failed to address this specific point. Accordingly,  
15 there was a real likelihood that a jury would credit Defendants’ characterization of what constituted  
16 a “chemistry” or “science” risk and whether these risks had been overcome.

17 111. Defendants would also argue that their batteries were ready for commercialization  
18 with the only barriers being scaling production and layering cells. Like with the testing conditions,  
19 Defendants would point to their explicit risk disclosures that detailed those challenges.  
20 “QuantumScape disclosed several times (including in the challenged statements themselves) that  
21 larger production and stacking cells needed to be done and were uncertain.” ECF 153 at 19. Again,  
22 Plaintiffs anticipated a battle of the experts on what remained prior to commercialization. While  
23 Plaintiffs’ experts had extensive academic and practical experience with developing commercial  
24 products, a jury could find Defendants’ fact witnesses and expert testimony to be more convincing.

25 112. With respect to Defendants’ comparison of QuantumScape’s technology with  
26 lithium-ion batteries or “conventional batteries” already on the market, a jury could find that these  
27 statements did not mislead any investors or were not material. The comparisons to conventional



1 batteries are alleged to be misleading, in part, due to the presentation of the allegedly compromised  
2 testing data. If a jury found that the testing data was not compromised, they may also not take issue  
3 with this category of statements. Even if a jury found that the comparisons were misleading, given  
4 the risk disclosures and timeline, they may find that a hypothetical comparison was immaterial to  
5 investors.

6 113. While Plaintiffs' Counsel believes that they could marshal substantial evidence that  
7 would support a jury verdict in favor of the Class, it recognizes that there remained considerable  
8 risks and uncertainties had the case proceeded to summary judgment, trial, and judgment. Plaintiffs'  
9 Counsel engaged expert witnesses who would have prepared analyses that would substantially assist  
10 Plaintiffs' Counsel in refining Plaintiffs' claims for trial, and in developing evidence to assist the  
11 jury in understanding the science behind solid-state batteries and why Defendants' statements were  
12 false and misleading. Such preparations for trial, including creating demonstratives, and providing  
13 testimony would have been extremely costly, and as discussed above, there is no guarantee the jury  
14 would credit Plaintiffs' experts over both Defendants' fact witnesses and experts.

15 **3. Risks Relating to Proving Scienter**

16 114. In addition to the challenges to prove material falsity, Plaintiffs also faced significant  
17 risks in proving that Defendants acted with the requisite state of mind, *i.e.* the intent to deceive  
18 investors. Indeed, Defendants vigorously disputed the element of scienter at every stage of the  
19 Action and a jury could conclude that the lack of traditional *indicia* of securities fraud, such as  
20 meaningful sales of QuantumScope stock by the Individual Defendants during the Class Period, or  
21 the lack of clear motive would not support this element of Plaintiffs' claims. Companies like  
22 QuantumScope are the lifeblood of Silicon Valley and the greater Bay Area and are generally  
23 respected in the community in which this case would be tried. The Individual Defendants all live  
24 and work in the community in which this case would be tried and attended Stanford University and  
25 University of California, Berkeley. Defense Counsel would present the individual Defendants as  
26 trustworthy to a community that is familiar with startup culture and appreciates the nature of  
27 innovative pre-revenue companies. Defendant Singh, the maker of most of the challenged

1 statements, was expected to testify: (i) that he did not intend to deceive investors; (ii) with his  
2 comments during the December 8, 2020 Solid State Showcase and the rest of the Class Period, he  
3 intended to inform investors of all material facts about QuantumScape’s technology, the risks that  
4 the company faced, and the remaining steps required for commercialization; and (iii) that even if he  
5 did not effectively disclose the true state of QuantumScape’s technology during the Class Period,  
6 he was otherwise not deliberately reckless, or did not have actual knowledge as to the misleading  
7 nature of his statements. Defendants Holme and Hettrich were expected to testify similarly.

8 **4. Risks Relating to Proving Loss Causation**

9 115. Plaintiffs further faced significant risks in proving loss causation and establishing the  
10 Class’s entitlement to some or all the damages to a jury. Despite strong evidence, including expert  
11 testimony supporting Plaintiffs’ claims, Defendants raised significant causation and damages  
12 defenses. Defendants argue that neither Dr. Morin’s report, based upon public information, nor a  
13 short-seller report can establish loss causation both as a matter of law and of fact. Dr. Morin’s  
14 statements about QuantumScape’s technology contained in his January 4, 2021, article were based  
15 upon his expert interpretation of information that was previously disclosed by QuantumScape.  
16 Defendants could point to other commentators that expressed similar views to Dr. Morin, including  
17 a December 9, 2020 report from Bernstein Research, that did not lead to a decline in  
18 QuantumScape’s stock price. Defendants could also point to other causes of the stock price decline  
19 on January 4, 2021, in particular the fact that 50 million additional QuantumScape shares held by  
20 PIPE investors becoming available to trade. At trial a jury could credit Defendants’ expert who  
21 could argue that it is impossible to tell whether it was Dr. Morin’s opinions that moved the stock  
22 price or the repetition of previously disclosed information. Defendants’ expert would also offer  
23 evidence that the availability of additional shares on January 4, 2021 caused the stock to move and  
24 *not* Dr. Morin’s report. As matter of law, Defendants argued, because Dr. Morin based his report on  
25 publicly available information, he did not reveal anything for the first time to the market and his  
26 report cannot be a corrective disclosure.

27

28

1 116. Potentially losing Dr. Morin’s report as a corrective disclosure would have  
2 substantially limited Plaintiffs’ recoverable damages. Approximately 60% of the estimated Class  
3 damages resulted from the stock price decline on January 4, 2021.

4 117. Defendants further argue that the April 15, 2021 Scorpion Capital Report was not a  
5 corrective disclosure because it contained secondhand information produced by a self-interested  
6 short seller. In the Order on the Motion to Dismiss, the Court noted: “that Scorpion Capital was  
7 allegedly short on QuantumScape may raise serious credibility issues for a factfinder.” ECF No. 153  
8 at 14. With a fully developed factual record and the unfavorable spotlight that Defendants would  
9 shine on the Scorpion Capital Report, a jury may well refuse to credit its contents.

10 118. Finally, as Plaintiffs allege that over twenty misrepresentations by Defendants  
11 caused the artificial inflation in QuantumScape’s stock price during the Class Period that was  
12 corrected by Dr. Morin’s report and the Scorpion Capital Report, Plaintiffs faced a risk that only  
13 some of the alleged misrepresentations would be found to be fraudulent. This would require  
14 Plaintiffs to undertake the technically challenging task of disaggregating the effects of different  
15 representations, some fraudulent and some innocent, on QuantumScape’s stock price during the  
16 Class Period. There was a significant risk Plaintiffs may not be able to meet their evidential burden  
17 on this issue or convince a jury that their analysis is correct.

18 119. While Plaintiffs believe they had strong responses to each of these arguments, were  
19 the jury not to credit any or all of them, Plaintiffs’ proof of loss causation would have been  
20 undermined or the damages recoverable at trial could have been significantly reduced or eliminated  
21 altogether.

22 **5. Other Risks at Trial**

23 120. Because of the risks set forth above, a jury might not be convinced by the evidence  
24 presented in support of Lead Plaintiff’s complex allegations. While nearly all of Plaintiffs’ claims  
25 survived the Motion to Dismiss, success at the pleading stage is no guarantee of success at summary  
26 judgment or trial. I am acutely aware of this as I acted as trial counsel in *In re Tesla Inc. Securities*  
27 *Litigation*, Case No. 3:18-cv-04865-EMC (N.D. Cal). In that case, which was litigated for four

1 years, summary judgment was entered on the issues of falsity and scienter in favor of the plaintiff,  
2 the trial court concluding as a matter of law that the alleged misrepresentations at issue were false  
3 and defendant Elon Musk acted with the requisite scienter. *In re Tesla, Inc. Sec. Litig.*, 2022 WL  
4 1497559, at \*17-\*18 (N.D. Cal. Apr. 1, 2022). At trial, however, the jury found Tesla and Musk not  
5 liable for securities fraud, and after over four years of litigation and millions of dollars of out-of-  
6 pocket expenses, judgment was entered for the defendants. An appeal in that action is currently  
7 pending.

8           121. In this Action, Defendants could have challenged the admissibility of a significant  
9 quantity of the evidence Plaintiffs intended to rely on at trial. They were prepared to argue that the  
10 Scorpion Capital Report and its quotes from anonymous experts, former QuantumScape employees,  
11 and Volkswagen employees were all inadmissible hearsay. If Defendants prevailed on these issues,  
12 Plaintiffs would have a sharply limited ability to effectively present the facts and Plaintiffs' theory  
13 of the case. Further, even if the Court overruled Defendants' objections, Plaintiffs would have to  
14 rely on QuantumScape employees and former employees to authenticate and admit most of their  
15 evidence, and these individuals were likely to be hostile to Plaintiffs. And Plaintiffs faced the risk  
16 that jurors would not credit the testimony of Plaintiffs' experts or would unduly credit the testimony  
17 of Defendants and Defendants' experts, would have materially affect the strength of the evidence  
18 admitted and presented to the jury.

19           **6. Post-Trial and Appellate Risks**

20           122. There was also the risk that even if Plaintiffs prevailed at trial, Defendants would  
21 appeal the verdict. An appeal could take years and create the risk of reversal, in which case the Class  
22 would receive nothing even after having prevailed on the claims at trial.

23           123. Having considered the foregoing, it was the informed judgment of Plaintiffs and  
24 Plaintiffs' Counsel, based upon all proceedings to date and their extensive experience in litigating  
25 shareholder class actions, that the proposed Settlement of this matter for \$47,500,000 in exchange  
26 for a mutual release of all claims provides fair, reasonable, and adequate consideration, and is in the  
27 best interests of the Class.

28 DECLARATION OF NICHOLAS I. PORRITT  
IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND  
APPLICATION FOR AWARD OF ATTORNEYS' FEES AND EXPENSES  
Case No. 4:21-cv-00058-WHO

1           124. In summary, while Plaintiffs developed strong evidence, including expert opinion,  
2 they faced both factual and legal challenges in presenting this matter to a jury and potentially on  
3 appeal. These strengths and weaknesses of the case together with trial, post-trial, and appellate risks  
4 were carefully considered by Plaintiffs’ Counsel and Plaintiffs as they engaged in extensive  
5 settlement negotiations with Defendants and Mr. Murphy and reached an agreement to settle the  
6 Litigation.

7           **B. The Plan of Allocation is Fair and Reasonable**

8           125. Pursuant to the Preliminary Approval Order, and as set forth in the Notice, all  
9 Settlement Class Members who want to participate in the distribution of the Net Settlement Fund  
10 *i.e.*, the \$47,500,000 Settlement Amount, plus interest earned thereon less: (i) any Taxes; (ii) any  
11 Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; and (iv) any  
12 attorneys’ fees awarded by the Court, must submit a valid Claim Form with all required information  
13 postmarked no later than December 13, 2024. As set forth in the Notice, the Net Settlement Fund  
14 will be distributed among Settlement Class Members according to the plan of allocation approved  
15 by the Court.

16           126. The Plan of Allocation is detailed in the Notice. ECF 211-4., at ¶¶ 50-71. The full  
17 Notice is posted online at the Settlement Website, is downloadable, and upon request, will be mailed  
18 to any potential Settlement Class Member. The Plan of Allocation’s objective is to equitably  
19 distribute the Net Settlement Fund to those Settlement Class Members who suffered economic losses  
20 as a proximate result of the alleged violations of the Exchange Act, as opposed to losses caused by  
21 market, industry, company-specific factors or factors unrelated to the alleged violations of law and  
22 takes into consideration when each Authorized Claimant purchased and/or sold QuantumScape  
23 securities.

24           127. As described in the Notice, calculations under the Plan of Allocation are not intended  
25 to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been  
26 able to recover after a trial or estimates of the amounts that will be paid to Authorized Claimants  
27 pursuant to the Settlement. Instead, the calculations under the Plan of Allocation are a method to

1 weigh the claims of Settlement Class Members against one another for the purposes of making an  
2 equitable allocation of the Net Settlement Fund. *Id.* at ¶¶ 52-53.

3 128. The Plan of Allocation is based on an out-of-pocket theory of damages consistent  
4 with Section 10b of the Exchange Act and reflects an assessment of the damages that Plaintiffs  
5 contends could have been recovered under the theories of liability and damages asserted in the  
6 Action. The Plan of Allocation is not a formal damage analysis but was developed by Plaintiffs’  
7 Counsel in consultation with its expert economic consultants and the Claims Administrator.

8 129. Recognized loss amounts are based primarily on the price declines observed over the  
9 period which Plaintiffs allege corrective information was entering the marketplace. In this case,  
10 Plaintiffs allege that Defendants made false statements and omitted material facts which allegedly  
11 had the effect of artificially inflating the price of QuantumScape securities during the Class Period.  
12 Plaintiffs allege that later disclosures revealed to the market that Defendants’ previous statements  
13 had been false and/or materially misleading and, in turn, caused QuantumScape’s stock price to  
14 decline on January 4, 2021 and April 15, 2021. Consequently, the Plan of Allocation uses the  
15 declines on these dates to determine each Authorized Claimant’s pro rata allocation. Similar  
16 calculations were undertaken for options and warrants purchased and sold during the Class Period  
17 and included in the Settlement.

18 130. Under the proposed Plan of Allocation, the Net Settlement Fund will be distributed  
19 to Authorized Claimants on a pro rata basis based on the relative size of their Recognized Claims.  
20 *Id.* at ¶¶ 50-53. Specifically, a “Distribution Amount” will be calculated for each Authorized  
21 Claimant, which shall be the Authorized Claimant’s Recognized Claim divided by the total  
22 Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net  
23 Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00,  
24 it will not be included in the calculation and no distribution will be made to such Authorized  
25 Claimant. *Id.* at ¶65.

26 131. An individual Claimant’s recovery under the Plan of Allocation will depend on  
27 several factors, including the number of valid claims filed by other Claimants and the quantity of

1 QuantumScape securities the Claimant purchased, acquired, or sold during the Class Period and  
2 when that Claimant bought, acquired, or sold the shares. Plaintiffs’ Counsel believes that the Plan  
3 of Allocation will result in a fair and equitable distribution of the Net Settlement Fund among  
4 Settlement Class Members who submit valid claims.

5 132. The Net Settlement Fund in its entirety will be distributed to Authorized Claimants  
6 and if any funds remain after the initial distribution (for example, due to uncashed or returned  
7 checks), further distributions to Authorized Claimants who would receive at least \$10.00 from such  
8 a re-distribution will be conducted if they are cost effective.

9 133. When it is determined that the re-distribution of funds remaining in the Net  
10 Settlement Fund is not cost-effective, the remaining balance shall be contributed—subject to Court  
11 approval—to an appropriate non-profit organization. *Id.* at. I propose that the Bay Area Financial  
12 Education Foundation receive any *cy pres* award. The Bay Area Financial Education Foundation is  
13 a 501(c)(3) nonprofit organization devoted to financial education on Title I schools and low to  
14 moderate income communities, at-risk youth, and organizations that support BIPOC students;  
15 bringing financial literacy to those who need it most. Part of its financial curriculum is a module  
16 titled “Basics of Investing” which involves “foundational investing principles, including stocks,  
17 bonds, index funds, and exchange-traded funds.” <https://www.bafef.org/modules>.

18 134. In sum, the Plan of Allocation was designed to allocate the proceeds of the Net  
19 Settlement Fund among Settlement Class Members based on the losses they suffered on transactions  
20 in QuantumScape securities that were attributable to the conduct alleged in the Complaint.  
21 Accordingly, Plaintiffs’ Counsel respectfully submits that the Plan of Allocation is fair and  
22 reasonable and should be approved by the Court.

23 **C. Plaintiffs’ Counsel’s Application for Attorneys’ Fees and Expenses Is Reasonable**

24 135. In addition to seeking final approval of the Settlement and Plan of Allocation, Lead  
25 Counsel is applying to the Court for an award of attorneys’ fees of 30% of the Settlement Fund (or  
26 \$14,250,000), plus interest earned at the same rate as the Settlement Fund. The requested fee award  
27 is consistent with recently granted attorneys’ fee awards in similarly complex, contingent litigations



1 in the Ninth Circuit. *See* Exhibit D filed hereto (collecting Ninth Circuit cases with 30% or higher  
2 fee awards in complex, contingent litigations). Lead Counsel also requests reimbursement of the  
3 out-of-pocket expenses that they incurred in connection with the prosecution of the Action from the  
4 Settlement Fund in the amount of \$1,866,135.53. In addition, Lead Plaintiff requests an award of  
5 \$30,000 for Lead Plaintiff Frank Fish, and \$5,000 each for Plaintiffs Mary Cranny and Kathy Stark  
6 pursuant to 15 U.S.C. §78u-4(a)(4) in connection with its representation of the Class.

7 136. The primary factual bases for the requested fee, reimbursement of Litigation  
8 Expenses, and awards to Plaintiffs pursuant to 15 U.S.C. §78u-4(a)(4) are summarized below.

9 **a. The Fee Application**

10 137. Based on the extensive efforts on behalf of the Class, as described above, Plaintiffs’  
11 Counsel is applying for compensation from the Settlement Fund on a percentage basis, and has  
12 requested a fee in the amount of 30% of the Settlement Fund, plus payment of Plaintiffs’ Counsel’s  
13 costs, charges, and expenses incurred in connection with this Litigation of \$1,866,135.53 plus  
14 interest thereon. In addition, Plaintiffs request an award of \$40,000 pursuant to 15 U.S.C. §78u-  
15 4(a)(4) in connection with its representation of the Class

16 138. Based on the quality of the result achieved, the extent and quality of the work  
17 performed, the significant risks of the litigation, and the fully contingent nature of the representation,  
18 Plaintiffs’ Counsel respectfully submit that the requested fee award is fair and reasonable and should  
19 be approved. As discussed in the Fee Memorandum, a 30% fee award is within the range of  
20 percentages awarded in securities class actions with comparable settlements.

21 **i. The Excellent Outcome Achieved is the Result of the Significant Time**  
22 **and Labor that Lead Counsel Devoted to the Action**

23 139. Plaintiffs’ Counsel was involved in all aspects of the Action and its settlement as set  
24 forth above.

25 140. In accordance with this District’s Procedural Guidance for Class Action Settlements,  
26 included as Exhibit A to this declaration is a schedule summarizing the hours by category and  
27 lodestar of each attorney from the inception of the case through to October 1, 2024. Time expended



1 in preparing the application for fees and reimbursement of expenses has not been included. The  
2 schedule was prepared from contemporaneous daily time records regularly prepared and maintained  
3 by my firm.

4 141. The summary contained in Exhibit B breaks down into numerous categories the  
5 amount of time spent by attorneys of my firm who, from inception of the Action through and  
6 including October 1, 2024, billed twenty or more hours to the Action, and the lodestar calculation  
7 for those individuals based on my firm's current billing rates.

8 142. Additionally, I have included a summary of expenses by category as Exhibit C.

9 143. As set forth above and in detail in the attached exhibits, Lead Counsel has expended  
10 15,939.65 hours in the investigation and prosecution of the Action. The resulting total lodestar is  
11 \$9,563,611.25. The current hourly rates for Lead Counsel range from \$900 to \$1,000 for partners,  
12 \$325 to \$675 for associates, \$475 for staff attorneys, and \$325 for paralegals. Plaintiffs' Counsel's  
13 rates for its partners, of counsel attorneys, and associates are also comparable to peer plaintiff and  
14 defense firms litigating matters of similar magnitude. *See* Exhibit E hereto.

15 144. As detailed above, throughout this case, Plaintiffs' Counsel devoted substantial time  
16 to the prosecution of the Action. I maintained control of and monitored the work performed by  
17 lawyers and other personnel on this case. I personally devoted substantial time to this case and was  
18 personally involved in reviewing and editing all pleadings, court filings, and other correspondence  
19 prepared on behalf of Plaintiffs, engaging with counsel for Defendants on a variety of matters, and  
20 was intimately involved in Settlement negotiations. Other experienced attorneys at the firms also  
21 drafted, reviewed and/or edited pleadings, court filings, and other correspondence prepared on  
22 behalf of Plaintiffs and were involved in Settlement negotiations and other matters. More junior  
23 attorneys and paralegals also worked on matters appropriate to their skill and experience level.  
24 Throughout the litigation, Plaintiffs' Counsel maintained an appropriate level of staffing that  
25 avoided unnecessary duplication of effort and ensured the efficient prosecution of this litigation.

26 145. Plaintiffs' Counsel is a highly experienced and skilled law firm that focuses its  
27 practices on securities class action litigation. Indeed, Plaintiffs' Counsel has substantial experience

1 in litigating securities fraud class actions and has negotiated scores of other class settlements, which  
2 have been approved in courts throughout the country. I personally have over 20 years of experience  
3 litigating securities class action for both defendants and plaintiffs in federal and state courts  
4 throughout the United States.

5 **ii. Standing and Caliber of Opposing Counsel**

6  
7 146. The quality of work performed by Plaintiffs' Counsel in attaining the Settlement  
8 should also be evaluated considering the quality of the opposition. Here, Defendants were  
9 represented by Wilson Sonsini Goodrich Rosati P.C., a prominent law firm with substantial  
10 experience in the defense of class actions and other complex civil matters. In the face of this  
11 experienced and formidable opposition, Plaintiffs' Counsel was able to develop a case that was  
12 sufficiently strong to nonetheless persuade Defendants to settle the case on terms that were favorable  
13 to the Settlement Class.

14 **iii. The Risks of Litigation and the Need to Ensure the Availability of**  
15 **Competent Counsel in High-Risk Contingent Securities Cases**

16 147. This prosecution was undertaken by Plaintiffs' Counsel on an entirely contingent-fee  
17 basis. From the outset, this Action was an especially difficult and highly uncertain securities case.  
18 There was no guarantee that Plaintiffs' Counsel would ever be compensated for the substantial  
19 investment of time and money the case would require. In undertaking that responsibility, Plaintiffs'  
20 Counsel was obligated to ensure that sufficient resources were dedicated to the prosecution of the  
21 Action, that funds were available to compensate attorneys and staff, and to cover the considerable  
22 litigation costs required by a case like this one. With an average lag time of many years for complex  
23 cases like this to conclude, the financial burden on contingent-fee counsel is far greater than on a  
24 firm that is paid on an ongoing basis. Indeed, Plaintiffs' Counsel received no compensation during  
25 the Action and has incurred \$1,866,135.53 in out-of-pocket litigation-related expenses in  
26 prosecuting the Action.

27 148. Plaintiffs' Counsel also bore the risk that no recovery would be achieved. As  
28 discussed above, from the outset, this case presented multiple risks and uncertainties that could have  
DECLARATION OF NICHOLAS I. PORRITT  
IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND  
APPLICATION FOR AWARD OF ATTORNEYS' FEES AND EXPENSES  
Case No. 4:21-cv-00058-WHO

1 prevented any recovery whatsoever. Despite the most vigorous and competent of efforts, success  
2 in contingent-fee litigation like this is never assured. I know from personal experience that despite  
3 the most vigorous and competent of efforts, success in contingent litigation is never assured.

4 149. Plaintiffs' Counsel's extensive efforts in the face of substantial risks and  
5 uncertainties have resulted in a significant recovery for the benefit of the Class. In circumstances  
6 such as these, and in consideration of the hard work and the result achieved, I believe that the  
7 requested fee is reasonable and should be approved.

8

9 **iv. The Reaction of the Settlement Class to the Fee Request.**

10 150. As noted above, as of October 9, 2024 notice has been disseminated to 129,567  
11 potential Settlement Class Members and nominees, which advised potential Settlement Class  
12 Members that Plaintiffs' Counsel would apply for an award of attorneys' fees in an amount not to  
13 exceed 33% of the Settlement Fund. In addition, the Court-approved Summary Notice has been  
14 published in the *Investor's Business Weekly* and transmitted over *PR Newswire* on August 15, 2024.  
15 To date, no objections to the maximum potential attorneys' fees request set forth in the Postcard  
16 Notice, Summary Notice, and the long-form Notice have been received by Plaintiffs' Counsel or  
17 entered on this Court's docket. The deadline to object is October 23, 2024. Any objections received  
18 after the date of this filing will be addressed in Plaintiffs' Counsel's reply papers to be filed by  
19 November 6, 2024.

20 151. In sum, Plaintiffs' Counsel accepted this case on a contingency basis, committed  
21 significant resources to it, and prosecuted it without any compensation or guarantee of success.  
22 Based on the result obtained, the quality of the work performed, the risks of the Action, and the  
23 contingent nature of the representation, I believe that a fee award of 30% (\$14,250,000) which  
24 equates to a multiplier of approximately 1.49x, is fair and reasonable, and is supported by the fee  
25 awards courts in this Circuit and others have granted in other comparable cases.

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1                   **b. Reimbursement of the Requested Litigation Expenses is Fair and Reasonable**

2           152. Plaintiffs' Counsel are seeking reimbursement of a total of \$1,866,135.53 in out-of-  
3 pocket costs and expenses. A breakdown by category of these expenses is presented in Exhibit C.

4           153. The Postcard Notice, Summary Notice, and long-form Notice informed potential  
5 Settlement Class Members that Plaintiffs' Counsel would be seeking reimbursement of expenses in  
6 an amount not to exceed \$2,200,000. The total amount requested by Plaintiffs' Counsel is below  
7 that amount. To date, no objections have been raised as to the maximum amount of expenses set  
8 forth in the Postcard Notice, Summary Notice, and long-form Notice. If any objection to the request  
9 for reimbursement of litigation expenses is made after the date of this filing, Plaintiffs' Counsel will  
10 address it in the reply papers.

11           154. From the beginning of the case, Plaintiffs' Counsel was aware that they might never  
12 recover any of their expenses. Plaintiffs' Counsel also understood that, even assuming the case was  
13 ultimately successful, reimbursement for expenses would not compensate them for the lost use of  
14 funds advanced to prosecute this Action. Accordingly, Plaintiffs' Counsel were motivated to, and  
15 did, take steps to ensure that only necessary expenses were incurred for the vigorous and efficient  
16 prosecution of the case.

17           155. The largest component of expenses, \$1,033,015 of the total expenses, was expended  
18 on experts in connection with this matter. Plaintiffs' allegations included complex claims about  
19 QuantumScape's technology. Additionally, as stated above, Defendants had strong causation  
20 defenses. Plaintiffs engaged a damages expert to assist them with their allegations as well as the  
21 plan of allocation. These expenses were reasonable and necessary.

22           156. Another large component of expenses, \$383,872.50 of the total expenses, went to  
23 hiring experienced document review attorneys on a temporary basis to analyze and review  
24 Defendants' productions and certain non-party productions. As stated above, Defendants' 72  
25 productions contained nearly one million pages of documents, including a vast amount of data,  
26 messages, files, and multimedia content. The complexity of the subject matter of the materials  
27

1 required rounds of review to understand. These expenses were reasonable and necessary and more  
2 cost effective than higher additional associate attorneys to perform initial reviews of the documents.

3 157. Another large component of expenses, \$83,226.45 of the total expenses, was  
4 expended on travel and meals to and from depositions. Plaintiffs' Counsel took eleven in person  
5 depositions, eight in Palo Alto, California, one in New York, New York, one in Pittsburgh,  
6 Pennsylvania, and one in Greenville, South Carolina. Mediation expenses were \$62,560.00.  
7 Expenses for transportation, hotels, and meals relating to these depositions and the two in-person  
8 mediations were \$53,680.73.

9 158. The other litigation expenses for which Plaintiffs' Counsel seeks reimbursement are  
10 the types of expenses that are necessarily incurred in litigation and routinely charged to clients billed  
11 by the hour. These litigation expenses include, among others, travel, costs of court fees, copying  
12 costs, research, and postage and delivery expenses.

13 159. In my opinion, the Litigation Expenses incurred by Plaintiffs' Counsel were  
14 reasonable and necessary to represent the Class and achieve the Settlement.

15 **c. THE PSLRA AWARDS ARE FAIR AND REASONABLE**

16 160. Plaintiffs' Counsel also requests that Lead Plaintiff Frank Fish be awarded \$30,000  
17 and Plaintiffs Mary Cranny and Kathy Stark be awarded \$5,000 each respectively to reimburse them  
18 for their reasonable costs and expenses directly relating to their fiduciary role to the class. Details  
19 about their contributions to the Action and the account of their reasonable costs and expenses  
20 directly relating to their representation of the Class are included in their respective declarations.

21 161. The named plaintiffs are an essential prerequisite in all class actions and in the  
22 context of federal securities fraud cases, these individuals are assigned a significantly enhanced role  
23 in the selection and monitoring of class counsel and monitoring the litigation. Accordingly,  
24 Congress has authorized courts to approve payments to a class representatives in addition to their  
25 pro rata share of the Settlement, for "reasonable costs and expenses (including lost wages) directly  
26 relating to the representation of the class." 15 U.S.C. ¶78u-4(a)(4). In passing the PSLRA, Congress  
27

1 acknowledged that the role of class representative requires extra responsibilities, which could result  
2 in time away from work. S. Rep. No. 104-98, at 10 (1995).

3 162. In addition to losing money because of the alleged fraud, Mr. Fish, Ms. Cranny, and  
4 Ms. Stark have incurred costs by dedicating their time to representing the Class. Plaintiffs monitored  
5 the Litigation, selected counsel, and supervised the prosecution of Class's claims against  
6 Defendants. They complied with Defendants' burdensome and intrusive discovery requests,  
7 reviewing their personal files and collectively producing hundreds of pages of documents. Plaintiffs  
8 also reviewed and certified multiple interrogatory responses and objections, which totaled over 500  
9 pages. They participated in the mediations and developed a clear understanding of the strengths and  
10 weaknesses of the case before agreeing to the Settlement.

11 163. Defendants also took Plaintiffs' depositions in connection with the Class  
12 Certification Motion, which they prepared for with Plaintiffs' Counsel over the course of multiple  
13 sessions. The Court mentioned in its order certifying the class (ECF 183) that during the deposition  
14 of Lead Plaintiff Frank Fish, Plaintiffs' Counsel needed to object to nearly every question, including  
15 an objection that defense counsel's questions were "were argumentative, harassing, and borderline  
16 improper." *Id.* at 9, n.2. Plaintiffs demonstrated that they knew the allegations in the complaint and  
17 were aware of the procedural posture of the case. The Court found that each of the Plaintiffs provided  
18 accurate and sufficiently comprehensive answers to rebut the defendants' assertions that they did  
19 not understand the case or relied too heavily on lawyers to tell them about it. *Id.* at 9.

20 164. While all these costs were borne directly by Ms. Cranny, Mr. Fish, and Ms. Stark,  
21 the fruits of their efforts are shared by the entire Class. In addition to the activities described above,  
22 Plaintiffs received regular updates about the litigation, reviewed key pleadings, and were apprised  
23 of upcoming deadlines and decisions points. Plaintiffs' counsel provided clear analysis, guidance,  
24 and recommendations during the mediations and on the Settlement. If the Action did not settle,  
25 Plaintiffs were prepared to travel from New York, Washington, and Oregon to attend trial and  
26 provide testimony.

1 165. These awards represent their reasonable costs and expenses directly relating to the  
2 representation of the class and constitute a small fraction of the total class recovery. Accordingly,  
3 Plaintiffs' Counsel requests that the Court approve of the payment of their reasonable costs and  
4 expenses to Plaintiffs, consistent with the PSLRA.

5 **G. PLAINTIFFS' COMPLIANCE WITH THE COURT'S PRELIMINARY**  
6 **APPROVAL ORDER REGARDING THE NOTICE PROGRAM**

7 166. The Preliminary Approval Order (ECF No. 215) directed that the Postcard Notice of  
8 (i) Pendency of Class Action and Proposed Settlement; (ii) Settlement Fairness Hearing; and  
9 (iii) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the  
10 "Postcard Notice") be disseminated to the Settlement Class. The Preliminary Approval Order also  
11 set a deadline of October 23, 2024 for Settlement Class Members to submit objections to the  
12 Settlement, the Plan of Allocation, and/or the Fee Memorandum or to request exclusion from the  
13 Settlement Class and set a final fairness hearing date of November 13, 2024 (the "Settlement  
14 Hearing").

15 167. Pursuant to the Preliminary Approval Order, Plaintiffs' Counsel instructed A.B.  
16 Data, the Court-approved Claims Administrator, to begin disseminating copies of the Postcard  
17 Notice in conformity with the Court's modifications, and to publish the Summary Notice.  
18 Contemporaneously with the mailing of the Postcard Notice, Plaintiffs' Counsel instructed A.B.  
19 Data to post downloadable copies of the Notice of (i) Pendency of Class Action and Proposed  
20 Settlement; (ii) Settlement Fairness Hearing; and (iii) Motion for an Award of Attorneys' Fees and  
21 Reimbursement of Litigation Expenses (the "Notice") and the Proof of Claim and Release Form  
22 ("Claim Form") online at <https://quantumscapesettlement.com> (the "Settlement Website").  
23 Plaintiffs' Counsel has instructed A.B. Data to continue to mail copies of the Notice and/or Claim  
24 Form to Settlement Class members on request until the deadline to submit a Claim Form has passed.

25 168. The Postcard Notice directed potential Settlement Class Members to downloadable  
26 versions of the Notice and Claim Form posted online on the Settlement Website. The Notice  
27 contains, among other things, a description of the Action; the definition of the Settlement Class; a



1 summary of the terms of the Settlement and the proposed Plan of Allocation; and a description of a  
2 Settlement Class Member’s right to participate in the Settlement, object to the Settlement, the Plan  
3 of Allocation and/or the Fee Memorandum, or to exclude themselves from the Settlement Class.  
4 The Notice also informs Settlement Class Members of Plaintiffs’ Counsel’s intent to apply for an  
5 award of attorneys’ fees in an amount not to exceed 33% of the Settlement Fund, and for  
6 reimbursement of Litigation Expenses in an amount not to exceed \$2,200,000.

7 169. Plaintiffs’ Counsel has communicated regularly with A.B. Data regarding the  
8 provision of notice to the Settlement Class. As of October 9, 2024, notice has been disseminated to  
9 129,567 potential Settlement Class Members and nominees.

10 170. On August 26, 2024, in accordance with the Preliminary Approval Order, the  
11 Summary Notice was published in the *Investor’s Business Weekly* and transmitted over *PR*  
12 *Newswire*.

13 171. Plaintiffs’ Counsel also caused the Claims Administrator to establish the Settlement  
14 Website, which became operational on or about August 15, 2024 to provide Settlement Class  
15 Members with information concerning the Settlement, submit a claim online, download copies of  
16 the full Notice and Claim Form, as well as copies of the Stipulation, and Preliminary Approval  
17 Order.

18 172. The deadline for Settlement Class Members to object to the Settlement, Plan of  
19 Allocation, and/or to the Fee Memorandum or to request exclusion from the Settlement Class is  
20 October 23, 2024. To date, seven requests for exclusion and no objections have been received. To  
21 date, no objections to the Settlement or the Plan of Allocation have been entered on this Court’s  
22 docket or have otherwise been received by Plaintiffs’ Counsel. Plaintiffs’ Counsel will file reply  
23 papers by November 6, 2024 that will address any objections that may be received.

24 I declare under penalty of perjury under the laws of the United States of America that the  
25 foregoing facts are true and correct.

26 Executed this 9th day of October 2024 in Washington, D.C..

DocuSigned by:  
Nicholas Porritt

731A747F74A05  
NICHOLAS I. PORRITT

28 DECLARATION OF NICHOLAS I. PORRITT  
IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND  
APPLICATION FOR AWARD OF ATTORNEYS’ FEES AND EXPENSES  
Case No. 4:21-cv-00058-WHO

# EXHIBIT A

*In re QuantumScape Securities Class Action Litigation*

Case No.: 3:21-cv-00058-WHO

Levi &amp; Korsinsky, LLP

**SUMMARY LODESTAR REPORT**

<b>NAME</b>	<b>TITLE</b>	<b>RATE</b>	<b>HOURS</b>	<b>LODESTAR</b>
Apton, Adam	Partner	\$900	105.5	\$94,950
Hopkins, Shannon	Partner	\$1,000	112.75	\$112,750
Korsinsky, Eduard	Partner	\$1,050	4.75	\$4,988
Levi, Joseph E.	Partner	\$1,050	15.75	\$16,538
Porritt, Nicholas I.	Partner	\$1,000	1121.75	\$1,121,750
Potrepka, Gregory	Partner	\$900	470.5	\$423,450
Tripodi, Elizabeth K.	Partner	\$900	977.3	\$879,570
Lencyk, Andrew	Counsel	\$850	990.5	\$841,925
McCall, Adam	Senior Associate	\$600	2537.75	\$1,522,650
Keating, Michael	Associate	\$500	308.4	\$154,200
Krot, Alexander A.	Associate	\$675	81.5	\$55,013
Meyer, Melissa	Associate	\$500	57.85	\$28,925
Parnas, Aaron	Associate	\$500	1615.1	\$807,550
von Richthofen, Cole	Associate	\$325	30.75	\$9,994
Weiss, Max	Associate	\$500	2287.9	\$1,143,950
Bentley, Kenny	Staff Attorney	\$475	915.7	\$434,958
Campbell, Karolina	Staff Attorney	\$475	965.3	\$458,518
Cinous, Brunelle	Staff Attorney	\$475	397.6	\$188,860
Farrar, Leah	Staff Attorney	\$475	115.3	\$54,768
Hunter, Pamela	Staff Attorney	\$475	38.1	\$18,098
Mittasch, Jennifer	Staff Attorney	\$475	1121.9	\$532,903
Monteverde, LeeAnn	Staff Attorney	\$475	426.8	\$202,730
Smith, Amanda	Staff Attorney	\$475	383.5	\$182,163
Gaynor Mugar	Paralegal	\$325	74.05	\$24,066
Herda, Amanda	Paralegal	\$325	31.75	\$10,319
King, Jenn	Paralegal	\$325	48.3	\$15,698
Phillips, Samantha	Paralegal	\$325	83.45	\$27,121
Wallen, Frechette	Paralegal	\$325	49.3	\$16,023
Daniel, Nolan	Intern	\$325	148.7	\$48,328
Kolonias, Irene	Intern	\$325	259.8	\$84,435
Porritt, Simon	Intern	\$325	142.85	\$46,426
<b>TOTALS:</b>			<b>15939.65</b>	<b>\$9,563,611.25</b>

# EXHIBIT B

*In re QuantumScape Securities Class Action Litigation*  
 Case No.: 3:21-cv-00058-WHO  
 Levi & Korsinsky, LLP

LODESTAR ATE ORY REPORT

TIME EEPER			HOURS Y ATE ORY																	
NAME	TITLE	RATE	1	2	3	5	6	9	10	11	12	13	14	15	16	SUM	LODESTAR			
Apton, Adam	Partner	\$900	29	7	0	5.5	9.5	0	18	0	6	10.5	19.5	0	0	0	0.5	0	105.5	\$94,950
Hopkins, Shannon	Partner	\$1,000	0	0	0	15.5	7.5	2	0	16	25	1.75	38.5	0	0.5	0	4.75	1.25	112.75	\$112,750
Korsinsky, Eduard	Partner	\$1,050	0	0	0	3.25	0	0	0	0	0	0	1.5	0	0	0	0	0	4.75	\$4,988
Levi, Joseph E.	Partner	\$1,050	0	0	0	9.25	0	0	0	0	1	0	3.5	0	2	0	0	0	15.75	\$16,538
Porritt, Nicholas I.	Partner	\$1,000	14.7	11.5	1.9	5.5	12.1	0	11.5	78.8	639.5	1.3	70.4	0	234.25	30.6	2	7.7	1121.75	\$1,121,750
Potrepka, Gregory	Partner	\$900	2.25	11.25	7.25	7.25	5.25	2.75	0	32.25	283.25	3.75	35	0	0	27.5	52.75	470.5	\$423,450	
Tripodi, Elizabeth K.	Partner	\$900	24.2	8.9	13.9	32.45	9.2	0	1.3	11.6	599.5	5.8	133.4	6.8	94.2	0	0.1	35.95	977.3	\$879,570
Lencyk, Andrew	Counsel	\$850	114.8	0	0	33	0	0	0	104.6	567	3.9	18	0.6	137.8	0	0	10.8	990.5	\$841,925
McCall, Adam	Senior Associate	\$600	112.25	25	16.75	123.8	206.25	6.7	186.25	49.75	1100.35	71.2	279.5	0	280	5.75	9.95	64.25	2537.75	\$1,522,650
Keating, Michael	Associate	\$500	4.1	0	4.5	0.4	0.2	0	0	70.3	199.9	0	12.6	0	0	2.5	13.9	308.4	\$154,200	
Krot, Alexander A.	Associate	\$675	0	0	1	0.75	0	64.75	0.75	6	3.75	1.75	1	0	1.5	0.25	0	0	81.5	\$55,013
Meyer, Melissa	Associate	\$500	0	0	0	0	0.75	56.85	0	0	0	0	0	0	0	0.25	0	57.85	\$28,925	
Parnas, Aaron	Associate	\$500	54.6	5	0.6	102	17.5	0	0	0.1	1194.35	3	126.25	0	67.2	0	0	44.5	1615.1	\$807,550
von Richtenhofen, Cole	Associate	\$325	0	0	0	0	0	0	0	0	30.75	0	0	0	0	0	0	0	30.75	\$9,994
Weiss, Max	Associate	\$500	104.35	24.25	11.75	62.5	158.75	1	10	3.05	1412.55	42	195.75	9.75	221.9	0.25	4.95	25.1	2287.9	\$1,143,950
Bentley, Kenny	Staff Attorney	\$475	0	0	0	0	0	0	0	0	888.7	0	17.8	0	9.2	0	0	0	915.7	\$434,958
Campbell, Karolina	Staff Attorney	\$475	4.6	0	0	51.9	7	0	0	0	825.9	0.7	44.6	0	29.8	0	0	0.8	965.3	\$458,518
Cinous, Brunelle	Staff Attorney	\$475	0	0	0	0	0	0	0	0	397.6	0	0	0	0	0	0	0	397.6	\$188,860
Farrar, Leah	Staff Attorney	\$475	0	0	0	0	0	0	0	0	114	0	0	0	1.3	0	0	0	115.3	\$54,768
Hunter, Pamela	Staff Attorney	\$475	0.6	0	0	0	0	0	0	0	26.5	11	0	0	0	0	0	0	38.1	\$18,098
Mittasch, Jennifer	Staff Attorney	\$475	0	0	0	0	0	0	0	0	1024.6	0	84.9	0	12.4	0	0	0	1121.9	\$532,903
Monteverde, LeeAnn	Staff Attorney	\$475	0	0	0	0	0	0	0	0	426.8	0	0	0	0	0	0	0	426.8	\$202,730
Smith, Amanda	Staff Attorney	\$475	0	0	0	0	0	0	0	0	383.5	0	0	0	0	0	0	0	383.5	\$182,163
Gaynor Mugar	Paralegal	\$325	0	0	0	0	0	0	0	15.1	58.95	0	0	0	0	0	0	0	74.05	\$24,066
Herda, Amanda	Paralegal	\$325	0	0	0	0	0	0.3	0.2	6.75	21.85	2.65	0	0	0	0	0	0	31.75	\$10,319
King, Jenn	Paralegal	\$325	0.1	0	0	0	0	0	0	0.5	38.15	0	0.1	0	8.05	0	1.4	0	48.3	\$15,698
Phillips, Samantha	Paralegal	\$325	0.75	0	0	3.25	0.5	0	13.75	55.2	9.5	0	0	0	0	0.5	0	0	83.45	\$27,121
Wallen, Frechette	Paralegal	\$325	0	28.3	0	0	0	0	0	0	21	0	0	0	0	0	0	0	49.3	\$16,023
Daniel, Nolan	Intern	\$325	21.7	24.6	0	0	0	2	0	80.8	12.1	7.5	0	0	0	0	0	0	148.7	\$48,328
Kolonias, Irene	Intern	\$325	0	0	0	3.1	0	0	0	0	256.7	0	0	0	0	0	0	0	259.8	\$84,435
Porritt, Simon	Intern	\$325	105.85	0	0	3	0	0	0	0	9	0	25	0	0	0	0	0	142.85	\$46,426
<b>TOTALS:</b>			<b>593.5</b>	<b>15</b>	<b>5.65</b>	<b>59.15</b>	<b>3.25</b>	<b>1.65</b>	<b>22</b>	<b>9.35</b>	<b>1623.5</b>	<b>16.3</b>	<b>11.3</b>	<b>1.15</b>	<b>11.1</b>	<b>36.5</b>	<b>65</b>	<b>25</b>	<b>15,939.65</b>	<b>\$9,563,611.25</b>

ATE ORY EY:

- |   |                                    |                              |  |                                |   |
|---|------------------------------------|------------------------------|--|--------------------------------|---|
| 1 | Factual Investigation              | Motion to Dismiss            | 13   | Settlement and Mediation       |   |
| 2 | Legal Research                     | Class Certification & Notice | 1  | Court Appearance & Preparation |   |
| 3 | Financial Research                 | 9                            | Discovery  | 15                             | Client Shareholder Communication                |
|   | Litigation Strategy & Analysis     | 1                            | Other Pleadings, Briefs, Pretrial Motions, and Court Filings | 16                             | Communication with Opposing Third Party Counsel |
| 5 | Draft Initial or Amended Complaint | 11                           | Experts, Consultants & Investigators                         |                                |   |
| 6 | Lead Plaintiff Motion              | 12                           | Summary Judgment   |                                |   |

# EXHIBIT C

*In re QuantumScape Securities Class Action Litigation*

Case No.: 3:21-cv-00058-WHO

Levi &amp; Korsinsky, LLP

**EXPENSE REPORT**

<b>EXPENSE</b>	<b>TOTAL</b>
Court Reporters	\$18,980.05
Depositions	\$83,226.45
Document Hosting	\$145,841.13
Document Review	\$383,872.50
Filing Fees	\$1,937.00
Investigator & Experts	\$1,033,015.02
Mediation	\$62,400.00
Online Legal & Financial Research	\$20,821.74
Outside Counsel	\$2,196.00
Printing, Shipping, Photocopying	\$50,104.37
Service of Process	\$7,392.50
Translation	\$2,470.00
Transportation, Hotels, & Meals	\$53,878.67
<b>TOTAL:</b>	<b>\$1,866,135.53</b>



# EXHIBIT “D”

Select Ninth Circuit Cases with 33% or Above Fee Awards		
Case	Settlement Amount	Fee Award
<i>Perez v. Rash Curtis &amp; Assocs.</i> , No. 16-cv-03396, 2020 WL 1904533, at *15 (N.D. Cal. Apr. 17, 2020)	\$267,349,000	33⅓%
<i>In re Apollo Grp. Inc. Sec. Litig.</i> , No. 04-cv-02147, 2012 WL 1378677, at *7 (D. Ariz. Apr. 20, 2012)	\$145,000,000	33.33%
<i>In re Lidoderm Antitrust Litig.</i> , No. 14-md-02521, 2018 WL 4620695, at *4 (N.D. Cal. Sept. 20, 2018)	\$104,750,000	33⅓%
<i>Meijer, Inc. v. Abbott Labs.</i> , No. 07-cv-05985, 2011 WL 13392313, at *2 (N.D. Cal. Aug. 11, 2011)	\$52,000,000	33.33%
<i>Beaver v. Tarsadia Hotels</i> , No. 11-cv-01842, 2017 WL 4310707, at *12 (S.D. Cal. Sept. 28, 2017)	\$51,150,000	33⅓%
<i>Hageman v. AT&amp;T Mobility LLC</i> , No. 13-cv-00050, 2015 WL 9855925, at *4 (D. Mon. Feb. 11, 2015)	\$45,000,000	33⅓%
<i>Carlin v. DairyAmerica, Inc.</i> , 380 F. Supp. 3d 998, 1023 (E.D. Cal. 2019)	\$40,000,000	33.30%
<i>Thomas &amp; Thomas Rodmakers Inc. v. Newport Adhesives and Composites, Inc.</i> , No. 99-cv-07796, ECF No. 802 (C.D. Cal. Oct. 18, 2005)	\$36,250,000	33.13%
<i>In re Public Service Co. of New Mexico</i> , No. 91-0536M, 1992 WL 278452, at *12 (S.D. Cal. July 28, 1992)	\$33,000,000	33.00%
<i>Bickley v. Schneider Nat'l Carriers, Inc.</i> , No. 08-cv-05806, 2016 WL 6910261, at *3-4 (N.D. Cal. Oct. 13, 2016)	\$28,000,000	33⅓%
<i>In re Heritage Bond Litig.</i> , No. 02-ml-1475, 2005 WL 1594403, at *23 (C.D. Cal. June 10, 2005)	\$27,783,000	33.33%
<i>Wren v. RGIS Inventory Specialists</i> , No. 06-cv-05778, 2011 WL 1230826, at *29 (N.D. Cal. Apr. 1, 2011)	\$27,000,000	42.00%
<i>In re Tezos Sec. Litig.</i> , No. 17-cv-06779, ECF No. 262 (N.D. Cal. Aug 28, 2020)	\$25,000,000	33.33%
<i>Dakota Medical, Inc. v. RehabCare Grp., Inc.</i> , No. 14-cv-02081, 2017 WL 4180497, at *9-10 (E.D. Cal. Sept. 21, 2017)	\$25,000,000	33⅓%
<i>NECA-IBEW Pension Trust Fund v. Precision Castparts Corp.</i> , No. 16-cv-01756, ECF No. 169 (D. Or. May 7, 2021)	\$21,000,000	33.30%
<i>Abdullah v. U.S. Security Associates, Inc.</i> , No. 09-cv-09554, 2017 WL 11630767, at *8 (C.D. Cal. Dec. 4, 2017)	\$20,613,339	33⅓%
<i>In re Banc of Cal. Sec. Litig.</i> , No. 17-cv-00118, 2020 WL 1283486, at *1 (C.D. Cal. Mar. 16, 2020)	\$19,750,000	33.00%
<i>Waldbuesser v. Northrop Grumman Corp.</i> , No. 06-cv-06213, 2017 WL 9614818, at *3 (C.D. Cal. Oct 24, 2017)	\$16,750,000	33⅓%
<i>Morris v. Lifescan, Inc.</i> , 54 Fed. App'x 663, 664 (9th Cir. 2003)	\$14,800,000	33.00%
<i>In re Allied Nevada Gold Corp. Sec. Litig.</i> , No. 14-cv-00175, ECF No. 215 (D. Nev. Nov. 16, 2020)	\$14,000,000	33⅓%
<i>Good Morning to You Prods. Corp. v. Warner/Chappell Music, Inc.</i> , No. 13-cv-04460, ECF No. 370 (C.D. Cal. Aug. 16, 2016)	\$14,000,000	33.00%
<i>Tawfilis v. Allergan, Inc.</i> , No. 15-cv-00307, 2018 WL 4849716, at *7 (C.D. Cal. Aug. 27, 2018)	\$13,450,000	33⅓%
<i>Kendall v. Odonate Therapeutics, Inc.</i> , No. 20-cv-01828, 2022 WL 1997530, at *6-7 (S.D. Cal. June 6, 2022)	\$12,750,000	33⅓%
<i>Marshall v. Northrop Grumman Corp.</i> , No. 16-cv-06794, 2020 WL 5668935, at *9 (C.D. Cal. Sept. 18, 2020)	\$12,375,000	33⅓%
<i>In re Pacific Enters. Sec. Litig.</i> , 47 F.3d 373, 379 (9th Cir. 1995)	\$12,000,000	33.00%
<i>Singh v. Roadrunner Intermodal Servs., LLC</i> , No. 15-cv-01497, 2019 WL 316814, at *9 (E.D. Cal. Jan. 24, 2019)	\$9,250,000	33⅓%

Select Ninth Circuit Cases with 33% or Above Fee Awards		
Case	Settlement Amount	Fee Award
<i>Jenson v. First Tr. Corp.</i> , No. CV 05-03124, 2008 WL 11338161, at *16 (C.D. Cal. June 9, 2008)	\$8,500,000	33⅓%
<i>Fernandez v. Victoria Secret Stores, LLC</i> , No. 06-cv-04149, 2008 WL 8150856, at *16 (C.D. Cal. July 21, 2008)	\$8,500,000	34.00%
<i>Vigueras v. Red Robin Inter'l, Inc.</i> , No. 17-cv-01422, ECF No. 182 (C.D. Cal. Dec. 2, 2020)	\$8,500,000	33.33%
<i>Jones v. CertifiedSafety, Inc.</i> , No. 17-cv-02229, ECF No. 232 (N.D. Cal. June 1, 2020)	\$6,000,000	33.33%
<i>Linney v. Cellular Alaska P'ship</i> , No. 96-cv-03008, 1997 WL 450064, at *7 (N.D. Cal. July 18, 1997)	\$6,000,000	33⅓%
<i>Boyd v. Bank of Am. Corp.</i> , No. 13-cv-00561, 2014 WL 6473804, at *9 (C.D. Cal. Nov. 18, 2014)	\$5,800,000	33⅓%
<i>In re Interlink Elec., Inc. Sec. Litig.</i> , No. 05-cv-08133, ECF No. 165 (C.D. Cal. June 1, 2009)	\$5,000,000	33⅓%
<i>Berry v. Urban Outfitters Wholesale, Inc.</i> , No. 13-cv-02628, ECF No. 114 (N.D. Cal. Apr. 7, 2016)	\$5,000,000	33.33%
<i>In re Orexigen Therapeutics, Inc. Sec. Litig.</i> , No. 15-cv-00540, ECF No. 155 (S.D. Cal. Nov. 30, 2021)	\$4,800,000	33.00%
<i>Hodges v. Akeena Solar, Inc.</i> , No. 09-cv-02147, ECF No. 167 (N.D. Cal. Dec. 15, 2011)	\$4,770,000	33⅓%
<i>Aguilar v. Wawona Frozen Foods</i> , No. 15-cv-00093, 2017 WL 2214936, at *6 (E.D. Cal. May 19, 2017)	\$4,500,000	33⅓%
<i>West v. Cal. Serv. Bureau, Inc.</i> , No. 16-cv-03124, ECF No. 128 (N.D. Cal. Jan. 23, 2019)	\$4,100,000	33.30%
<i>Cook v. Atossa Genetics, Inc.</i> , No. 13-cv-01836, ECF No. 98 (W.D. Wash. July 20, 2018)	\$3,500,000	33.00%
<i>Mathein v. Pier 1 Imports (U.S.), Inc.</i> , No. 16-cv-00087, 2018 WL 1993727, at *8 (E.D. Cal. Apr 27, 2018)	\$3,500,000	33⅓%
<i>In re K12 Inc. Sec. Litig.</i> , No. 16-cv-04069, 2019 WL 3766420, at *1 (N.D. Cal. July 10, 2019)	\$3,500,000	33.00%
<i>Wise v. Ultra Salon, Cosmetics &amp; Fragrance, Inc.</i> , No. 17-cv-00853, 2020 WL 1492672, at *6-7 (E.D. Cal. Mar. 27, 2020)	\$3,400,000	33⅓%
<i>Vandervort v. Balboa Cap. Corp.</i> , 8 F.Supp.3d 1200, 1210 (C.D. Cal. 2014)	\$3,300,000	33.00%
<i>Antonopoulos v. N. Am. Thoroughbreds, Inc.</i> , No. 87-cv-00979, 1991 WL 427893, at *4 (S.D. Cal. May 6, 1991)	\$3,098,000	33⅓%
<i>In re Mikohn Gaming Corp. Sec. Litig.</i> , No. 05-cv-1410, ECF No. 96 (D. Nev. June 12, 2007)	\$2,800,000	33.33%
<i>In re Resonant Inc. Sec. Litig.</i> , No. 15-cv-01970, ECF No. 154 (C.D. Cal. Nov. 20, 2017)	\$2,750,000	33.00%
<i>In re 2TheMart.com, Inc. Sec. Litig.</i> , No. 99-cv-1127, ECF No. 161 (C.D. Cal. July 8, 2002)	\$2,700,000	33⅓%
<i>Elliot v. China Green Agric. Inc.</i> , No. 10-cv-00648, ECF No. 166 (D. Nev. Aug. 12, 2014)	\$2,500,000	33⅓%

<b>Select Ninth Circuit Cases with 33% or Above Fee Awards</b>		
<b>Case</b>	<b>Settlement Amount</b>	<b>Fee Award</b>
<i>In re Merix Corp. Sec. Litig.</i> , No. 04-cv-00826, ECF No. 236 (D. Or. Jan. 3, 2011)	\$2,500,000	33.33%
<i>Brulee v. DAL Global Servs., LLC</i> , No. 17-cv-06433, ECF No. 51 (C.D. Cal. Dec 13, 2018)	\$2,500,000	33.33%
<i>Emmons v. Quest Diagnostics Clinical Labs., Inc.</i> , No. 13-cv-00474, 2017 WL 749018, at *8-9 (E.D. Cal. Feb. 27, 2017)	\$2,350,000	33⅓%
<i>Cheng Jiangchen v. Rentech, Inc.</i> , No. 17-cv-01490, 2019 WL 5173771, at *9, *11 (C.D. Cal. Oct. 10, 2019)	\$2,050,000	33⅓%
<i>Yaron v. Intersect ENT, Inc.</i> , No. 19-cv-02647, ECF No. 80 (N.D. Cal. Nov. 5, 2021)	\$1,900,000	33⅓%
<i>Likas v. ChinaCache Int'l Holdings Ltd.</i> , No. 19-cv-06942, ECF No. 95 (C.D. Cal. Mar. 14, 2022)	\$1,800,000	33.30%
<i>In re Mego Fin. Corp. Sec. Litig.</i> , 213 F.3d 454, 463 (9th Cir. 2000)	\$1,725,000	33⅓%
<i>In re AudioEye, Inc. Sec. Litig.</i> , No. 15-cv-00163, ECF No. 100 (D. Ariz. May 8, 2017)	\$1,525,000	33.33%

# EXHIBIT “E”

Plaintiffs' Firm Name	Case Name	Citation	Non-Partner Attorneys' Fee Range	Partners' Fee Range
Pomerantz LLP	Pirnik v. Fiat Chrysler et al., No. 1:15-cv-07199	(S.D.N.Y.) (Sept. 2019) (Dkt. No. 361)	\$450 - \$600	\$750 - \$950
	In Re Yahoo! Inc. Securities Litigation, No. 17-cv-00373-LHK	(N.D. Cal.) (Aug. 2018) (Dkt. No. 108)	\$350 - \$705	\$725 - \$925
	In re Petrobras Securities Litigation, No. 14-cv-9662 (JSR)	(S.D.N.Y.) (Apr. 2018) (Dkt. No. 789-16)	\$300 - \$765	\$700 - \$1,000
Robbins Geller Rudman & Dowd LLP	In re ADT Inc. Shareholder Litigation, No. 502018CA003494XXXXMB-AG	(Fla.Cir.Ct.) (Dec. 16, 2020)	\$400 - \$745	\$820 - \$1325
	David N. Zimmerman vs. Diplomat Pharmacy, Inc., et al., No. 2:16-cv-14005-LCP	(E.D. Mich.) (July 2019) (Dkt No. 70)	\$400-\$1,030	\$800 - \$1,250
Keker, Van Nest & Peters LLP	OpenGov, Inc. v. GTY Technology Holdings Inc. et al, No. 3:18-cv-07198-JSC	(N.D. Cal.) (Mar. 2019) (Dkt. No. 40-1)	\$775 - \$1,075 ("Of Counsel" rates)	\$700 - \$1,500
	Osuegbu v. AMN Healthcare, Inc., et al., No. 3:16-cv-02816-JCS	(N.D. Cal.) (Feb. 2019) (Dkt. No. 162-4)	\$340 - \$500 ("2017 Rates")	\$525 - \$975 ("2017 Rates")
Motley Rice LLC	In re Investment Technology Group, Inc. Securities Litigation, No. 15-cv-06369	(S.D.N.Y.) (Jan. 2019) (Dkt. No. 119)	\$300 - \$750	\$775 - \$1,050
Cohen Milstein Sellers & Toll, PLLC	In re Ability, Inc. Securities Litigation, No. 1:16-cv-03893-VM	(S.D.N.Y.) (Aug. 2018) (Dkt. No. 89-4)	\$530 (Only one rate listed)	\$630 - \$900
	In re ITT Educational Services, Inc. Securities Litigation, No. 1:13-cv-01620-JPO-JLC	(S.D.N.Y.) (Feb. 2016) (Dkt. No. 88)	\$420 - \$550	\$530 - \$915
Bernstein Litowitz Berger & Grossman LLP	In re RH, Inc. Securities Litigation, No. 4:17-cv-0054-YGR	(N.D. Cal.) (Oct. 2019) (Dkt. No. 145-4)	\$350 - \$775	\$800 - \$1,300
	In re Allergan, Inc. Proxy Violation Securities Litigation, No. 8:14-cv-02004-DOC-KESx	(C.D. Cal.) (Apr. 2018) (Dkt. No. 619-4)	\$340 - \$750	\$750 - \$1,250

Plaintiffs' Firm Name	Case Name	Citation	Non-Partner Attorneys' Fee Range	Partners' Fee Range
Kessler Topaz Meltzer & Check, LLP	Beach, et al. vs. JPMorgan Chase Bank, et al., Co 1:17-cv-00563-JMF	(S.D.N.Y.) (Aug. 2020) (Dkt. No. 225-3	\$350 - \$690	\$700 - \$920
	In re Allergan, Inc. Proxy Violation Securities Litigation, No. 8:14-cv-02004-DOC-KESx	(C.D. Cal.) (Apr. 2018) (Dkt. No. 619-5)	\$350 - \$675	\$550 - \$850
Grant & Eisenhofer P.A.	In re Foreign Exchange Benchmark Rates Antitrust Litigation, No. 1:13-cv-07789-LGS	(S.D.N.Y.) (Jan. 2018) (Dkt. No. 939-17)	\$325 - \$720	\$850 - \$925
Hausfeld LLP	In re Foreign Exchange Benchmark Rates Antitrust Litigation, No. 1:13-cv-07789-LGS	(S.D.N.Y.) (Jan. 2018) (Dkt. No. 939-3)	\$350 - \$500	\$630 - \$1,375
Labaton Sucharow LLP	In re Foreign Exchange Benchmark Rates Antitrust Litigation, No. 1:13-cv-07789-LGS	(S.D.N.Y.) (Jan. 2018) (Dkt. No. 939-6)	\$335 - \$775	\$875 - \$950
Scott+Scott, Attorneys at Law, LLP	In re Foreign Exchange Benchmark Rates Antitrust Litigation, No. 1:13-cv-07789-LGS	(S.D.N.Y.) (Jan. 2018) (Dkt. No. 939-2)	\$400 - \$710	\$775 - \$995
Boies, Schiller & Flexner LLP	Erica P John Fund Inc et al v. Halliburton Company et al, No. 3:02-cv-01152-M	(N.D. Tex.) (July 2017) (Dkt. No. 819)	\$170 - \$870	\$350 - \$1,650
Lieff Cabraser Heimann & Bernstein, LLP	In re Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation, No. 15-md-02672	(N.D. Cal.) (Nov. 2016) (Dkt. No. 2175-1)	\$150 - \$790	\$275 - \$1,600
Quinn Emanuel Urquhart & Sullivan, LLP	In re Credit Default Swaps Antitrust Litigation, No. 13-md-2476 (DLC)	(S.D.N.Y.) (Jan. 2016) (Dkt. No. 482)	\$411 - \$714	\$834 - \$1,125



Firm Name	Case Name	Citation	Non-Partner Attorneys' Fee Range	Partners' Fee Range
Paul, Weiss, Rifkind, Wharton & Garrison LLP	In re Diamond Offshore Drilling, Inc., <i>et al</i> , Debtors, No. 20-32307 (DRJ)	(Bankr. S.D.N.Y.) (Dec. 2020) (Dkt. No. 766)	Counsel: \$1,200.00 Associate: \$861.88 (Blended Hourly Rates)	\$1,503.72 (Blended Hourly Rate)
	In re Hexion Topco, LLC, Reorganized Debtors, No. 19-10684 (KG)	(Bankr. D. Del.) (Jul. 2019) (Dkt. No. 1093)	\$640 - \$1,125	\$1,165 - \$1,560
	In re Sears Holdings Corporation, <i>et al</i> Debtors, No. 18-23538 (RDD)	(Bankr. S.D.N.Y.) (Apr. 2019) (Dkt. No. 3207)	\$640 - \$1,160 (Associates and Counsel)	\$1,165 - \$1,560
Willkie Farr & Gallagher LLP	In re Frontier Communications Corporation, <i>et al</i> , Debtors, No. 20-22476 (RDD)	(Bankr. S.D.N.Y.) (Nov. 2020) (Dkt. No. 1365)	Counsel: \$1,270.48 Associate: \$896.98 (Non-Bankruptcy Blended Hourly Rate, New York)	\$1,447.80 (Non-Bankruptcy Blended Hourly Rate, New York)
	In re Imerys Talc America, Inc., <i>et al</i> , Debtors, No. 19-10289 (LSS)	(Bankr. D. Del.) (Nov. 2020) (Dkt. No. 2554)	Associates: \$515 - \$1,100	\$1,200 - \$1,600
Norton Rose Fulbright US LLP	In re TRIVASCULAR SALES LLC, et al., No. 20-31840-SGJ	(Bankr. E.D. Tex.) (Aug. 2020) (Dkt No. 291)	Counsel: \$670 - \$1,225 Associate: \$355 - \$855	\$700 - \$1,350
King & Spalding LLP	In re Briggs & Stratton Corporation, et al., Debtors, No. 20-43597	(Bankr.E.D. Mo.) (Jul. 2020) (Dkt No. 194)	Counsel: \$750 - \$1,005 Associate: \$440 - \$750	\$820 - \$1,290
O'Melveny & Myers LLP	In re Remington Outdoor Company, Inc., <i>et al</i> , Debtors, No. 20-81688-11	(Bankr. N.D. Ala.) (Jul. 2020) (Dkt. No. 24)	\$545 - \$995	\$955 - \$1,555
	In re The Financial Oversight and Management Board for Puerto Rico, as representative of The Commonwealth of Puerto Rico, <i>et al</i> , Debtors, No. 17-BK-3283-LTS	(D.P.R.) (Apr. 2020) (Dkt. No. 12907)	Counsel Associate: \$659 (Domestic offices rates for FY2019, excluding restructuring matters)	\$1,019 (Domestic offices rates for FY2019, excluding restructuring matters)

Defense Firm Name	Case Name	Citation	Non-Partner Attorneys' Fee Range	Partners' Fee Range
Cleary Gottlieb Steen & Hamilton LLP	In re LATAM Airlines Group S.A., <i>et al.</i> , Debtors, No. 20-11254 (JLG)	(Bankr. S.D.N.Y.) (Aug. 2020) (Dkt. No. 967)	Counsel Senior Attorneys: \$1,130 - \$1,215  Associates: \$770 - \$955 (First-year Associates: \$565 - \$670)  Staff Protect Attorneys: \$420 - \$495	\$1,065 - \$1,525
	In re Nortel Networks Inc., <i>et al.</i> , Ind-Down Debtors and Debtor-In-Possession, No. 09-10138 (KG)	(Bankr. D. Del.) (Nov. 2019) (Dkt. No. 18778)	Senior Attorney: \$1,075 (Only one rate listed)  Associates: \$535 - \$900	\$1,395 (Only one rate listed)
Sidley Austin LLP	In re Boy Scouts of America and Delaware BSA, LLC, Debtors, No. 20-10343 (LSS)	(Bankr. D. Del.) (Jun. 2020) (Dkt. No. 760)	Counsel: \$925 - \$1,000  Associates: \$570 - \$955 (\$550 for Associate pending Admission)	\$1,100 - \$1,375
	In re Borden Dairy Company, <i>et al</i> Debtors, No. 20-10010 (CSS)	(Bankr. D. Del.) (Feb. 2020) (Dkt. No. 264)	Senior Counsel and Counsel: \$775 - \$1,750  Associates: \$570 - \$960  Paraprofessionals: \$250 - \$470	\$1,000 - \$1,800

Defense Firm Name	Case Name	Citation	Non-Partner Attorneys' Fee Range	Partners' Fee Range
Akin Gump Strauss Hauer & Feld LLP	In re True Religion Apparel Inc., <i>et al</i> , Debtors, No. 20-10941 (CSS)	(Bankr. D. Del.) (May 2020) (Dkt. No. 216)	Senior Counsel & Counsel: \$735 - \$1,510  Associates: \$535 - \$960	\$995 - \$1,995
	In re Purdue Pharma L.P., <i>et al</i> Debtors, No. 19-23649 (RDD)	(Bankr. S.D.N.Y.) (Mar. 2020) (Dkt. No. 947)	Senior Counsel & Counsel: \$850 - \$1,110  Associates: \$535 - \$810  Staff Attorneys & Paraprofessional: \$205 - \$625 ("2020 Rate")	\$1,075 - \$1,655 ("2020 Rate")
Freshfields Bruckhaus Deringer LLP	In re Expro Holdings US Inc., <i>et al</i> ., Debtors, No. 17-60179 (DRJ)	(Bankr. S.D. Tex.) (Dec. 2017) (Dkt. No. 154)	Counsel: \$1,065 (Only one rate listed)  Associates: \$545 - \$965	\$1,165 - \$1,250
Vinson & Elkins LLP	In re Cloud Peak Energy Inc., <i>et al</i> Debtors, No. 19-11047 (KG)	(Bankr. D. Del.) (Sept. 2019) (Dkt. No. 663)	Counsel: \$1,010 - \$1,070  Associates: \$525 - \$1,065	\$1,070 - \$1,550
	In re Taco Bueno Restaurants, Inc., <i>et al</i> Reorganized Debtors, No. 18-33678	(Bankr. N.D. Tex.) (Feb. 2019) (Dkt. No. 308)	Counsel*: \$830 - \$915  Associates*: \$450 - \$945 *10 discount later applied	\$945 - \$1,280*  *10 discount later applied
	In re HGIM Holdings, LLC, <i>et al</i> Reorganized Debtors, No. 18-31080 (DRJ)	(Bankr. S.D. Tex.) (Aug. 2018) (Dkt. No. 257)	\$490 - \$875	\$1,070 - \$1,150
Ropes & Gray LLP	In re Weatherford International plc, <i>et al</i> Debtors, No. 19-33694 (DRJ)	(Bankr. S.D. Tex.) (Aug. 2019) (Dkt. No. 276)	\$580 - \$1,050	\$1,150 - \$1,520

\*Listed in order of filing date.

Defense Firm Name	Case Name	Citation	Non-Partner Attorneys' Fee Range	Partners' Fee Range
Jones Day	In re Bestwall LLC, Debtor, No. 17-31795 (LTB)	(Bankr. D.N.C.) (July 2019) (Dkt. No. 903)	\$450 - \$950	\$1,025 - \$1,200
	In re Caesars Entertainment Operating Company, Inc., <i>et al</i> , Debtors, No. 15-01145 (ABG)	(Bankr. N.D. Ill.) (Nov. 2017) (Dkt. No. 7625-4)	Of Counsel*: \$700 - \$1,000 Associates*: \$325 - \$850 *not including "ad ustments"	\$800 - \$1,125* *not including "ad ustments"
Milbank LLP	In re PG&E Corporation and Pacific Gas and Electric Company, Debtors, No. 19-30088 (DM)	(N.D. Cal.) (July 2019) (Dkt. No. 3117)	\$843 - \$1,076 (Blended Associate - Counsel rates, billed Feb - May 2019)	\$1,479 (Blended Partner rate, billed Feb - May 2019)
	In re Gymboree Group, Inc., <i>et al</i> Debtors, No. 19-30258 (KLP)	(Bankr. E.D. Va.) (Jan. 2019) (Dkt. No. 163)	\$450 - \$1,315 (Milbank U.S. "standard" range)	\$1,155 - \$1,540 (Milbank U.S. "standard" range)
Simpson Thacher & Bartlett LLP	In re Arsenal Energy Holdings LLC, Reorganized Debtor, No. 19-10226 (BLS)	(Bankr. D. Del.) (Feb. 2019) (Dkt. No. 77)	\$590* - \$1,220 (\$590 hr for pending bar admission starting at \$840 for a 1st year associate)	\$1,425 - \$1,535
	In re FR Dixie Acquisition Sub Corp., Reorganized Debtor, No. 18-12476 (KG)	(Bankr. D. Del.) (Feb. 2019) (Dkt. No. 26)	\$540 - \$1,170	\$1,350 - \$1,550
Wilson Sonsini Goodrich & Rosati	In re Tintri, Inc., Debtor, No. 18-11625 (KJC)	(Bankr. D. Del.) (Nov. 2018) (Dkt. No. 291)	\$510 - \$715	\$950 - \$1,350* *Listed as "Member" rates
Weil, Gotshal & Manges LLP	In re Sears Holdings Corporation, <i>et al</i> Debtors, No. 18-23538 (RDD)	(Bankr. S.D.N.Y.) (Oct. 2018) (Dkt. No. 344)	\$560 - \$995	\$1,075 - \$1,600
Shearman & Sterling LLP	In re Hodyon, Inc., Reorganized Debtor, No. 18-10386 (MF )	(Bankr. D. Del.) (Aug. 2018) (Dkt. No. 26)	\$495 - \$1,295* *5-10 discount applied to some	\$1,165 - \$1,325* *5-10 discount applied to some
Mayer Brown LLP	In re Scottish Holdings, Inc., <i>et al</i> Debtors, No. 18-10160 (LSS)	(Bankr. D. Del.) (Mar. 2018) (Dkt. No. 193)	\$605 - \$895	\$960 - \$1130
Skadden, Arps, Slate, Meagher & Flom LLP	In re Indymac Bancorp, Inc., Debtor, No. 08-bk-21752-BB	(Bankr. C.D. Cal.) (Feb. 2018) (Dkt. No. 1041)	\$420 - \$710	\$895 - \$1350

Defense Firm Name	Case Name	Citation	Non-Partner Attorneys' Fee Range	Partners' Fee Range
Kirkland & Ellis, LLP	In re rue21, inc., <i>et al</i> Debtors, No. 17-22045-GLT	(N.D. Pa.) (Nov. 2017) (Dkt. No. 1308-6)	\$555 - \$965	\$965 - \$1625
	In re Caesars Entertainment Operating Company, Inc., <i>et al</i> Debtors, No. 15-01145 (ABG)	(Bankr. N.D. Ill.) (Nov. 2017) (Dkt. No. 7620-6)	\$480 - \$1395	\$645 - \$1625
Dechert LLP	In re Thru, Inc., Debtor, No. 17-31034	(N.D. Tex.) (Aug. 2017) (Dkt. No. 148)	\$725 - \$785	\$1,095 (Only one rate listed)
Boies, Schiller & Flexner LLP	In re Molycorp, Inc., <i>et al</i> Debtors, No. 15-11357 (CSS)	(D. Del.) (Sept. 2016) (Dkt. No. 1994)	\$490 - \$1,180	\$780 - \$1,500
Gibson, Dunn & Crutcher LLP	In re LightSquared Inc., <i>et al</i> Debtors, No. 12-12080 (SCC)	(S.D.N.Y.) (Jan. 2016) (Dkt. No. 2444)	\$395 - \$765 (fees voluntarily reduced by roughly 8%)	\$765 - \$1,800 (fees voluntarily reduced by roughly 8%)
	In re Newland International Properties, Corp., Debtor, No. 13-11396	(S.D.N.Y.) (July 2013) (Dkt. No. 146)	\$510 - \$795	\$960 - \$1,170
Proskauer Rose LLP	In re IPC International Corporation, <i>et al</i> Debtors, No. 13-12050 (MF)	(Bankr. D. Del.) (Aug. 2013) (Dkt. No. 57)	\$200 - \$1,150	\$600 - \$1,250

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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

IN RE QUANTUMSCAPE SECURITIES  
CLASS ACTION LITIGATION

Case No. 3:21-cv-00058-WHO

**DECLARATION OF ADAM D. WALTER  
REGARDING: (A) DISSEMINATION OF THE  
POSTCARD NOTICE; (B) PUBLICATION OF  
THE SUMMARY NOTICE; AND (C) REPORT  
ON REQUESTS FOR EXCLUSION  
RECEIVED TO DATE**

JUDGE: Hon. William H. Orrick III

DECLARATION OF ADAM D. WALTER  
REGARDING MAILING OF NOTICE  
Case No. 3:21-cv-00058-WHO

1 I, Adam D. Walter, declare:

2 1. I am a Director of A.B. Data, Ltd.’s Class Action Administration Division  
3 (“A.B. Data”), whose Corporate Office is located in Milwaukee, Wisconsin. Pursuant to the  
4 Court’s Order Granting Preliminary Approval dated July 18, 2024 (Dkt. No. 215) (the  
5 “Preliminary Approval Order”), A.B. Data was authorized to act as the Claims Administrator in  
6 connection with the Settlement of the above-captioned action (the “Action”).<sup>1</sup> I am over 21  
7 years of age and am not a party to the Action. I have personal knowledge of the facts set forth  
8 herein and, if called as a witness, could and would testify competently thereto.

9 **DISSEMINATION OF THE POSTCARD NOTICE**

10 2. In accordance with the Court’s Preliminary Approval Order, A.B. Data mailed the  
11 Postcard Notice to potential Class Members and nominees. A copy of the Postcard Notice is  
12 attached hereto as Exhibit A.

13 3. On June 26, 2024, A.B. Data received from QuantumScape’s transfer agent  
14 multiple data files containing the names and addresses of potential Class Members. A.B. Data  
15 electronically processed the data to remove duplicates, resulting in 299 unique potential Class  
16 Members. On August 15, 2024, A.B. Data caused the Postcard Notice to be sent by First-Class  
17 Mail to those 299 potential Class Members.

18 4. As in most class actions of this nature, the large majority of potential Class  
19 Members are expected to be beneficial purchasers whose securities are held in “street name” –  
20 *i.e.*, the securities are purchased by brokerage firms, banks, institutions, and other third-party  
21 nominees (“Nominees”) in the name of the respective nominees, on behalf of the beneficial  
22 purchasers. A.B. Data maintains a proprietary database with names and addresses of the largest  
23 and most common banks, brokers, and other nominees (the “Record Holder Mailing Database”).

24  
25  
26 <sup>1</sup> Unless otherwise defined herein, all capitalized terms have the meanings set forth in the  
Stipulation and Agreement of Settlement dated June 11, 2024 (the “Stipulation”).



1 A.B. Data's Record Holder Mailing Database is updated from time to time as new Nominees are  
2 identified and others go out of business. At the time of the initial mailing, the Record Holder  
3 Mailing Database contained 4,938 mailing records. On August 15, 2024, A.B. Data mailed the  
4 Postcard Notice by First-Class Mail to the 4,938 mailing records contained in the Record Holder  
5 Mailing Database.  
6

7 5. In total, 5,237 Postcard Notices were mailed to potential Class Members and  
8 Nominees by First-Class Mail on August 15, 2024.

9 6. The Notice directed Nominees who purchased or otherwise acquired  
10 QuantumScape securities from November 27, 2020, through April 14, 2021, inclusive, for the  
11 beneficial interest of persons or entities other than themselves to either: (a) within seven (7)  
12 calendar days of receipt of the Postcard Notice, request from the Claims Administrator sufficient  
13 copies of the Postcard Notice to forward to all such beneficial owners and, within seven (7)  
14 calendar days of receipt of those Postcard Notices, forward them to all such beneficial owners; or  
15 (b) within seven (7) calendar days of receipt of the Postcard Notice, provide a list of the names  
16 and addresses of all such beneficial owners to *QuantumScape Settlement*, c/o A.B. Data, Ltd.,  
17 P.O. Box 173131, Milwaukee, WI 53217. *See Ex. B Notice ¶ 85.*

18 7. As of October 9, 2024, A.B. Data has received an additional 14,145 names and  
19 addresses of potential Class Members from individuals or Nominees requesting that Postcard  
20 Notices be mailed to such potential Class Members. A.B. Data has also received requests from  
21 Nominees for 110,185 Postcard Notices, in bulk, to be mailed to the nominees for forwarding to  
22 their customers. All such requests have been, and will continue to be, complied with and  
23 addressed in a timely manner.

24 8. As of October 9, 2024, a total of 129,567 Postcard Notices have been mailed to  
25 potential Class Members and Nominees. In addition, A.B. Data has re-mailed 655 Postcard  
26 Notices to persons whose original mailings were returned by the U.S. Postal Service ("USPS")

1 and for whom updated addresses were provided to A.B. Data by the USPS or ascertained through  
2 a third-party information provider.

3 **PUBLICATION OF THE SUMMARY NOTICE**

4 9. In accordance with the Preliminary Approval Order, A.B. Data caused the  
5 Summary Notice of (I) Pendency of Class Action, Certification of Class, and Proposed  
6 Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys' Fees  
7 and Reimbursement of Litigation Expenses (the "Summary Notice") to be published in  
8 *Investor's Business Daily* and transmitted over the *PR Newswire* on August 26, 2024. Copies of  
9 proof of publication of the Summary Notice in *Investor's Business Daily* and over *PR Newswire*  
10 are attached hereto as Exhibits C and D, respectively.

11 **TELEPHONE HELPLINE**

12 10. On August 15, 2024, A.B. Data established a case-specific, toll-free telephone  
13 helpline, 1-866-778-9623, with an interactive voice response system and live operators, to  
14 accommodate potential Class Members with questions about the Action and the Settlement,  
15 which it continues to maintain. The toll-free telephone number is set forth in the Postcard Notice,  
16 Notice, Summary Notice, Claim Form, and on the Settlement Website. The telephone helpline is  
17 accessible 24 hours a day, seven (7) days a week. The automated attendant answers the calls and  
18 presents callers with a series of choices to respond to basic questions. Callers requiring further  
19 help have the option to be transferred to a live operator during regular business hours. Outside of  
20 regular business hours, callers have the option to leave their contact information for a return call  
21 from an A.B. Data call center representative. A.B. Data will continue operating, maintaining, and  
22 updating, as appropriate, the interactive voice response system through the conclusion of this  
23 administration.

24 **SETTLEMENT WEBSITE**

25 11. A.B. Data also established and continues to maintain a website dedicated to the  
26 Settlement, [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com). The Settlement website includes information

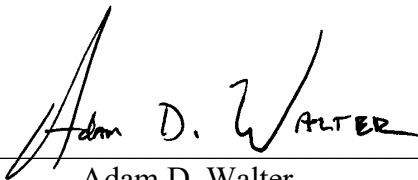
1 regarding the Action and the Settlement, including the exclusion, objection, and claim-filing  
2 deadlines, as well as the date, time, and location of the Court's Fairness Hearing. Copies of the  
3 Notice, Claim Form, Stipulation, Preliminary Approval Order, and Complaint are posted on the  
4 website and are available for downloading. In addition, the Settlement Website includes an  
5 online claim-filing portal that allows potential Class Members to file a claim online and includes  
6 a link to a document with detailed instructions for institutions submitting their claims  
7 electronically. The Settlement Website became operational on August 15, 2024, and is accessible  
8 24 hours a day, seven (7) days a week. A.B. Data will continue operating, maintaining, and as  
9 appropriate, updating the Settlement Website through the conclusion of this administration.

10 **REPORT ON REQUESTS FOR EXCLUSION RECEIVED TO DATE**

11 12. The Postcard Notice, Notice, and Summary Notice inform potential Class  
12 Members that requests for exclusion from the Class are to be mailed to the Claims Administrator,  
13 such that they are received no later than October 9, 2024. The Notice also sets forth the  
14 information that must be included in each request for exclusion. As of October 9, 2024, A.B.  
15 Data has received eight (8) requests for exclusion. A.B. Data will submit a supplemental  
16 declaration which will include a full report on all exclusion requests received after the exclusion  
17 deadline.

18 I declare, under penalty of perjury under the laws of the United States of America, that  
19 the foregoing facts are true and correct.

20 Executed this 9th day of October 2024 in Palm Beach Gardens, Florida.

21  
22  
23   
24 Adam D. Walter

# EXHIBIT A

QuantumScape Settlement  
c/o A.B. Data, Ltd.  
P.O. Box 173131  
Milwaukee, WI 53217

[Postage Prepaid]

***COURT-ORDERED LEGAL NOTICE***

**Important Notice about a Securities Class Action Settlement.**

**You may be entitled to a CASH payment. This notice may affect your legal rights. Please read it carefully.**

*In re QuantumScape Securities Class Action Litigation*  
Case No. 3:21-cv-00058-WHO (N.D. Cal.)

Name  
Address  
City, State  
Zip

**THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE SETTLEMENT.**

**PLEASE VISIT [WWW.QUANTUMSCAPESETTLEMENT.COM](http://WWW.QUANTUMSCAPESETTLEMENT.COM) FOR MORE INFORMATION.**

The U.S. District Court for the Northern District of California (the “Court”) has preliminarily approved a proposed Settlement of Claims against Defendants QuantumScape Corporation (“QuantumScape”), Jagdeep Singh, Timothy Holme, and Kevin Hettrich (collectively, the “Defendants”). The Settlement would resolve a lawsuit in which Plaintiffs allege the Defendants disseminated false and misleading statements about QuantumScape’s battery technology which had the effect of artificially inflating the price of QuantumScape common stock, call options, and warrants, and artificially deflated the price of QuantumScape put options from November 27, 2020, to April 14, 2021, inclusive (the “Class Period”). Defendants deny any wrongdoing. You received this Postcard Notice because you or someone in your family may have (i) purchased or otherwise acquired common shares or warrants of QuantumScape during the Class Period, and/or (ii) transacted in publicly traded call options and/or put options of QuantumScape during the Class Period.

Defendants have agreed to a Settlement Amount of \$47,500,000 in exchange for the settlement of this case and the releases by Class Members of claims related to this case. The Settlement provides that the Settlement Fund, after deduction of any Court-approved attorneys’ fees and expenses, notice and administration costs, and taxes, is to be divided among all Class Members who submit a valid Claim Form. **For all details of the Settlement, read the Stipulation and full Notice, available at [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com).**

Your share of the Settlement proceeds will depend on the number of valid claims submitted, and the number, size and timing of your transactions in QuantumScape securities. If every eligible Class Member submits a valid Claim Form, Plaintiffs’ Counsel estimates that the average recovery will be \$0.47 per eligible share before expenses and other Court-ordered deductions. Your award will be determined *pro rata* based on the number of claims submitted. This is further explained in the detailed Notice found on the Settlement website.

**To qualify for payment, you must submit a Claim Form.** The Claim Form can be found on the website [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com) or will be mailed to you upon request to the Claims Administrator (866-778-9623). **Claim Forms must be submitted online or postmarked by December 13, 2024.** If you do not want to be legally bound by the Settlement, you must exclude yourself by October 9, 2024, or you will not be able to sue the Defendants about the legal claims in this case. If you exclude yourself, you cannot get money from this Settlement. If you want to object to the Settlement, you may file an objection by October 23, 2024. The detailed Notice explains how to submit a Claim Form, exclude yourself, or object, and also contains the definitions of many of the defined terms in this card (which are indicated by initial capital letters).

The Court will hold a hearing in this case on November 13, 2024 at 2:00 p.m., to consider whether to approve the Settlement and a request by the lawyers representing the Class for up to 33% of the Settlement Fund in attorneys’ fees, plus actual expenses up to \$2,200,000 for litigating the case and negotiating the Settlement. You may attend the hearing and ask to be heard by the Court, but you do not have to. The Court reserves the right to hold the Fairness Hearing telephonically or by other virtual means. For more information, call the Claims Administrator toll-free (866-778-9623) or visit the website [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com) and read the detailed Notice.

# EXHIBIT B

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF  
CALIFORNIA

IN RE QUANTUMSCAPE SECURITIES CLASS  
ACTION LITIGATION

Case No. 3:21-cv-00058-WHO

Honorable William H. Orrick III

**NOTICE OF (I) PENDENCY OF CLASS ACTION, CERTIFICATION OF CLASS, AND PROPOSED SETTLEMENT;  
(II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF  
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

***A Federal Court authorized this Notice. This is not a solicitation from a lawyer.***

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the "Action") pending in the United States District Court for the Northern District of California (the "Court"), if you (i) purchased or otherwise transacted in securities of QuantumScape Corporation ("QuantumScape") from November 27, 2020 to April 14, 2021, inclusive (the "Class Period").<sup>1</sup>

**NOTICE OF SETTLEMENT:** Please also be advised that Plaintiff Frank Fish ("Lead Plaintiff") and additional plaintiffs Kathy Stark and Mary Cranny (together with Lead Plaintiff, "Plaintiffs"), on behalf of themselves and the Class (as defined in ¶ 1 below), have reached a proposed settlement of the Action for \$47,500,000 in cash that, if approved, will resolve all claims in the Action (the "Settlement").

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Class, your legal rights will be affected whether or not you act.**

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact QuantumScape, any other Defendants in the Action, or their counsel. All questions should be directed to Plaintiffs' Counsel or the Claims Administrator (see ¶ 86 below).**

1. **Description of the Action and the Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Defendants QuantumScape, Jagdeep Singh, Kevin Hettrich, and Timothy Holme (collectively, the "Defendants") violated the federal securities laws by making false and misleading statements and/or concealing material adverse facts regarding QuantumScape's battery technology. Defendants deny all claims of wrongdoing, that they engaged in any wrongdoing, that they are liable to Plaintiffs and/or the Class and that Plaintiffs or other Class Members suffered any injury as a result of Defendants' conduct.

The proposed Settlement, if approved by the Court, will apply to the following Class: all Persons who (i) purchased or otherwise acquired QuantumScape common stock or warrants during the Class Period; and/or (ii) transacted in publicly traded call options and/or put options of QuantumScape during the Class Period. Excluded from the Class are QuantumScape and its subsidiaries and affiliates, the other Defendants, any of Defendants' respective officers and directors at all relevant times, and any of their immediate families, legal representatives, heirs, successors, or assigns, and any entity in which any Defendant has or had a Controlling Interest. Also excluded from the Class are any persons or entities who exclude themselves by submitting a Request for Exclusion in connection with the Notice. A more detailed description of the Action is set forth in ¶¶ 12-21 below.

2. **Statement of the Class's Recovery:** Subject to Court approval, Plaintiffs, on behalf of themselves and the Class, have agreed to settle the Action in exchange for a settlement payment of \$47,500,000 in cash (the "Settlement Amount") to be deposited by QuantumScape into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the "Gross Settlement Fund") less: (i) Taxes on the income thereof and any Tax Expenses; (ii) Notice and Administration Expenses as

<sup>1</sup> All capitalized terms not defined in this Notice have the meanings provided in the Stipulation and Agreement of Settlement dated June 11, 2024 ("Stipulation"). The Stipulation can be viewed at [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com).



authorized by the Stipulation; (iii) Attorneys' Fees and Expenses authorized by the Court; (iv) any Award to Plaintiffs authorized by the Court; and (v) any other fees and expenses authorized by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Class. The proposed plan of allocation (the "Plan of Allocation") is set forth on pages 8-13 below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Plaintiffs' damages expert's estimates of the number of QuantumScape securities purchased or otherwise acquired during the Class Period that may be eligible to participate in the Settlement and assuming that all Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs as described herein) per eligible share is \$0.47. Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Class Members may recover more or less than this estimated amount depending on, among other factors, the number of shares they purchased or otherwise acquired, when and at what prices they purchased/acquired or sold their QuantumScape securities, and the total number of valid Proof of Claim and Release Forms submitted (collectively "Claim Forms" and individually, a "Claim Form"). Distributions to Class Members will be made based on the Plan of Allocation set forth herein (*see* pages 8-16 below) or such other plan of allocation as may be ordered by the Court.

4. **Statement of the Parties' Position on Damages:** Defendants deny all claims of wrongdoing, that they engaged in any wrongdoing, that they are liable to Plaintiffs and/or the Class and that Plaintiffs or other Class Members suffered any injury as a result of Defendants' conduct. Moreover, the Parties do not agree on the amount of recoverable damages if Plaintiffs were to prevail on each of their claims. The issues on which the Parties disagree include, but are not limited to, whether: (i) the statements made or facts allegedly omitted were material, false, or misleading; (ii) Defendants are otherwise liable under the securities laws for those statements or omissions or any alleged scheme to defraud; and (iii) all or part of the damages allegedly suffered by the Class were caused by economic conditions or factors other than the allegedly false or misleading statements or omissions.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, which has been prosecuting the Action on a wholly contingent basis since its inception in 2021, have not received any payment of attorneys' fees for their representation of the Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Plaintiffs' Counsel, Levi & Korsinsky, LLP, will apply to the Court for an award of attorneys' fees in an amount not to exceed 33% of the Settlement Fund. In addition, Plaintiffs' Counsel will apply for reimbursement of expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$2,200,000 and an "award of reasonable costs and expenses" to Plaintiffs not to exceed \$40,000 in total. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses. Estimates of the average cost per affected QuantumScape security, if the Court approves Plaintiffs' Counsel's fee and expense application, is \$0.18 per eligible security. Copies of the Fee and Expense Application will be available on the settlement website.

6. **Identification of Attorneys' Representatives:** Plaintiffs and the Class are represented by Nicholas Porritt, Esq. of Levi & Korsinsky, LLP, 33 Whitehall St., Floor 17, New York, NY 10004, (212) 363-7500, nporritt@zlk.com.

7. **Reasons for the Settlement:** Plaintiffs' principal reason for entering into the Settlement is the substantial immediate cash benefit for the Class without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a trial of the Action and the likely appeals that would follow after trial. This process could be expected to last several years. Defendants, who have denied and continue to deny all allegations of wrongdoing, fault, liability, or damages whatsoever asserted by Plaintiffs, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation. Defendants have also denied, *inter alia*, the allegations that Plaintiffs or the Class have suffered damages or that Plaintiffs or the Class were harmed by the conduct alleged in the Action. Defendants have also raised credible loss causation issues surrounding the January 4, 2021 Seeking Alpha report by Brian Morin and the April 15, 2021 Scorpion Capital report. Defendants continue to believe the claims asserted against them in the Action are without merit. Defendants have not conceded or admitted any wrongdoing or liability, are not doing so by entering into this Settlement, and disclaim any and all wrongdoing and liability whatsoever.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM ONLINE OR POSTMARKED NO LATER THAN DECEMBER 13, 2024.</b>	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Class Member and you remain in the Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Claims (defined in ¶ 31 below) that you have against Defendants and the other Released Defendant Persons (defined in ¶ 32 below), so it is in your interest to submit a Claim Form.
<b>EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 9, 2024.</b>	If you exclude yourself from the Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Released Defendant Persons concerning the Released Claims.
<b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 23, 2024.</b>	If you do not like the proposed Settlement, the proposed Plan of Allocation, the request for attorneys’ fees and reimbursement of expenses, or the proposed award to Plaintiffs you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Class Member and do not exclude yourself from the Class.
<b>GO TO A HEARING ON NOVEMBER 13, 2024 AT 2:00 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 23, 2024.</b>	Filing a written objection and notice of intention to appear by October 23, 2024 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, the request for attorneys’ fees and reimbursement of expenses, and/or award to Plaintiffs. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
<b>DO NOTHING.</b>	If you are a member of the Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

**WHAT THIS NOTICE CONTAINS**

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### WHY DID I GET THE POSTCARD NOTICE?

8. The Court directed that the Postcard Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired QuantumScape securities during the Class Period. The Court also directed that this Notice be posted online at [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com) and mailed to you upon request to the Claims Administrator. The Court has directed us to disseminate these notices because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement and the proposed Plan of Allocation, and the reasonableness of Plaintiffs' Counsel's Fee and Expense Application (the "Fairness Hearing").

10. The Settlement Hearing will be held on November 13, 2024, at 2:00 p.m., before the Honorable William H. Orrick III, at the United States District Court, Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, for the following purposes:

- (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate and should be approved by the Court;
- (b) to determine whether the Judgment as provided for under the Stipulation and Agreement of Settlement dated June 11, 2024 (the "Stipulation") should be entered;
- (c) to determine whether the proposed Plan of Allocation for the net proceeds of the Settlement is fair, reasonable, and adequate and should be approved by the Court;
- (d) to determine whether the application by Plaintiffs' Counsel for an award of Attorneys' Fees and Expenses should be approved;
- (e) to determine whether any applications for awards to Plaintiffs pursuant to 15 U.S.C. §78u-4(a)(4) should be approved; and
- (f) to rule upon such other matters as the Court may deem appropriate.

11. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

### WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

12. On January 5, 2021, the initial complaint in this Action was filed, captioned *Malriat v. QuantumScape Corporation F/K/A Kensington Capital Acquisition Corp., and Jagdeep Singh*, Case No. 3:21-cv-00058 WHO (N.D. Cal.), alleging violations of the federal securities laws. On April 20, 2021, the Court appointed Frank Fish as lead plaintiff and approved Plaintiff's selection of Levi & Korsinsky, LLP as Plaintiffs' Counsel for the proposed Class.

13. On June 21, 2021, Lead Plaintiff filed the Consolidated Class Action Complaint captioned *In re QuantumScape Securities Class Action Litigation* against QuantumScape, Jagdeep Singh, Kevin Hettrich, and Timothy Holme (collectively "Defendants"). In pertinent part, Lead Plaintiff alleged that Defendants violated the federal securities laws by making materially false and misleading statements relating to QuantumScape's battery technology during the Class Period. On August 20, 2021, a motion to dismiss Plaintiff's Consolidated Class Action Complaint was filed by the Defendants. On January 14, 2022, the Court entered an order granting in part and denying in part Defendants' motion to dismiss. Discovery then commenced.

14. On July 14, 2022, Lead Plaintiff and additional plaintiffs Kathy Stark and Mary Cranny (collectively, "Plaintiffs") filed the Second Amended Consolidated Class Action Complaint against Defendants. Defendants filed an Answer to the Second Amended Consolidated Class Action Complaint, denying the complaint's allegations and asserting affirmative defenses. A copy of the Second Amended Consolidated Class Action Complaint and the Court's order on Defendants' motion to dismiss may be accessed at [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com).

15. On July 29, 2022, Plaintiffs moved for certification of the Class. By order dated December 19, 2022, the Court certified the Class.

16. During fact and class discovery, over one million pages of documents were produced by the Parties and non-parties and twenty depositions were taken by the Parties. Following the conclusion of fact discovery, Plaintiffs served initial expert reports on Defendants.

17. Beginning in August of 2023, while fact discovery was ongoing, the Parties began preliminary discussions regarding settlement. On October 24, 2023, after exchanging mediation briefs detailing their respective theories of liability and damages, the Parties, including Lead Plaintiff and representatives from QuantumScape and its insurers, attended a full-day mediation with David Murphy, Esq. in New York, New York. The Parties did not reach a settlement during the mediation.

18. On March 26, 2024, after the conclusion of fact discovery and while expert discovery was ongoing, the Parties had a second mediation. They exchanged supplemental mediation briefs detailing their respective theories of liability and damages, and then attended a second full-day mediation with Mr. Murphy in New York, New York. The Parties did not reach a settlement during the mediation but continued to engage in post-mediation discussions. Following a proposal from Mr. Murphy, the Parties came to an agreement in principle on April 8, 2024 to settle and release all claims asserted against Defendants in the Action in return for a cash payment of \$47,500,000 for the benefit of the Class, subject to certain terms and conditions and the execution of a customary “long form” stipulation and agreement of settlement and related papers.

19. Based on the investigation and mediation of the case and Plaintiffs’ direct oversight of the prosecution of this matter and with the advice of their counsel, each of the Plaintiffs has agreed to settle and release the claims raised in the Action pursuant to the terms and provisions of the Settlement, after considering, among other things, (a) the substantial financial benefit that Plaintiffs and the other members of the Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

20. Defendants are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Defendants has denied and continues to deny each, any, and all allegations of wrongdoing, fault, liability, or damage whatsoever asserted in the Action, and the Settlement and Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Released Defendant Persons (defined in ¶ 32 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, the Settlement and Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants’ defenses to liability had any merit. The Settlement resolves all of the claims in the Action against the Defendants, as well as certain other claims or potential claims, whether known or unknown.

21. On July 18, 2024, the Court preliminarily approved the Settlement, authorized the Postcard Notice to be mailed to potential Class Members and this Notice to be posted online and mailed to potential Class Members upon request, and scheduled the Fairness Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?  
WHO IS INCLUDED IN THE CLASS?**

22. If you are a member of the Class, you are subject to the Settlement, unless you timely request to be excluded. The Class consists of: all Persons that purchased or otherwise acquired QuantumScape securities between November 27, 2020 and April 14, 2021, inclusive, and were damaged thereby. Excluded from the Class are QuantumScape and its subsidiaries and affiliates, the other Defendants, and any of the Defendants’ or QuantumScape’s respective officers and directors at all relevant times, and any of their immediate families, legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are any persons or entities who or which exclude themselves by submitting a Request for Exclusion in accordance with the requirements set forth in this Notice. *See* “What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself,” on page 14 below.

**PLEASE NOTE: RECEIPT OF THE POSTCARD NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.**

**If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement Fund, you are required to submit the Claim Form that is available online at [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com) or which can be mailed to you upon request to the Claims Administrator, and the required supporting documentation as set forth therein, online or postmarked no later than December 13, 2024.**

**WHAT ARE PLAINTIFFS’ REASONS FOR THE SETTLEMENT?**

23. Plaintiffs and Plaintiffs’ Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Defendants through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. To recover damages, Plaintiffs would have to prevail at several stages – motions for summary judgment, trial, and if they prevailed on those, on the appeals that were likely to follow. Additionally, there was no guarantee that Plaintiffs would succeed on appeal. Thus, there were very significant risks attendant to the continued prosecution of the Action.

24. In light of these risks, the amount of the Settlement and the immediacy of recovery to the Class, Plaintiffs and Plaintiffs’ Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Plaintiffs and Plaintiffs’ Counsel believe that the Settlement provides a substantial benefit to the Class, namely \$47,500,000 in cash (less the various



deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future.

25. Defendants have denied and continue to deny the claims asserted against them in the Action and have denied and continue to deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

#### WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

26. If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Plaintiffs nor the other Class Members would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

#### HOW ARE CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

27. As a Class Member, you are represented by Plaintiffs and Plaintiffs' Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 15 below.

28. If you are a Class Member and do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself?," on page 14 below.

29. If you are a Class Member and you wish to object to the Settlement, the Plan of Allocation, or Plaintiffs' Counsel's application for attorneys' fees and reimbursement of expenses, or the award to Plaintiffs and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 15 below.

30. If you are a Class Member and you do not exclude yourself from the Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Claim (as defined in ¶ 31 below) against the Defendants and the other Released Defendant Persons (as defined in ¶ 32 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Claims against any of the Released Defendant Persons.

31. "Released Claims" means any and all claims, rights, demands, obligations, damages, actions or causes of action, or liabilities whatsoever, of every nature and description, including both known claims and Unknown Claims, that have been or could have been asserted in this Action, or any other action arising under federal, state, local, common, statutory, administrative or foreign law, or any other law, rule, or regulation, at law or in equity that (a) arise out of, are based upon, or relate in any way to any of the allegations, acts, transactions, facts, events, matters, occurrences, representations or omissions involved, set forth, alleged or referred to in this Action, or which could have been alleged in this Action, or (b) arise out of, are based upon, or relate in any way to the purchase, acquisition, sale, disposition, or holding of any QuantumScape securities acquired during the Class Period. "Released Claims" does not include any claims to enforce any of the terms of the Stipulation or any claims that have been brought in any derivative action based on allegations similar to the allegations in this Action.

32. "Released Defendant Persons" means QuantumScape, Jagdeep Singh, Kevin Hettrich, Timothy Holme, and their Related Persons (as defined in ¶ 35 below).

33. "Released Defendants' Claims" means all claims, demands, rights, remedies, liabilities, and causes of action of every nature and description whatsoever, including both known claims and Unknown Claims, by any of the Released Defendant Persons (or any of their successors or assigns) against any of the Plaintiffs or any of Plaintiffs' attorneys which arise out of or relate in any way to the institution, prosecution, assertion, settlement, or resolution of this Action or the Released Claims, except for claims to enforce any of the terms of the Stipulation.

34. "Released Plaintiff Persons" means (i) the Plaintiffs and all Class Members; and (ii) each of their Related Persons.

35. "Related Persons" means (a) with respect to an individual, their immediate family members and any trust that such Person is the settlor of or which is for their benefit and/or the benefit of any of their family members; *provided however*, that with respect to the Individual Defendants, "Related Persons" also includes the Individual Defendants' respective past and present representatives, insurers (including the D&O Insurers), reinsurers, auditors, underwriters, trustees, trustors, agents, attorneys, predecessors, successors, assigns,

heirs, executors, and administrators, in their capacities as such; and (b) with respect to a corporation, partnership, limited liability company or partnership, limited partnership, professional corporation, association, joint stock company, trust, estate, unincorporated association, government or any political subdivision or agency thereof, and any other type of legal or political entity, their subsidiaries, parent entities, divisions, and departments, and their respective past and present officers, directors, employees, representatives, insurers (including the D&O Insurers), reinsurers, auditors, trustees, trustors, agents, attorneys, predecessors, successors, assigns, heirs, executors, and administrators, in their capacities as such. For purposes of the Stipulation and Agreement of Settlement, the Individual Defendants and QuantumScape are also each other's Related Persons.

36. "Unknown Claims" means any and all Released Claims that Plaintiffs or any other Class Members do not know or suspect to exist in their favor at the time of the release of the Released Defendant Persons, and any and all Released Defendants' Claims that any Defendant does not know or suspect to exist in his, her, or its favor, which if known by any of them, might have affected his, her, or its decision(s) to enter into this Settlement, execute this Stipulation, and agree to all the various releases set forth herein, or might have affected his, her, or its decision not to object to this Settlement or not exclude himself, herself, or itself from the Class. Unknown Claims include, without limitation, those claims in which some or all of the facts composing the claim may be unsuspected, undisclosed, concealed, or hidden.

37. With respect to any and all Released Claims and Released Defendants' Claims, the Parties stipulate and agree that, upon the Effective Date, Plaintiffs and Class Members (as regards to the Released Claims) and Defendants (as regards to the Released Defendants' Claims) shall expressly waive and relinquish, and each Class Member shall be deemed to have, and by operation of law and of the Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by California Civil Code §1542, or any law of any state or territory of the United States, or principle of common law or of international or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

The Parties may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Action, but they stipulate and agree that, upon the Effective Date of the Settlement, the Parties shall expressly waive and by operation of the Judgment, or Alternative Judgment, if applicable, shall have, fully, finally, and forever settled and released, any and all Released Claims or Released Defendants' Claims, known or unknown, suspected or unsuspected, contingent or non contingent, whether or not concealed or hidden, that now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of fiduciary duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and Defendants acknowledge, and each of the Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

38. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim (as defined in ¶ 33 above) against Plaintiffs and the other Released Plaintiff Persons (as defined in ¶ 34 above), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Released Plaintiff Persons.

#### **HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?**

39. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and you must timely complete and return the Claim Form with adequate supporting documentation **online or postmarked no later than December 13, 2024**. A Claim Form is available on the website maintained by the Claims Administrator for the Settlement, [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at 866-778-9623. Please retain all records of your ownership of and transactions in QuantumScape securities and/or options, as they may be needed to document your Claim. If you request exclusion from the Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

#### **HOW MUCH WILL MY PAYMENT BE?**

40. At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement.

41. Pursuant to the Settlement, QuantumScape has agreed to pay or cause to be paid forty-seven million five hundred thousand dollars (\$47,500,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the "Gross Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (that is, the Gross Settlement Fund less (i) Taxes on the income thereof and any Tax Expenses; (ii) Notice and Administration Expenses as authorized by the Stipulation; (iii) Attorneys' Fees and Expenses authorized by the Court; (iv) any Award to Plaintiffs authorized by the Court; and (v) any other fees and expenses authorized by the Court) will be distributed to

Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

42. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

43. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the Plan of Allocation.

44. Approval of the Settlement is independent from approval of a Plan of Allocation. Any determination with respect to a Plan of Allocation will not affect the Settlement, if approved.

45. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form online or postmarked on or before December 13, 2024, shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Class Member releases the Released Claims (as defined in ¶ 31 above) against the Released Defendant Persons (as defined in ¶ 32 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Claims against any of the Released Defendant Persons whether or not such Class Member submits a Claim Form.

46. Participants in and beneficiaries of a plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in QuantumScape securities held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan's purchases or acquisitions of QuantumScape securities during the Class Period may be made by the plan's trustees.

47. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member.

48. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

49. Only Class Members, *i.e.*, persons and entities who purchased or otherwise acquired QuantumScape securities during the Class Period will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Class by definition or that exclude themselves from the Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

#### **PLAN OF ALLOCATION**

50. The Settlement Amount of \$47.5 million and any interest earned thereon shall be the "Gross Settlement Fund." The "Net Settlement Fund" means the Gross Settlement Fund less: (i) Taxes on the income thereof and any Tax Expenses; (ii) the Notice and Administration Expenses as authorized by the Stipulation; (iii) Attorneys' Fees and Expenses authorized by the Court; (iv) any Award to Plaintiffs authorized by the Court; and (v) any other fees and expenses authorized by the Court. The Net Settlement Fund shall be distributed to Class Members who submit timely and valid Proofs of Claim to the Claims Administrator ("Authorized Claimant(s)").

51. The Plan of Allocation set forth herein is the plan that is being proposed by Plaintiffs and their counsel to the Court for approval. Any order modifying the Plan of Allocation will be posted on the Settlement website at: [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com).

52. The objective of this Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants who suffered economic losses as a result of the alleged violations of the federal securities laws during the Class Period (November 27, 2020 through April 14, 2021). To design this Plan of Allocation, Plaintiffs' Counsel has conferred with their damages expert. The Plan of Allocation, however, is not a formal damages analysis.

53. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. Because the Net Settlement Fund is less than the total losses alleged to be suffered by Class Members, the Recognized Claim formula under the Plan of Allocation is only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

#### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

54. For losses to be compensable damages under the federal securities laws, the disclosure of the alleged misrepresented information must be the cause of the change in the price of the securities at issue. In this case, Plaintiffs allege that Defendants issued false statements and omitted material facts during the Class Period which allegedly artificially inflated the price of QuantumScape common stock, warrants, and call options, and artificially deflated the price of QuantumScape put options (together, "QuantumScape Securities"). Defendants' alleged false statements affected the market price of QuantumScape Securities on November 27, 2020, December 8, 2020, and December 9, 2020 and introduced artificial inflation on those days. Plaintiffs further allege that corrective information released to the market before markets opened on January 4, 2021 and April 15, 2021 ("Corrective Disclosure Dates") impacted the market price of QuantumScape Securities in a statistically significant manner and removed the alleged artificial inflation on those days. Accordingly, to have a compensable loss in this Settlement, QuantumScape common stock, warrants, or call options

must have been purchased or otherwise acquired during the Class Period and held through at least one of the alleged corrective disclosures listed above, or with respect to put options, those options must have been sold (written) during the Class Period and not closed through at least one of the alleged corrective disclosures.

55. Based on the formulas stated below, a “Recognized Loss Amount” will be calculated for each purchase or acquisition of QuantumScape publicly traded securities and/or options during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that Recognized Loss Amount will be zero.

#### COMMON STOCK CALCULATIONS

56. For each share of QuantumScape common stock purchased or otherwise acquired from November 27, 2020 through and including the close of trading on April 14, 2021, and:

- (a) If sold prior to January 4, 2021, the Recognized Loss Amount will be \$0.00;
- (b) If sold from January 4, 2021, through and including the close of trading on April 14, 2021, the Recognized Loss Amount will be **the least of**: (i) the amount of alleged artificial inflation per share on the date of purchase/acquisition as stated in Table A minus the amount of alleged artificial inflation per share on the date of sale as stated in Table A; or (ii) the purchase/acquisition price minus the sale price;
- (c) If sold from April 15, 2021, through but excluding the close of trading on July 13, 2021, the Recognized Loss Amount will be **the least of**: (i) the amount of alleged artificial inflation per share on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price minus the sale price; or (iii) the purchase/acquisition price minus the “PSLRA Average Trading Price” indicated in Table B on the date of sale;<sup>2</sup>
- (d) If held as of the close of trading on July 13, 2021, the Recognized Loss Amount will be **the lesser of**: (i) the amount of alleged artificial inflation per share on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price minus the sale price; or (iii) the purchase/acquisition price minus \$29.47 per share.

**Table A: Alleged Artificial Inflation in QuantumScape Securities**

Date Range	Alleged Artificial Inflation Per Share	Alleged Artificial Inflation Per Warrant
November 27, 2020 through December 7, 2020	\$0.53	\$0.32
December 8, 2020	\$13.78	\$8.11
December 9, 2020 through January 3, 2021	\$28.51	\$16.79
January 4, 2021 through April 14, 2021	\$3.50	\$5.54
April 15, 2021 and thereafter	\$0.00	\$0.00

<sup>2</sup> Under Section 21D(e)(1) of the Exchange Act, “in any private action arising under this [Act] in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of QuantumScape securities during the 90-day look-back period. The mean (average) closing price for QuantumScape securities at the end of this 90-day look-back period was \$29.47 per share.



**Table B: Common Stock 90-Day Lookback Values**

<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>	<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>	<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>
4/15/2021	\$35.85	5/14/2021	\$33.15	6/15/2021	\$30.51
4/16/2021	\$35.69	5/17/2021	\$32.91	6/16/2021	\$30.44
4/19/2021	\$34.33	5/18/2021	\$32.81	6/17/2021	\$30.37
4/20/2021	\$33.49	5/19/2021	\$32.64	6/18/2021	\$30.30
4/21/2021	\$33.49	5/20/2021	\$32.44	6/21/2021	\$30.22
4/22/2021	\$33.60	5/21/2021	\$32.23	6/22/2021	\$30.16
4/23/2021	\$33.94	5/24/2021	\$31.98	6/23/2021	\$30.13
4/26/2021	\$34.56	5/25/2021	\$31.71	6/24/2021	\$30.09
4/27/2021	\$34.90	5/26/2021	\$31.55	6/25/2021	\$30.07
4/28/2021	\$35.19	5/27/2021	\$31.38	6/28/2021	\$30.09
4/29/2021	\$35.34	5/28/2021	\$31.20	6/29/2021	\$30.09
4/30/2021	\$35.44	6/1/2021	\$31.06	6/30/2021	\$30.08
5/3/2021	\$35.43	6/2/2021	\$30.99	7/1/2021	\$30.03
5/4/2021	\$35.38	6/3/2021	\$30.92	7/2/2021	\$29.97
5/5/2021	\$35.21	6/4/2021	\$30.86	7/6/2021	\$29.91
5/6/2021	\$34.95	6/7/2021	\$30.84	7/7/2021	\$29.83
5/7/2021	\$34.72	6/8/2021	\$30.83	7/8/2021	\$29.74
5/10/2021	\$34.37	6/9/2021	\$30.84	7/9/2021	\$29.66
5/11/2021	\$34.11	6/10/2021	\$30.76	7/12/2021	\$29.58
5/12/2021	\$33.77	6/11/2021	\$30.69	7/13/2021	\$29.47
5/13/2021	\$33.43	6/14/2021	\$30.59		

**WARRANT CALCULATIONS**

57. For each warrant that was purchased or otherwise acquired from November 27, 2020 through and including the close of trading on April 14, 2021, and:

- (a) If sold or exercised prior to January 4, 2021, the Recognized Loss Amount will be \$0.00;
- (b) If sold or exercised from January 4, 2021, through and including the close of trading on April 14, 2021, the Recognized Loss Amount will be ***the least of***: (i) the amount of alleged artificial inflation per warrant on the date of purchase/acquisition as stated in Table A minus the amount of alleged artificial inflation per warrant on the date of sale as stated in Table A; or (ii) the purchase/acquisition price minus the sale price;

- (c) If sold or exercised from April 15, 2021, through but excluding the close of trading on July 13, 2021, the Recognized Loss Amount will be **the least of**: (i) the amount of alleged artificial inflation per warrant on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price minus the sale price; or (iii) the purchase/acquisition price minus the “90-Day Lookback Value” on the date of sale/exercise as indicated in Table C below;<sup>3</sup>
- (d) If held as of the close of trading on July 13, 2021 the Recognized Loss Amount will be **the lesser of**: (i) the amount of alleged artificial inflation per warrant on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price minus the sale price or (iii) the purchase/acquisition price minus \$18.17 per warrant.

Table C: Warrants 90-Day Lookback Values

<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>	<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>	<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>
4/15/2021	\$25.00	5/14/2021	\$21.77	6/15/2021	\$19.21
4/16/2021	\$24.48	5/17/2021	\$21.56	6/16/2021	\$19.14
4/19/2021	\$22.98	5/18/2021	\$21.46	6/17/2021	\$19.07
4/20/2021	\$22.15	5/19/2021	\$21.27	6/18/2021	\$18.99
4/21/2021	\$22.12	5/20/2021	\$21.07	6/21/2021	\$18.90
4/22/2021	\$22.22	5/21/2021	\$20.89	6/22/2021	\$18.84
4/23/2021	\$22.53	5/24/2021	\$20.66	6/23/2021	\$18.81
4/26/2021	\$23.13	5/25/2021	\$20.40	6/24/2021	\$18.77
4/27/2021	\$23.43	5/26/2021	\$20.24	6/25/2021	\$18.74
4/28/2021	\$23.72	5/27/2021	\$20.07	6/28/2021	\$18.76
4/29/2021	\$23.87	5/28/2021	\$19.91	6/29/2021	\$18.76
4/30/2021	\$23.97	6/1/2021	\$19.77	6/30/2021	\$18.74
5/3/2021	\$23.98	6/2/2021	\$19.69	7/1/2021	\$18.70
5/4/2021	\$23.84	6/3/2021	\$19.61	7/2/2021	\$18.64
5/5/2021	\$23.66	6/4/2021	\$19.55	7/6/2021	\$18.58
5/6/2021	\$23.40	6/7/2021	\$19.55	7/7/2021	\$18.50
5/7/2021	\$23.18	6/8/2021	\$19.54	7/8/2021	\$18.41
5/10/2021	\$22.85	6/9/2021	\$19.53	7/9/2021	\$18.34
5/11/2021	\$22.68	6/10/2021	\$19.45	7/12/2021	\$18.26
5/12/2021	\$22.35	6/11/2021	\$19.38	7/13/2021	\$18.17
5/13/2021	\$22.02	6/14/2021	\$19.28		

<sup>3</sup> The mean (average) price for QuantumScape warrants at the end of the 90-day look-back period was \$18.17 per warrant.

**OPTIONS CALCULATIONS**

58. Exchange-traded options are traded in units called “contracts,” which entitle the holder to buy (in the case of a call option) or sell (in the case of a put option) 100 shares of the underlying security, which in this case is QuantumScape common stock. Throughout this Plan of Allocation, all price quotations of exchange-traded options are per share of the underlying security (*i.e.*, 1/100 of a contract).

59. **For each exchange-traded QuantumScape call option purchased or otherwise acquired during the Class Period,<sup>4</sup> the Recognized Loss Amount per option shall be calculated as follows:**

- A. For each call option not held at the opening of trading on at least one of the Corrective Disclosure Dates as defined above, the Recognized Loss Amount per option is zero.
- B. For each call option purchased during the Class Period and held at the opening of trading on one or more of the Corrective Disclosure Dates as defined above,
  1. that was subsequently sold prior to the close of trading on April 15, 2021, the Recognized Loss Amount is the purchase price *minus* the sale price;
  2. that was subsequently exercised prior to the close of trading on April 15, 2021, the Recognized Loss Amount is the purchase price *minus* the intrinsic value of the call option on the date of exercise, where the intrinsic value shall be the *greater of*: (i) \$0.00 or (ii) the closing price of QuantumScape common stock on the date of exercise *minus* the strike price of the call option;
  3. that expired unexercised prior to the close of trading on April 15, 2021, the Recognized Loss Amount is equal to the purchase price;
  4. that was still held as of the close of trading on April 15, 2021, the Recognized Loss Amount is the purchase price *minus* the intrinsic value of the call option as of the close of trading on April 15, 2021 where the intrinsic value shall be the *greater of*: (i) \$0.00 or (ii) \$38.85<sup>5</sup> *minus* the strike price of the call option.
- C. No Recognized Loss Amount shall be calculated based on the purchase or acquisition of any QuantumScape call options that had been previously sold or written.

60. **For each exchange-traded QuantumScape put option sold (written) from during the Class Period,<sup>6</sup> the Recognized Loss Amount per option shall be calculated as follows:**

- A. For each put option not held (*i.e.*, not outstanding) at the opening of trading on at least one of the Corrective Disclosure Dates as defined above, the Recognized Loss Amount is \$0.00.
- B. For each put option sold (written) during the Class Period and still outstanding at the opening of trading on one or more of the Corrective Disclosure Dates as defined above,
  1. that was subsequently purchased prior to the close of trading on April 15, 2021, the Recognized Loss Amount is the purchase price *minus* the sale price;
  2. that was subsequently exercised (*i.e.*, assigned) prior to the close of trading on April 15, 2021, the Recognized Loss Amount is the purchase price *minus* the intrinsic value of the put option on the date of exercise, where the intrinsic value shall be the *greater of*: (i) \$0.00 or (ii) the strike price of the put option *minus* the closing price of QuantumScape common stock on the date of exercise;
  3. that expired unexercised prior to the close of trading on April 15, 2021, the Recognized Loss Amount is \$0.00;
  4. that was still outstanding as of the close of trading on April 15, 2021, the Recognized Loss Amount is the intrinsic value of the put option as of the close of trading on April 15, 2021 *minus* the purchase price where the intrinsic value shall be the *greater of*: (i) \$0.00 or (ii) the strike price of the put option *minus* \$38.85.
- C. No Recognized Loss Amount shall be calculated based on the sale or writing of any QuantumScape put options that had been previously purchased or acquired.

<sup>4</sup> With regard to call options purchased on November 27, 2020, a Recognized Loss Amount will be calculated for such purchases only if the Claimant provides documentation that establishes that such call option purchases were made after market close on that day.

<sup>5</sup> \$35.85 is the closing price of QuantumScape common stock on April 15, 2021.

<sup>6</sup> As explained in footnote 4 above with regard to put options sold (written) on November 27, 2020, a Recognized Loss Amount will be calculated for such put options only if the Claimant provides documentation that establishes that such put option transactions were made after market close on that day.

61. **Maximum Recovery for Options:** The Settlement proceeds available for QuantumScape call options purchased during the Class Period and QuantumScape put options sold (written) during the Class Period shall be limited to a total amount equal to 2% of the Net Settlement Fund.

#### ADDITIONAL PROVISIONS

62. Given the costs of distribution, the Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 65 below) is \$10.00 or greater.

63. If a claimant has more than one purchase or sale of QuantumScape publicly traded securities, purchases and sales will be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

64. A claimant’s “Recognized Claim” under the Plan of Allocation will be the sum of his, her, or its Recognized Loss Amounts.

65. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

66. Purchases, acquisitions, and sales of QuantumScape publicly traded securities will be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of QuantumScape securities during the Class Period will not be deemed a purchase, acquisition, or sale of QuantumScape securities for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor will the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of QuantumScape securities unless: (i) the donor or decedent purchased or otherwise acquired the shares during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

67. To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in QuantumScape common stock, QuantumScape warrants, QuantumScape call options, and QuantumScape put options during the Class Period, the value of the Claimant’s Recognized Claim shall be zero. To the extent that a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in QuantumScape common stock, QuantumScape warrants, QuantumScape call options, and QuantumScape put options during the Class Period, but that market loss was less than the total Recognized Loss Amount calculated above, then the Claimant’s Recognized Loss Amount shall be limited to the amount of the actual market loss.

68. With respect to QuantumScape common Stock, QuantumScape warrants, and QuantumScape call options acquired during the Class Period, for purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount<sup>7</sup> and (ii) the sum of the Total Sales Proceeds<sup>8</sup> and the Total Holding Value.<sup>9</sup> If the Claimant’s Total Purchase Amount minus the sum of the Total Sales Proceeds and the Total Holding Value is a positive number, that number will be the Claimant’s market loss on such securities; if the number is a negative number or zero, that number will be the Claimant’s market gain on such securities. With respect to QuantumScape put options sold (written) during the Class Period, the Claims Administrator shall determine the difference

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<sup>7</sup> The “Total Purchase Amount” is the total amount the Claimant paid (excluding commissions and other charges) for QuantumScape securities purchased or acquired during the Class Period.

<sup>8</sup> For the QuantumScape securities, the Claims Administrator shall match a Claimant’s dispositions (*i.e.*, sales, redemptions) during the Class Period against his, her, or its opening position in like securities, if any, on a FIFO basis (the proceeds of those dispositions will not be considered for purposes of calculating market gains or losses). The total amount received for the remaining dispositions during the Class Period (excluding commissions and other charges) shall be the Claimant’s “Total Sales Proceeds.”

<sup>9</sup> The Claims Administrator shall ascribe a “Holding Value” to shares of QuantumScape common Stock acquired during the Class Period and still held as of the close of trading on April 15, 2021 of \$38.85 per share (*i.e.*, the closing price of the common stock on the last Corrective Disclosure Date). For each QuantumScape Warrant acquired during the Class Period and still held as of the close of trading on April 15, 2021, the Claims Administrator shall ascribe a “Holding Value” of \$25.00 per warrant (*i.e.*, the closing price of the warrants on the last Corrective Disclosure Date). For each QuantumScape call option acquired during the Class Period that was still held as of the close of trading on April 15, 2021, the Claims Administrator shall ascribe a “Holding Value” for that option which shall be the greater of: (i) \$0.00 or (ii) \$38.85 *minus* the strike price of the option. A Claimant’s total Holding Values for QuantumScape common stock, QuantumScape warrants, and QuantumScape call options acquired during the Class Period that were still held as of the close of trading on April 15, 2021, shall be the Claimant’s “Total Holding Value.”

between (i) the sum of the Total Purchase Amount<sup>10</sup> and the Total Holding Value;<sup>11</sup> and (ii) the Total Sales Proceeds.<sup>12</sup> For QuantumScape put options, if the sum of the Total Purchase Amount and the Total Holding Value minus the Total Sales Proceeds is a positive number, that number will be the Claimant's market loss; if the number is a negative number or zero, that number will be the Claimant's market gain.

69. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiffs, Plaintiffs' Counsel, Plaintiffs' damages expert, Defendants, Defendants' Counsel, any of the other Released Plaintiff Persons or Released Defendant Persons, or the Claims Administrator or other agent designated by Plaintiffs' Counsel arising from distributions made substantially in accordance with the Settlement, the Plan of Allocation approved by the Court, or further orders of the Court. Plaintiffs, Defendants and their respective counsel, and all other Released Defendant Persons, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the Plan of Allocation; the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

70. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member or claimant.

71. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

72. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Plaintiffs' Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 33% of the Settlement Fund. At the same time, Plaintiffs' Counsel also intends to apply for reimbursement of expenses in an amount not to exceed \$2,200,000, and an "award of reasonable costs and expenses" to Plaintiffs not to exceed \$40,000 in total. The Court will determine the amount of any award of attorneys' fees or reimbursement of expenses as well as any reasonable costs and expenses to Plaintiffs. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE CLASS?  
HOW DO I EXCLUDE MYSELF?**

73. Each Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Class, addressed to QuantumScape Settlement, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001 Milwaukee, WI 53217. The exclusion request must be *received* no later than October 9, 2024. You will not be able to exclude yourself from the Class after that date. Each Request for Exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Class in *In re QuantumScape Securities Class Action Litigation*, Case No. 3:21-cv-00058-WHO"; (c) state the number of QuantumScape securities that the person or entity requesting exclusion purchased/acquired during the Class Period; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

74. If you do not want to be part of the Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Claim against any of the Released Defendant Persons.

75. If you ask to be excluded from the Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

<sup>10</sup> For QuantumScape put options, the Claims Administrator shall match any purchases during the Class Period to close out positions in the options first against the Claimant's opening position in the options (the total amount paid with respect to those purchases will not be considered for purposes of calculating market gains or losses). The total amount paid for the remaining purchases during the Class Period to close out positions in put options is the "Total Purchase Amount."

<sup>11</sup> For each QuantumScape put option sold (written) during the Class Period that was still outstanding as of the close of trading on April 15, 2021 the Claims Administrator shall ascribe a "Holding Value" for that option which shall be the *greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* \$38.85. A Claimant's total Holding Values for all QuantumScape put options sold during the Class Period that were still outstanding as of the close of trading on March 31, 2021, shall be the Claimant's "Total Holding Value."

<sup>12</sup> For QuantumScape put options, the total amount received for put options sold (written) during the Class Period is the "Total Sales Proceeds."



76. QuantumScape has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be Class Members in an amount that exceeds an amount agreed to by Plaintiffs and QuantumScape.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?  
DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

77. **Class Members do not need to attend the Fairness Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. You can participate in the Settlement without attending the Fairness Hearing.**

78. **The Fairness Hearing will be held on November 13, 2024, at 2:00 p.m., before the Honorable William H. Orrick III at the United States District Court for the Northern District of California, United States Courthouse, Courtroom 2, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102 or via Zoom (in the Court's discretion). The Court reserves the right to approve the Settlement, the Plan of Allocation, Plaintiffs' Counsel's Fee and Expense Application, awards to Plaintiffs and/or any other matter related to the Settlement at or after the Fairness Hearing without further notice to the Class Members. The Court reserves the right to hold the Fairness Hearing telephonically or by other virtual means. Please check the settlement website or the Court's Public Access to Court Electronic Records (PACER) site to confirm that the date has not been changed.**

79. Any Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Plaintiffs' Counsel's Fee and Expense Application, or the Award to Plaintiffs. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Northern District of California at the address set forth below on or before October 23, 2024.

United States District Court  
Northern District of California  
Office of the Clerk  
450 Golden Gate Avenue  
San Francisco, CA 94102

80. Any objection: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; and (b) must contain a statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention. You may not object to the Settlement, the Plan of Allocation or Plaintiffs' Counsel's Fee and Expense Application or Plaintiffs' award if you exclude yourself from the Class or if you are not a member of the Class.

81. You may file a written objection without having to appear at the Fairness Hearing.

82. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Plaintiffs' Counsel's Fee and Expense Application or Plaintiffs' award, and if you timely file and serve a written objection as described above, you should also file a notice of appearance with the Clerk's Office and serve it on Plaintiffs' Counsel and Defendants' Counsel so that it is received on or before October 23, 2024. Persons who intend to object and desire to present evidence at the Fairness Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

83. You are not required to hire an attorney to represent you in making written objections or in appearing at the Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Plaintiffs' Counsel and Defendants' Counsel at the address set forth in ¶ 79 above so that the notice is **received on or before October 23, 2024**.

84. The Fairness Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Fairness Hearing, you should confirm the date and time with Plaintiffs' Counsel.

**WHAT IF I BOUGHT SECURITIES ON SOMEONE ELSE'S BEHALF?**

85. If you purchased or otherwise acquired any securities of QuantumScape during the Class Period for the beneficial interest of persons or organizations other than yourself, you must either: (a) within seven (7) calendar days of receipt of the Postcard Notice, request from the Claims Administrator sufficient copies of the Postcard Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Postcard Notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Postcard Notice, provide a list of the names and addresses of all such beneficial owners to QuantumScape Settlement, c/o A.B. Data, Ltd., P.O. Box 173131 Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Postcard Notice to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, up to a maximum of \$0.04 per Postcard Notice actually mailed, plus postage at the pre-sort rate used by the Claims Administrator; \$0.03 per link to the Notice and Claim Form emailed; or \$0.04 per name, address, and email

address provided to the Claims Administrator, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Any dispute concerning the reasonableness of reimbursement costs shall be resolved by the Court. Copies of this Notice and the Claim Form may be obtained from the website maintained by the Claims Administrator, [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com), or by calling the Claims Administrator toll-free at 866-778-9623.

**CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

86. This Notice contains only a summary of the terms of the proposed Settlement. For the precise terms and conditions of the settlement, please see the Stipulation and Agreement of Settlement available at [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com), by contacting Plaintiffs' Counsel, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

All inquiries concerning this Notice and the Claim Form should be directed to the Claims Administrator or Plaintiffs' Counsel at:

QuantumScape Securities Settlement  
A.B. DATA, LTD.  
P.O. Box 173131  
Milwaukee, WI 53217  
866-778-9623  
[info@QuantumScapeSettlement.com](mailto:info@QuantumScapeSettlement.com)  
[www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com)

and/or

Nicholas Porritt, Esq.  
LEVI & KORSINSKY, LLP  
33 Whitehall Street  
Floor 17  
New York, NY 10004  
Telephone: 212-363-7500  
Email: [nporritt@zlk.com](mailto:nporritt@zlk.com)

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT,  
DEFENDANTS OR THEIR COUNSEL REGARDING THIS NOTICE.**

Dated: August 15, 2024

By Order of the Court  
United States District Court  
Northern District of California

# EXHIBIT C



IN RE QUANTUMSCAPE SECURITIES  
CLASS ACTION LITIGATION

Case No. 3:21-cv-00058-WHO  
Honorable William H. Orrick III

**SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION, CERTIFICATION OF CLASS, AND PROPOSED SETTLEMENT; (II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**TO: All persons and entities who purchased or otherwise transacted in securities of QuantumScape Corporation ("QuantumScape") from November 27, 2020, to April 14, 2021, inclusive:**

**PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of California, that the above-captioned litigation (the "Action") has been certified as a class action for purposes of the Settlement only on behalf of the Class, except for certain persons and entities who are excluded from the Class by definition as set forth in the full Notice of (I) Pendency of Class Action, Certification of Class, and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice").

YOU ARE ALSO NOTIFIED that Plaintiffs in the Action have reached a proposed settlement of the Action for \$47,500,000 in cash that, if approved, will resolve all claims asserted or that could have been asserted in the Action (the "Settlement").

A hearing will be held on November 13, 2024, at 2:00 p.m., before the Honorable William H. Orrick III at the United States District Court for the Northern District of California, United States Courthouse, Courtroom 2, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102 or via Zoom, to determine (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against Defendants, and the releases specified and described in the Stipulation and Agreement of Settlement dated June 11, 2024, (and in the Notice) should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair, reasonable, and adequate; and (iv) whether Plaintiffs' Counsel's Fee and Expense Application should be approved. The Court reserves the right to hold the Fairness Hearing telephonically or by other virtual means.

**If you are a member of the Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Settlement Fund.** The Notice and Proof of Claim and Release Form ("Claim Form") can be downloaded from the website maintained by the Claims Administrator, [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com). You may also obtain copies of the Notice and Claim Form by contacting the Claims Administrator at QuantumScape Corporation Settlement, c/o A.B. Data, Ltd., P.O. Box 173131, Milwaukee, WI 53217, 866-778-9623.

If you are a member of the Class, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form **online or postmarked** no later than December 13, 2024. If you are a Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Class and wish to exclude yourself from the Class, you must submit a request for exclusion such that it is *received* no later than October 9, 2024, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Plaintiffs' Counsel's Fee and Expense Application, must be filed with the Court such that they are *received* no later than October 23, 2024, in accordance with the instructions set forth in the Notice.

**Please do not contact the Court, the Clerk's office, Defendants, or their counsel regarding this notice. All questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to Plaintiffs' Counsel or the Claims Administrator.**

Inquiries, other than requests for the Notice and Claim Form, should be made to Plaintiffs' Counsel:

LEVI & KORSINSKY, LLP  
Nicholas Porritt, Esq.  
33 Whitehall Street  
17<sup>th</sup> Floor  
New York, NY 10004  
(212) 363-7500  
nporritt@zlk.com

Requests for the Notice and Claim Form should be made to:

*QuantumScape Corporation Settlement*  
A.B. Data, Ltd.  
P.O. Box 173131  
Milwaukee, WI 53217  
[www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com)

# EXHIBIT D

# Levi & Korsinsky, LLP Announce Notice of Pendency of Class Action For All Persons and Entities Who Purchased or Otherwise Transacted in Securities of QuantumScape Corporation ("QuantumScape") From November 27, 2020, to April 14, 2021, Inclusive

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NEWS PROVIDED BY  
**Levi & Korsinsky, LLP →**  
Aug 26, 2024, 10:00 ET

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NEW YORK, Aug. 26, 2024 /PRNewswire/ --

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

IN RE QUANTUMSCAPE SECURITIES CLASS ACTION LITIGATION

Case No. 3:21-cv-00058-WHO

Honorable William H. Orrick III

**SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION, CERTIFICATION OF CLASS, AND PROPOSED SETTLEMENT; (II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**TO: All persons and entities who purchased or otherwise transacted in securities of QuantumScape Corporation ("QuantumScape") from November 27, 2020, to April 14, 2021, inclusive:**

**PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of California, that the above-captioned litigation (the "Action") has been certified as a class action for purposes of the Settlement only on behalf of the Class, except for certain persons and entities who are excluded from the Class by definition as set forth in the full Notice of (I) Pendency of Class Action, Certification of Class, and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice").

YOU ARE ALSO NOTIFIED that Plaintiffs in the Action have reached a proposed settlement of the Action for \$47,500,000 in cash that, if approved, will resolve all claims asserted or that could have been asserted in the Action (the "Settlement").

A hearing will be held on November 13, 2024, at 2:00 p.m., before the Honorable William H. Orrick III at the United States District Court for the Northern District of California, United States Courthouse, Courtroom 2, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102 or via Zoom, to determine (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against Defendants, and the releases specified and described in the Stipulation and Agreement of Settlement dated June 11, 2024, (and in the Notice) should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair, reasonable, and adequate; and (iv) whether Plaintiffs' Counsel's Fee and Expense Application should be approved. The Court reserves the right to hold the Fairness Hearing telephonically or by other virtual means.

If you are a member of the Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Settlement Fund. The Notice and Proof of Claim and Release Form ("Claim Form") can be downloaded from the website maintained by the Claims Administrator, [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com). You may also obtain copies of the Notice and Claim Form by contacting the Claims Administrator at QuantumScape Corporation Settlement, c/o A.B. Data, Ltd. P.O. Box 173131, Milwaukee, WI 53217, 866-778-9623.

If you are a member of the Class, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form *online or postmarked* no later than December 13, 2024. If you are a Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Class and wish to exclude yourself from the Class, you must submit a request for exclusion such that it is *received* no later than October 9, 2024, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Plaintiffs' Counsel's Fee and Expense Application, must be filed with the Court such that they are *received* no later than October 23, 2024, in accordance with the instructions set forth in the Notice.

**Please do not contact the Court, the Clerk's office, Defendants, or their counsel regarding this notice. All questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to Plaintiffs' Counsel or the Claims Administrator.**

Inquiries, other than requests for the Notice and Claim Form, should be made to Plaintiffs' Counsel:

LEVI & KORSINSKY, LLP  
Nicholas Porritt, Esq.  
33 Whitehall Street  
17<sup>th</sup> Floor

New York, NY 10004

(212) 363-7500

**nporritt@zlk.com**

Requests for the Notice and Claim Form should be made to:

*QuantumScape Corporation Settlement*

A.B. Data, Ltd.

P.O. Box 173131

Milwaukee, WI 53217

**www.QuantumScapeSettlement.com**

By Order of the Court

SOURCE Levi & Korsinsky, LLP

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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

IN RE QUANTUMSCAPE SECURITIES  
CLASS ACTION LITIGATION

Case No. 3:21-CV-00058-WHO

**DECLARATION OF FRANK FISH IN  
SUPPORT OF (I) PLAINTIFFS' MOTION  
FOR FINAL APPROVAL OF CLASS  
ACTION SETTLEMENT AND PLAN OF  
ALLOCATION; AND (II) LEAD  
COUNSEL'S MOTION FOR AN AWARD OF  
ATTORNEYS' FEES, REIMBURSEMENT  
OF LITIGATION EXPENSES AND  
AWARDS PURSUANT TO 15 U.S.C. §78u-  
4(a)(4)**

HONORABLE WILLIAM H. ORRICK III

1 I, Frank Fish, hereby declare as follows:

2 1. I respectfully submit this declaration in support of final approval of the proposed settlement  
3 of the Action for \$47.5 million, approval of the proposed Plan of Allocation for distributing the proceeds  
4 of the Settlement, and approval of Plaintiffs' Counsel's request for attorneys' fees and expenses. I also  
5 respectfully submit this declaration in support of my request for an award, pursuant to the Private Securities  
6 Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(4), in recognition of the time that I dedicated to the  
7 litigation on behalf of the Class. I have personal knowledge of the statements herein and, if called as a  
8 witness, could competently testify about them.

9 2. I serve as the Court-appointed Lead Plaintiff in this Action pursuant to the Court's April 20,  
10 2021 order, and as a class representative pursuant to the Court's December 19, 2022 order.

11 3. In support of the motion to be appointed Lead Plaintiff, on March 8, 2021 I submitted a  
12 certification under penalty of perjury stating that: (i) I reviewed the complaint filed in the action(s) and  
13 adopted its allegations, and authorized the filing of the motion for appointment as lead plaintiff; (ii) I did  
14 not purchase the security that is the subject of this action at the direction of plaintiff's counsel or in order  
15 to participate in this private action; (iii) I was willing to serve as a representative party on behalf of the  
16 class, including providing testimony at deposition and trial, if necessary; (iv) within the last 3 years, I had  
17 not sought to serve, nor had I served as a class representative in any federal securities fraud case, except  
18 for *In re Longfin Corp. Securities Class Action Litigation*, No. 1:18-cv-02933-DLC (S.D.N.Y.) and  
19 *Chauhan v. Longfin Corp. et al.*, No. 18-cv-2010 (E.D.N.Y.); and (v) I would not accept any payment for  
20 serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery,  
21 except as ordered or approved by the court, including any award for reasonable costs and expenses  
22 (including lost wages) directly relating to the representation of the class. I also submitted a Declaration in  
23 support of the motion for appointment as Lead Plaintiff and included a copy of a chart detailing my losses  
24 because of my investment in QuantumScape Corporation.

25 4. I am the founding member and senior property manager of Lc Lemle Real Estate Group  
26 LLC, a real estate investment firm located in New York, New York, that has been in business for 40 years.  
27 I have invested in securities for more than 35 years. As set forth in the documents filed with my motion to  
28 be appointed Lead Plaintiff, during the Class Period I personally purchased 43,000 shares of



1 QuantumScape stock and retained all those shares through December 31, 2020, when the share price  
2 dropped significantly due to the allegations in the Action. My losses from those transactions were  
3 \$2,776,324.

4 5. Based on my significant financial interest in the resolution of the Action, I was motivated  
5 to litigate this Action vigorously, efficiently, and to the best of my ability to maximize the potential  
6 recovery for myself and the Class.

7 6. As part of the regular duties of my business and my involvement with complex litigation, I  
8 routinely oversee attorneys. I applied this experience to fulfill my duties directing the litigation on behalf  
9 of the Class. As Lead Plaintiff, I monitored the developments in this case by regularly communicating with  
10 counsel. I received and reviewed hundreds of pages of substantive filings in draft and final form. These  
11 included the Consolidated Class Action Complaint for Violations of the Federal Securities Laws and  
12 exhibits, and the Second Amended Consolidated Class Action Complaint for Violations of the Federal  
13 Securities Laws and exhibits. I also received and reviewed the Court's substantive orders on the Motion to  
14 Dismiss and Motion to Certify the Class and Appoint Class Representatives.

15 7. Further, I responded to the Defendants' requests for production and interrogatories. I  
16 reviewed and collected hundreds of pages of personal documents for counsel to review and ultimately  
17 produce. I also received 95 interrogatory requests from the Defendants between requests from March 15,  
18 2022, and October 20, 2023. The March 15, 2022, interrogatories requested information about my trades  
19 in QuantumScape Securities and the allegations in the complaint, among other things. The October 20,  
20 2023, interrogatories were far ranging and requested information about the factual support for the  
21 allegations in the complaints.

22 8. In total, counsel provided over 500 pages of responses and objections to these 95  
23 interrogatories for my review in draft form and final form. This included supplemental responses and  
24 objections to reflect information obtained from Defendants and third parties during litigation. The  
25 responses and objections to the October 20, 2023, interrogatories also included a 46-page appendix  
26 identifying specific documents produced during discovery and in the public domain that supported the  
27 allegations. Prior to signing verifications that the initial and supplemental responses were true according  
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1 to the best of my knowledge and belief, I reviewed the interrogatory responses, including the lengthy  
2 appendix, and discussed them with counsel.

3 9. As part of the Class Certification Motion, I provided deposition testimony and a declaration  
4 in support of the motion. My declaration detailed my qualifications to be appointed as a class representative  
5 in this Action, including that to the best of my knowledge, I had no conflicts of interest with any member  
6 of the class that would prevent me from fairly and adequately representing the best interests of the class.  
7 My declaration further stated that, to the best of my knowledge, the class of individuals and/or entities that  
8 I sought to represent in this Action included all purchasers or acquirers of QuantumScape securities,  
9 excluding Defendants and their affiliates during the Class Period.

10 10. I spent a significant amount of time preparing for the deposition in connection with the Class  
11 Certification Motion on my own and during several sessions with my attorneys from Levi & Korsinsky,  
12 LLP. I was deposed by Defendants' counsel on August 12, 2022. The deposition lasted nearly six hours,  
13 during which time I was subjected to aggressive and tough questioning. I have been deposed in several  
14 other matters and have never experienced such a hostile examination.

15 11. I understand that by order of the Court dated December 19, 2022, I was appointed class  
16 representative, my attorneys, Levi & Korsinsky, were appointed class counsel, and the Class was certified.  
17 Further, I understand that Mary Cranny and Kathy Stark were also appointed as class representatives. I  
18 personally met them via videoconference before filing the Second Amended Consolidated Class Action  
19 Complaint for Violations of the Federal Securities Laws.

20 12. After the Court issued its order certifying the Class, appointing class representatives, and  
21 class counsel, I continued to request and receive regular updates as to the progress of the litigation and  
22 issues of strategy and approach. I attended both full day mediations in matter. I was consulted before and  
23 during settlement discussions, during which time I was in communication with counsel, articulated my  
24 settlement authority, and evaluated and approved of the Settlement before it was finalized.

25 13. I support the proposed Settlement for \$47,500,000 in cash. I believe this is a fair and  
26 reasonable result achieved by counsel considering the benefits it provides to the Class and the risks and  
27 uncertainties of continued litigation.  
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1           14. I understand that reimbursement of a plaintiff's costs and expenses in connection with the  
2 representation of a class, including lost wages, is authorized under the Private Securities Litigation Reform  
3 Act of 1995, 15 U.S.C. § 78u-4(a)(4). For this reason, in connection with counsel's request for litigation  
4 expenses, I am seeking reimbursement for the time I dedicated to the prosecution of the Action, which was  
5 time that ordinarily would have been dedicated to my business and investment activities.

6           15. In my capacity as the Lead Plaintiff, I spent considerable time in connection with this  
7 Action. In reviewing my records relating to this lawsuit, I estimate that I spent approximately 100 hours  
8 performing the tasks above to achieve the greatest benefit for the Class. Given my participation in this  
9 litigation, I respectfully request reimbursement of \$30,000 for these efforts. Based on my knowledge and  
10 experience, I believe my professional time is worth \$300 per hour. I also support the requests for  
11 reimbursement of Ms. Cranny and Ms. Stark.

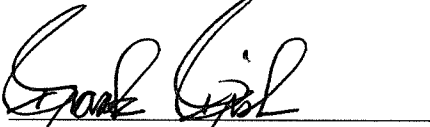
12           16. I support the requested award of attorneys' fees in the thirty percent (30%) of the Settlement  
13 Amount, or \$14,250,000. I believe this amount is fair and reasonable under the circumstances of this case  
14 and considering the effort required by counsel to pursue the case to date, the risks and challenges in the  
15 litigation, as well as the recovery obtained for the Class. I understand that counsel will also devote  
16 additional time in the future to administering the Settlement.

17           17. I further believe that the litigation expenses to be requested, of no more than \$2,200,000,  
18 are reasonable and represent the costs and expenses that were necessary for the successful prosecution and  
19 resolution of this case. Based on the foregoing, I fully support counsel's motion for attorneys' fees and  
20 payment of litigation expenses.

21           18. In sum, I was closely involved throughout the prosecution and settlement of the claims in  
22 the Action and I respectfully request that the Court approve the Settlement as fair, reasonable, and adequate;  
23 grant a compensatory award of \$30,000 to me in light of my time and effort expended in pursuing this  
24 Action; and approve the attorneys' fee request of one third of the Settlement Amount and full reimbursement  
25 of their litigation expenses.

1 I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

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3 Executed this 9<sup>th</sup> day of October, 2024.

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6 Frank Fish

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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

IN RE QUANTUMSCAPE SECURITIES  
CLASS ACTION LITIGATION

Case No. 3:21-CV-00058-WHO

**DECLARATION OF KATHY STARK IN  
SUPPORT OF (I) PLAINTIFFS' MOTION  
FOR FINAL APPROVAL OF CLASS  
ACTION SETTLEMENT AND PLAN OF  
ALLOCATION; AND (II) LEAD  
COUNSEL'S MOTION FOR AN AWARD OF  
ATTORNEYS' FEES, REIMBURSEMENT  
OF LITIGATION EXPENSES AND  
AWARDS PURSUANT TO 15 U.S.C. §78u-  
4(a)(4)**

HONORABLE WILLIAM H. ORRICK III

1 I, Kathy Stark, hereby declare as follows:

2 1. I respectfully submit this declaration in support of final approval of the proposed settlement  
3 of the Action for \$47.5 million, approval of the proposed Plan of Allocation for distributing the proceeds  
4 of the Settlement, and approval of Plaintiffs' Counsel's request for attorneys' fees and expenses. I also  
5 respectfully submit this declaration in support of my request for an award, pursuant to the Private Securities  
6 Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(4), in recognition of the time that I dedicated to the  
7 litigation on behalf of the Class. I have personal knowledge of the statements herein and, if called as a  
8 witness, could competently testify about them.

9 2. I was appointed to serve as a class representative in this Action pursuant to the Court's  
10 December 19, 2022, order. As part of that order, the Court also appointed Frank Fish and Mary Cranny to  
11 be class representatives.

12 3. I was initially added to this Action as a named plaintiff as part of the Second Amended  
13 Complaint, filed on July 14, 2022. In support of the Second Amended Complaint, on July 14, 2022, I  
14 submitted a certification under penalty of perjury stating that: (i) I reviewed the complaint filed in the  
15 action(s) and adopted its allegations, and authorized the filing of the motion for appointment as lead plaintiff;  
16 (ii) I did not purchase the security that is the subject of this action at the direction of plaintiff's counsel or in  
17 order to participate in this private action; (iii) I was willing to serve as a representative party on behalf of  
18 the class, including providing testimony at deposition and trial, if necessary; (iv) within the last 3 years, I  
19 had not sought to serve, nor had I served as a class representative in any federal securities fraud case,; and  
20 (v) I would not accept any payment for serving as a representative party on behalf of the class beyond the  
21 Plaintiff's pro rata share of any recovery, except as ordered or approved by the court, including any award  
22 for reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

23 4. Since that time, I have monitored the developments in this case by regularly communicating  
24 with counsel. I have also reviewed substantive filings in this action including the Consolidated Class Action  
25 Complaint for Violations of the Federal Securities Laws and exhibits, the Second Amended Consolidated  
26 Class Action Complaint for Violations of the Federal Securities Laws, and the Court's Order on Motion to  
27 Dismiss. I received and reviewed the Second Amended Complaint in draft and final form.

1           5.       I also responded to Defendants’ requests for production and interrogatories. I collected  
2 dozens of personal documents for counsel to review, which were ultimately produced. I received 95  
3 interrogatory requests from the Defendants between requests from July 15, 2022, and October 20, 2023.  
4 The July 15, 2022, interrogatories requested information about my trades in QuantumScape Securities and  
5 the allegations in the complaint, among other things. The October 20, 2023, interrogatories were far ranging  
6 and requested information about the factual support for the allegations in the complaints.

7           6.       In total, counsel provided over 500 pages of responses and objections to these 95  
8 interrogatories for my review in draft form and final form. This included supplemental responses and  
9 objections to reflect information obtained from Defendants and third parties during litigation. The  
10 responses and objections to the October 20, 2023, interrogatories also included a 46-page appendix  
11 identifying specific documents produced during discovery and in the public domain that supported the  
12 allegations. Prior to signing verifications that the initial and supplemental responses were true according  
13 to the best of my knowledge and belief, I reviewed the interrogatory responses, including the lengthy  
14 appendix, and discussed them with counsel.

15           7.       As part of the Class Certification Motion, I provided deposition testimony and a declaration  
16 in support of the motion. My declaration detailed my qualifications to be appointed as a class representative  
17 in this Action, including that to the best of my knowledge, I had no conflicts of interests with any member  
18 of the class that would prevent me from fairly and adequately representing the best interests of the class.  
19 My declaration further stated that, to the best of my knowledge, the class of individuals and/or entities that  
20 I sought to represent in this Action included all purchasers or acquirers of QuantumScape securities,  
21 excluding Defendants and their affiliates during the Class Period.

22           8.       I also spent a significant amount of time preparing for the deposition in connection with the  
23 Class Certification Motion on my own and during several sessions with my attorneys from Levi &  
24 Korsinsky, LLP. I was deposed by Defendants’ counsel on August 18, 2022. The deposition lasted nearly  
25 six hours, during which time I testified to my knowledge of the case, among other things.

26           9.       In addition to my participation in discovery, I actively participated in prosecution of this  
27 Action. I have requested and received regular updates as to the progress of the litigation and issues of  
28 strategy and approach, and I was consulted regarding settlement discussions.



1           10. I support the proposed Settlement for \$47,500,000 in cash. I believe this is a fair and  
2 reasonable result achieved by Plaintiffs' Counsel in light of the benefits it provides to the Settlement Class  
3 and the risks and uncertainties of continued litigation.

4           11. I understand that reimbursement of a plaintiff's costs and expenses in connection with the  
5 representation of a class, including lost wages, is authorized under the Private Securities Litigation Reform  
6 Act of 1995, 15 U.S.C. § 78u-4(a)(4). For this reason, in connection with Plaintiffs' Counsel's request for  
7 litigation expenses, I am seeking reimbursement for the time I dedicated to the prosecution of the Action,  
8 which was time that ordinarily would have been dedicated to investment activities and other pursuits. I have  
9 invested in securities for approximately 25 years. In addition to my investment activities, I worked in  
10 computer programming and information technology for approximately twenty years. Prior to that I worked  
11 as an accountant, or as a manager of accountants, for over twenty years.

12           12. In my capacity as a class representative, I spent considerable time in connection with this  
13 Action. In reviewing my records relating to this lawsuit, I estimate that I spent approximately 40 to 50  
14 hours performing the tasks above to achieve the greatest benefit for the Class. Given my participation in  
15 this litigation, I respectfully request reimbursement of \$5,000 for these efforts. Based on my knowledge  
16 and experience, I believe my professional time is worth approximately \$125 per hour. I also support the  
17 reimbursement requests of Ms. Cranny and Mr. Fish.

18           13. I support the requested award of attorneys' fees in the amount thirty percent (30%) of the  
19 Settlement Amount, or \$14,250,000. I believe this amount is fair and reasonable under the circumstances  
20 of this case and considering the effort required by the attorneys at Levi & Korsinsky to pursue the case to  
21 date, the risks and challenges in the litigation, as well as the recovery obtained for the Class. I understand  
22 that counsel will also devote additional time in the future to administering the Settlement.

23           14. I further believe that the litigation expenses to be requested, of no more than \$2,200,000,  
24 are reasonable and represent the costs and expenses that were necessary for the successful prosecution and  
25 resolution of this case. Based on the foregoing, I fully support counsel's motion for attorneys' fees and  
26 payment of litigation expenses.

27           15. In sum, I was closely involved throughout the prosecution and settlement of the claims in  
28 the Action and I respectfully request that the Court approve the Settlement as fair, reasonable, and adequate;



1 grant a compensatory award of \$5,000 to me in light of my time and effort expended in pursuing this  
2 Action; and approve the attorneys' fee request of thirty percent (30%) of the Settlement Amount and full  
3 reimbursement of their litigation expenses.  
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5 I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.  
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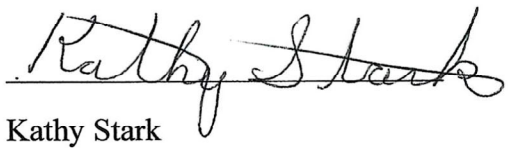
7 Executed this \_\_\_ day of October, 2024.  
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10 Kathy Stark  
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I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed this 9<sup>th</sup> day of October, 2024.

  
Kathy Stark

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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

Case No. 3:21-CV-00058-WHO

IN RE QUANTUMSCAPE SECURITIES  
CLASS ACTION LITIGATION

**DECLARATION OF MARY CRANNY  
STARK IN SUPPORT OF (I) PLAINTIFFS'  
MOTION FOR FINAL APPROVAL OF  
CLASS ACTION SETTLEMENT AND PLAN  
OF ALLOCATION; AND (II) LEAD  
COUNSEL'S MOTION FOR AN AWARD  
OF ATTORNEYS' FEES,  
REIMBURSEMENT OF LITIGATION  
EXPENSES AND AWARDS PURSUANT TO  
15 U.S.C. §78u-4(a)(4)**

HONORABLE WILLIAM H. ORRICK III

1 I, Mary Cranny, hereby declare as follows:

2 1. I respectfully submit this declaration in support of final approval of the proposed  
3 settlement of the Action for \$47.5 million, approval of the proposed Plan of Allocation for distributing  
4 the proceeds of the Settlement, and approval of Plaintiffs' Counsel's request for attorneys' fees and  
5 expenses. I also respectfully submit this declaration in support of my request for an award, pursuant to  
6 the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(4), in recognition of the time  
7 that I dedicated to the litigation on behalf of the Class. I have personal knowledge of the statements  
8 herein and, if called as a witness, could competently testify about them.

9 2. I was appointed to serve as a class representative in this Action pursuant to the Court's  
10 December 19, 2022, order. As part of that order, the Court also appointed Frank Fish and Mary Cranny to  
11 be class representatives.

12 3. I was initially added to this Action as a named plaintiff as part of the Second Amended  
13 Complaint, filed on July 14, 2022. In support of the Second Amended Complaint, on July 14, 2022, I  
14 submitted a certification under penalty of perjury stating that: (i) I reviewed the complaint filed in the  
15 action(s) and adopted its allegations, and authorized the filing of the motion for appointment as lead  
16 plaintiff; (ii) I did not purchase the security that is the subject of this action at the direction of plaintiff's  
17 counsel or in order to participate in this private action; (iii) I was willing to serve as a representative party  
18 on behalf of the class, including providing testimony at deposition and trial, if necessary; (iv) within the  
19 last 3 years, I had not sought to serve, nor had I served as a class representative in any federal securities  
20 fraud case,; and (v) I would not accept any payment for serving as a representative party on behalf of the  
21 class beyond the Plaintiff's pro rata share of any recovery, except as ordered or approved by the court,  
22 including any award for reasonable costs and expenses (including lost wages) directly relating to the  
23 representation of the class.

24 4. Since that time, I have monitored the developments in this case by regularly  
25 communicating with counsel. I have also reviewed substantive filings in this action including the  
26 Consolidated Class Action Complaint for Violations of the Federal Securities Laws and exhibits, the  
27 Second Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws, and  
28

1 the Court's Order on Motion to Dismiss. I received and reviewed the Second Amended Complaint in draft  
2 and final form.

3 5. Further, I responded to Defendants' requests for production and interrogatories. I collected  
4 dozens of personal documents for counsel to review, which were ultimately produced. I received 95  
5 interrogatory requests from the Defendants between requests from July 15, 2022, and October 20, 2023.  
6 The July 15, 2022, interrogatories requested information about my trades in QuantumScape Securities  
7 and the allegations in the complaint, among other things. The October 20, 2023, interrogatories were far  
8 ranging and requested information about the factual support for the allegations in the complaints.

9 6. In total, counsel provided over 500 pages of responses and objections to these 95  
10 interrogatories for my review in draft form and final form. This included supplemental responses and  
11 objections to reflect information obtained from Defendants and third parties during litigation. The  
12 responses and objections to the October 20, 2023, interrogatories also included a 46-page appendix  
13 identifying specific documents produced during discovery and in the public domain that supported the  
14 allegations. Prior to signing verifications that the initial and supplemental responses were true according  
15 to the best of my knowledge and belief, I reviewed the interrogatory responses, including the lengthy  
16 appendix, and discussed them with counsel.

17 7. As part of the Class Certification Motion, I provided deposition testimony and a  
18 declaration in support of the motion. My declaration detailed my qualifications to be appointed as a class  
19 representative in this Action, including that to the best of my knowledge, I had no conflicts of interests  
20 with any member of the class that would prevent me from fairly and adequately representing the best  
21 interests of the class. My declaration further stated that, to the best of my knowledge, the class of  
22 individuals and/or entities that I sought to represent in this Action included all purchasers or acquirers of  
23 QuantumScape securities, excluding Defendants and their affiliates during the Class Period.

24 8. I also spent a significant amount of time preparing for the deposition in connection with  
25 the Class Certification Motion on my own and during several sessions with my attorneys from Levi &  
26 Korsinsky, LLP. I was deposed by Defendants' counsel on August 18, 2022. The deposition lasted over  
27 5 hours, during which time I testified to my knowledge of the case, among other things.  
28



1           9.       In addition to my participation in discovery, I actively participated in prosecution of this  
2 Action. I have requested and received regular updates as to the progress of the litigation and issues of  
3 strategy and approach, and I was consulted regarding settlement discussions.

4           10.       I support the proposed Settlement for \$47,500,000 in cash. I believe this is a fair and  
5 reasonable result achieved by Plaintiffs' Counsel in light of the benefits it provides to the Settlement  
6 Class and the risks and uncertainties of continued litigation.

7           11.       I understand that reimbursement of a plaintiff's costs and expenses in connection with the  
8 representation of a class, including lost wages, is authorized under the Private Securities Litigation  
9 Reform Act of 1995, 15 U.S.C. § 78u-4(a)(4). For this reason, in connection with Plaintiffs' Counsel's  
10 request for litigation expenses, I am seeking reimbursement for the time I dedicated to the prosecution of  
11 the Action, which was time that ordinarily would have been dedicated to my business and investment  
12 activities. I have invested in securities for approximately 20 years. In addition to my investment activities,  
13 I work as a Human Resource Manager and have worked in human resources or office management for  
14 over ten years.

15           12.       In my capacity as the Lead Plaintiff, I spent considerable time in connection with this  
16 Action. In reviewing my records relating to this lawsuit, I estimate that I spent approximately 40 to 50  
17 hours performing the tasks above to achieve the greatest benefit for the Class. Given my participation in  
18 this litigation, I respectfully request reimbursement of \$5,000 for these efforts. Based on my knowledge  
19 and experience, I believe my professional time is worth approximately \$125 per hour. I also support the  
20 reimbursement requests of Mr. Fish and Ms. Stark.

21           13.       I support the requested award of attorneys' fees in the amount thirty percent (30%) of the  
22 Settlement Amount, or \$14,250,000. I believe this amount is fair and reasonable under the circumstances  
23 of this case and considering the effort required by the attorneys at Levi & Korsinsky to pursue the case to  
24 date, the risks and challenges in the litigation, as well as the recovery obtained for the Class. I understand  
25 that counsel will also devote additional time in the future to administering the Settlement.

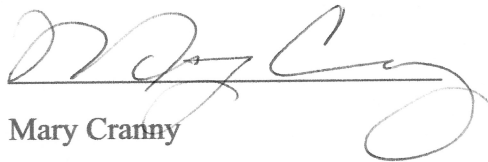
26           14.       I further believe that the litigation expenses to be requested, of no more than \$2,200,000,  
27 are reasonable and represent the costs and expenses that were necessary for the successful prosecution  
28

1 and resolution of this case. Based on the foregoing, I fully support counsel's motion for attorneys' fees  
2 and payment of litigation expenses.

3 15. In sum, I was closely involved throughout the prosecution and settlement of the claims in  
4 the Action and I respectfully request that the Court approve the Settlement as fair, reasonable, and  
5 adequate; grant a compensatory award of \$5,000 to me in light of my time and effort expended in  
6 pursuing this Action; and approve the attorneys' fee request of thirty percent (30%) of the Settlement  
7 Amount and full reimbursement of their litigation expenses.

8  
9 I declare under penalty of perjury that the foregoing is true and correct to the best of my  
10 knowledge.

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12 Executed this 9<sup>th</sup> day of October, 2024.

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15 Mary Cranny  
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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

IN RE QUANTUMSCAPE SECURITIES  
CLASS ACTION LITIGATION

Case No. 3:21-cv-00058-WHO

**[PROPOSED] FINAL JUDGMENT  
APPROVING CLASS ACTION  
SETTLEMENT AND PLAN OF  
ALLOCATION**



1 WHEREAS, a class action is pending in this Court entitled *In re QuantumScape Securities*  
2 *Class Action Litigation.*, Case No. 3:21-cv-00058-WHO (the “Action”);

3 WHEREAS, (a) Lead Plaintiff Frank Fish and Plaintiffs Kathy Stark and Mary Cranny  
4 (collectively, “Plaintiffs”), on behalf of themselves and the Class (defined below), and (b)  
5 Defendants QuantumScape Corporation (“QuantumScape”), Jagdeep Singh, Kevin Hettrich, and  
6 Timothy Holme (collectively, the “Defendants” and together with Plaintiffs, the “Parties”) have  
7 entered into a Stipulation and Agreement of Settlement, dated June 11, 2024 (the “Stipulation”),  
8 that provides for a complete dismissal with prejudice of the claims asserted against the Defendants  
9 in the Action on the terms and conditions set forth in the Stipulation, subject to the approval of this  
10 Court (the “Settlement”);

11  
12 WHEREAS, unless otherwise defined in this Order, the capitalized terms herein shall have  
13 the same meaning as they have in the Stipulation;

14  
15 WHEREAS, the Court has previously certified a Class consisting of certified a class of “[a]ll  
16 persons or entities that purchased or otherwise acquired QuantumScape securities between  
17 November 27, 2020 and April 14, 2021, inclusive, and were damaged thereby,” excluding  
18 QuantumScape and its subsidiaries and affiliates, the Individual Defendants, and any of the  
19 Defendants’ or QuantumScape’s respective officers and directors at all relevant times, and any of  
20 their immediate families, legal representatives, heirs, successors, or assigns, and any entity in which  
21 Defendants has or had a controlling interest;

22  
23 WHEREAS, by Order, dated July 18, 2024 (the “Preliminary Approval Order”), this Court:  
24 (a) preliminarily approved the Settlement; (b) ordered that notice of the proposed Settlement be  
25 provided to potential Class Members; (c) provided Class Members with the opportunity either to  
26 exclude themselves from the Class or to object to the proposed Settlement; and (d) scheduled a  
27 hearing regarding final approval of the Settlement;

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

2 WHEREAS, the Court conducted a hearing on November 13, 2024 (the “Fairness Hearing”)  
3 to consider, among other things, (a) whether the terms and conditions of the Settlement are fair,  
4 reasonable and adequate to the Class, and should therefore be approved; and (b) whether a judgment  
5 should be entered dismissing the Action with prejudice as against the Defendants; and  
6

7 WHEREAS, the Court, having reviewed and considered the Stipulation, all papers filed and  
8 proceedings held herein in connection with the Settlement, all written comments received regarding  
9 the Settlement, and the record in the Action, and good cause appearing therefor;

10 IT IS HEREBY ORDERED:

11 1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Action, and  
12 all matters relating to the Settlement, as well as personal jurisdiction for the Action over all of the  
13 Parties and each of the Class Members.  
14

15 2. **Incorporation of Settlement Documents** – This Order incorporates and makes a  
16 part hereof: (a) the Stipulation filed with the Court on June 11, 2024; and (b) the Notice, the  
17 Summary Notice, Claim Form, and the Postcard Notice, all of which were filed with the Court on  
18 June 11, 2024.

19 3. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil  
20 Procedure, and for the purposes of the Settlement only, the Court hereby affirms its determinations  
21 in its order dated December 19, 2022 certifying Plaintiffs as Class Representatives for the Class and  
22 appointing Plaintiffs’ Counsel as Class Counsel for the Class. Plaintiffs and Plaintiffs’ Counsel  
23 have fairly and adequately represented the Class both in terms of litigating the Action and for  
24 purposes of entering into and implementing the Settlement and have satisfied the requirements of  
25 Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.  
26

27 4. **Notice** – The Court finds that the dissemination of the Postcard Notice, the online  
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1 posting of the Notice, and the publication of the Summary Notice: (a) were implemented in  
2 accordance with the Preliminary Approval Order; (b) constituted the best notice practicable under  
3 the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances,  
4 to apprise Class Members of (i) the pendency of the Action; (ii) the effect of the proposed Settlement  
5 (including the releases to be provided thereunder); (iii) Plaintiffs' Counsel's Fee and Expense  
6 Application, and for Plaintiffs' award; (iv) their right to object to any aspect of the Settlement, the  
7 Plan of Allocation and/or Plaintiffs' Counsel's motion for Attorneys' Fees and Expenses and for  
8 Plaintiffs' award; (v) their right to exclude themselves from the Class; and (vi) their right to appear  
9 at the Fairness Hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities  
10 entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23  
11 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process  
12 Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and  
13 all other applicable law and rules.  
14  
15

16 5. **CAFA** – The Court finds that the notice requirements set forth in the Class Action  
17 Fairness Act of 2005, 28 U.S.C. § 1715, to the extent applicable to the Action, have been satisfied.

18 6. **Objections** – The Court has considered each of the objections to the Settlement  
19 submitted under Rule 23(e)(5) of the Federal Rules of Civil Procedure. The Court finds and  
20 concludes that each of the objections is without merit, and they are hereby overruled.

21 7. **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in  
22 accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and finally  
23 approves the Settlement set forth in the Stipulation in all respects (including, without limitation: the  
24 amount of the Settlement; the releases provided for therein; and the dismissal with prejudice of the  
25 claims asserted against the Defendants in the Action), and finds that the Settlement is, in all respects,  
26 fair, reasonable, and adequate to the Class. Specifically, the Court finds that (a) Plaintiffs and  
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1 Plaintiffs' Counsel have adequately represented the Class; (b) the Settlement was negotiated by the  
2 Parties at arm's length; (c) the relief provided for the Class under the Settlement is fair, reasonable,  
3 and adequate taking into account the costs, risks, and delay of trial and appeal, the proposed means  
4 of distributing the Settlement Fund to the Class, and the proposed attorneys' fee award; and (d) the  
5 Settlement treats members of the Class equitably relative to each other. The Parties are directed to  
6 implement, perform, and consummate the Settlement in accordance with the terms and provisions  
7 contained in the Stipulation.  
8

9       8.       The Action and all of the claims asserted therein, as well as all of the Released  
10 Claims, are hereby dismissed with prejudice as to all Defendants and any other Released Defendant  
11 Persons. The Parties shall bear their own costs and expenses, except as otherwise expressly provided  
12 in the Stipulation.  
13

14       9.       **Plan of Allocation** – Pursuant to Federal Rule of Civil Procedure 23, this Court  
15 hereby finds and concludes that due and adequate notice was directed to Persons who are Class  
16 Members advising them of the Plan of Allocation and of their right to object thereto, and a full and  
17 fair opportunity was accorded to such Persons and entities who are Class Members to be heard with  
18 respect to the Plan of Allocation.

19       10.       The Court hereby finds and concludes that the formula for the calculation of the  
20 claims of Authorized Claimants, which is set forth in the Notice of Pendency and Proposed  
21 Settlement of Class Actions (the "Notice") provided to Class Members, provides a fair and  
22 reasonable basis upon which to allocate the proceeds of the Net Settlement Fund provided by the  
23 Settlement among eligible Class Members, with due consideration having been given to  
24 administrative convenience and necessity.  
25

26       11.       The Court hereby finds and concludes that the Plan of Allocation, as set forth in the  
27 Notice, is, in all respects, fair and reasonable, and the Court approves the Plan of Allocation.  
28

1           12.     **Binding Effect** – The terms of the Stipulation and of this Order shall be forever  
2 binding on Defendants, Plaintiffs and all other Class Members (regardless of whether or not any  
3 individual Class Member submits a Claim Form or seeks or obtains a distribution from the Net  
4 Settlement Fund), as well as their respective successors and assigns. [The persons and entities listed  
5 on Exhibit 1 hereto are excluded from the Class pursuant to request and are not bound by the terms  
6 of the Stipulation or this Judgment.]  
7

8           13.     **Releases** – The releases set forth in paragraphs 3.2 and 3.3 of the Stipulation, together  
9 with the definitions contained in paragraphs 1.1 to 1.60 of the Stipulation relating thereto, are  
10 expressly incorporated herein in all respects. The releases are effective as of the Effective Date.  
11 Accordingly, this Court orders that:

12                   (a)     Without further action by anyone, and subject to paragraph 12 below, upon  
13 the Effective Date of the Settlement, Plaintiffs and each of the other Class Members and Released  
14 Plaintiff Persons, on behalf of themselves, and their respective heirs, executors, administrators,  
15 predecessors, successors, and assigns in their capacities as such, shall be deemed to have, and by  
16 operation of law and of this Order shall have, fully, finally and forever compromised, settled,  
17 released, resolved, relinquished, waived, and discharged each and every Released Claim against the  
18 Defendants and the other Released Defendant Persons, and shall forever be barred, enjoined, and  
19 estopped from asserting, commencing, prosecuting, instituting, assisting, instigating, or in any way  
20 participating in the commencement or prosecution of any or all of the Released Claims, in any  
21 capacity, against any of the Released Defendant Persons. [This release shall not apply to any person  
22 or entity that timely and validly sought exclusion from the Class, as listed on Exhibit 1 hereto.]  
23

24                   (b)     Without further action by anyone, and subject to paragraph 12 below, upon  
25 the Effective Date of the Settlement, Defendants and their Related Persons, on behalf of themselves,  
26 and their respective heirs, executors, administrators, predecessors, successors, and assigns in their  
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1 capacities as such, shall be deemed to have, and by operation of law and of this Order shall have,  
2 fully, finally and forever compromised, settled, released, resolved, relinquished, waived, and  
3 discharged each and every Released Defendants' Claim against Plaintiffs and the other Released  
4 Plaintiff Persons, and shall forever be barred, enjoined, and estopped from prosecuting any or all of  
5 the Released Defendants' Claims against any of the Released Plaintiff Persons. [This release shall  
6 not apply to any person or entity that timely and validly sought exclusion from the Class, as listed  
7 on Exhibit 1 hereto.]

9 14. Notwithstanding paragraphs 11(a) – (b) above, nothing in this Order shall bar any  
10 action by any of the Parties to enforce or effectuate the terms of the Stipulation or this Order, or any  
11 other written agreement between or among the parties.

12 15. **Bar Order** – Upon the Effective Date, Plaintiffs, all Class Members and anyone  
13 claiming through or on behalf of any of them are forever barred and enjoined from commencing,  
14 instituting, maintaining, enforcing, asserting, or continuing to prosecute any action or proceeding in  
15 any court of law or equity arbitration tribunal, administration forum or other forum of any kind any  
16 of the Released Claims (including without limitation, Unknown Claims) against any of the Released  
17 Defendant Persons.

19 16. **Rule 11 Findings** – The Court finds and concludes that the Parties and their  
20 respective counsel have complied in all respects with the requirements of Rule 11 of the Federal  
21 Rules of Civil Procedure in connection with the institution, prosecution, defense, and settlement of  
22 the Action.

24 17. **No Admissions** – Neither this Judgment, the Stipulation (whether or not  
25 consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any  
26 other plan of allocation that may be approved by the Court), the negotiations leading to the execution  
27 of the Stipulation, nor any proceedings taken pursuant to or in connection with the Stipulation and/or  
28

1 approval of the Settlement (including any arguments proffered in connection therewith):

2  
3 (a) shall be offered against any of the Released Defendant Persons as evidence  
4 of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any  
5 of the Released Defendant Persons with respect to the truth of any fact alleged by Plaintiffs or the  
6 validity of any claim that was or could have been asserted or the deficiency of any defense that has  
7 been or could have been asserted in this Action or in any other litigation, or of any liability,  
8 negligence, fault, or other wrongdoing of any kind of any of the Released Defendant Persons or in  
9 any way referred to for any other reason as against any of the Released Defendant Persons, in any  
10 civil, criminal or administrative action or proceeding, other than such proceedings as may be  
11 necessary to effectuate the provisions of the Stipulation;  
12

13 (b) shall be offered against any of the Released Plaintiff Persons, as evidence of,  
14 or construed as, or deemed to be evidence of any presumption, concession or admission by any of  
15 the Released Plaintiff Persons that any of their claims are without merit, that any of the Released  
16 Defendant Persons had meritorious defenses, or that damages recoverable under the Complaint  
17 would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault  
18 or wrongdoing of any kind, or in any way referred to for any other reason as against any of the  
19 Released Plaintiff Persons, in any civil, criminal or administrative action or proceeding, other than  
20 such proceedings as may be necessary to effectuate the provisions of the Stipulation; or  
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23 (c) shall be construed against any of the Released Persons as an admission,  
24 concession, or presumption that the consideration to be given under the Settlement represents the  
25 amount which could be or would have been recovered after trial; provided, however, that the Parties  
26 and the Released Persons and their respective counsel may refer to this Order and the Stipulation to  
27 effectuate the protections from liability granted hereunder and thereunder or otherwise to enforce  
28



1 the terms of the Settlement.

2 18. The Released Persons may file the Stipulation and/or this Order in any other action  
3 that may be brought against them in order to support a defense or counterclaim based on principles  
4 of *res judicata*, collateral estoppel, full faith and credit, release, good faith settlement, judgment bar  
5 or reduction or any other theory of claim preclusion or issue preclusion or similar defense or  
6 counterclaim. The Parties may file the Stipulation and/or this Order in any proceedings that may be  
7 necessary to consummate or enforce the Stipulation, the Settlement, or this Order.  
8

9 19. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any  
10 way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of  
11 the administration, interpretation, implementation, and enforcement of the Settlement; (b) the  
12 disposition of the Settlement Fund; (c) any motion for an award of attorneys’ fees and/or expenses  
13 by Plaintiffs’ Counsel in the Action that will be paid from the Settlement Fund, and Plaintiffs’  
14 award; (d) any motion to approve the Plan of Allocation; (e) any motion to approve the Settlement  
15 Class Distribution Order; and (f) the Class Members for all matters relating to the Action.  
16

17 20. Separate orders shall be entered regarding approval of a Plan of Allocation and the  
18 motion of Plaintiffs’ Counsel for an award of Attorneys’ Fees and Expenses and Plaintiffs’ award.  
19 Such orders shall in no way affect or delay the finality of this Order and shall not affect or delay the  
20 Effective Date of the Settlement.  
21

22 21. **Modification of the Agreement of Settlement** – Without further approval from the  
23 Court, the Plaintiffs and the Defendants are hereby authorized to agree to and adopt such  
24 amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the  
25 Settlement that: (a) are not materially inconsistent with this Order; and (b) do not materially limit  
26 the rights of Class Members in connection with the Settlement. Without further order of the Court,  
27 Plaintiffs and Defendants may agree to reasonable extensions of time to carry out any provisions of  
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**Exhibit 1**

**[List of Persons and Entities Excluded from the Class Pursuant to Request]**

1. Julie Lagan
2. Nicholas Lau
3. Joshua Mayer
4. Hung Nguyen
5. Patrick Orendorz
6. Steven Pickett
7. Rotem Yossef