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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 **PLAINTIFFS' NOTICE OF UNOPPOSED
11 MOTION AND MOTION FOR
12 PRELIMINARY APPROVAL OF
13 PROPOSED CLASS ACTION
SETTLEMENT AND MEMORANDUM OF
POINTS AND AUTHORITIES IN SUPPORT
THEREOF**

14 JUDGE: Hon. William H. Orrick III
15 DATE: July 17, 2024
TIME: 2:00 p.m.

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

PLEASE TAKE NOTICE that on July 17, 2024, at 2:00 p.m. PDT, 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 move for an Order pursuant to Rule 23 of the Federal Rules of Civil Procedure: (1) granting preliminary approval of the Proposed Settlement on the terms set forth in the Stipulation and Agreement of Settlement dated June 11, 2024 (“Stipulation”);¹ (2) approving the form and manner of giving notice of the proposed Settlement to the Class; (3) authorizing the retention of A.B. Data, Ltd. (“A.B. Data”) as the administrator of the Settlement and Esquire Bank (“Esquire”) as escrow agent; (4) scheduling a hearing before the Court to determine whether the proposed Settlement, the Agreement, the proposed Plan of Allocation, and Class Counsel’s motion for an award of attorneys’ fees and litigation expenses, including awards to the Class Representatives, should be approved; (5) providing a schedule for various deadlines in connection with the Settlement; and (6) providing such other and further relief as this Court deems just and proper.

This motion is unopposed and is based on the Memorandum of Points and Authorities below, the Declaration of Nicholas I. Porritt and exhibits attached thereto, the Declaration of Adam Walter (of proposed claims administrator A.B. Data) (“Walter Decl.”), dated June 11, 2024, the Stipulation and attached exhibits, all prior pleadings in this Litigation, and such additional evidence or argument as may be requested by the Court.

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

¹ The Stipulation together with the exhibits thereto (consisting of the Stipulation; the [proposed] Preliminary Approval Order (Ex. A); the proposed form of individual notice (the “Notice”) (Ex. A-1); the proposed Proof of Claim form (“Claim Form”) (Ex. A-2); the proposed form of summary notice (“Summary Notice”) (Ex. A-3), the proposed postcard notice (“Postcard Notice”) (Ex. A-4); and the [proposed] final judgment (“Final Judgment”) (Ex. B)) are attached to the accompanying Porritt Decl.

TABLE OF CONTENTS

		<u>Page</u>
1		
2		
3	I. PRELIMINARY STATEMENT.....	1
4	II. OVERVIEW OF THE LITIGATION.....	2
5	A. Factual Background	2
6	B. Procedural History	3
7	III. THE PROPOSED SETTLEMENT	6
8	IV. THE PROPOSED SETTLEMENT MERITS PRELIMINARY APPROVAL	7
9	A. Plaintiffs and Lead Counsel Have Adequately Represented the Class.....	8
10	B. The Settlement Enjoys an Initial Presumption of Reasonableness as the Product of	
11	Arm’s-Length Negotiations Under the Auspices of an Experienced Mediator	9
12	C. The Settlement Provides Adequate Relief for the Class	10
13	1. The Costs, Risks, and Delay of Trial and Appeal Support	
14	Approval of the Settlement.....	11
15	2. The Proposed Method for Distributing Relief is Effective	15
16	3. The Proposed Attorneys’ Fees, Litigation Expenses, and	
17	Plaintiffs’ Award.....	15
18	4. Identification of Agreements	17
19	D. Proposed Plan of Allocation Treats Class Members Equitably and Does Not Confer	
20	Preferential Treatment.....	18
21	E. The Remaining Ninth Circuit Factors Support Preliminary Approval of the Settlement	
22	19
23	1. Risks of Maintaining Class Action Status Through Trial.....	19
24	2. The Extent of Discovery Completed and the Stage of the	
25	Proceedings at Which the Settlement Was Achieved Strongly	
26	Support Preliminary Approval.	20
27	3. Experience and Views of Counsel	20
28	V. The Proposed Settlement and Related Submissions Do Not Violate Any of the	
	Northern District Class Action Guidelines	21
	A. The Scope of the Releases Is Reasonable	21

1 VI. THE COURT SHOULD APPROVE THE FORM, CONTENT, AND
2 METHOD FOR DISSEMINATING NOTICE TO THE SETTLEMENT
CLASS 22
3 VII. PROPOSED SCHEDULE OF SETTLEMENT-RELATED EVENTS 24
4 VIII. CONCLUSION 25

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF AUTHORITIES

	<u>Page(s)</u>
Cases	
<i>Alaska Elec. Pension Fund v. Flowserve Corp.</i> , 572 F.3d 221 (5th Cir. 2009).....	12
<i>Bellinghausen v. Tractor Supply Co.</i> , 306 F.R.D. 245 (N.D. Cal. 2015).....	16, 22
<i>Davis v. Yelp, Inc.</i> , No. 18-CV-00400-EMC, 2022 WL 21748777 (N.D. Cal. Aug. 1, 2022).....	9
<i>Fleming v. Impax Laby’s Inc.</i> , 2021 WL 5447008 (N.D. Cal. Nov. 22, 2021).....	12
<i>Hampton v. Aqua Metals, Inc.</i> , No. 17-CV-07142-HSG, 2021 WL 4553578 (N.D. Cal. Oct. 5, 2021).....	17
<i>Hanlon v. Chrysler Corp.</i> , 150 F.3d 1011 (9th Cir. 1998).....	8, 9, 10, 11
<i>Harris v. Marhoefer</i> , 24 F.3d 16 (9th Cir. 1994).....	17
<i>Hefler v. Wells Fargo & Co.</i> , 2018 WL 6619983 (N.D. Cal. Dec. 18, 2018).....	11, 17, 20
<i>Hesse v. Sprint Corp.</i> , 598 F.3d 581 (9th Cir. 2010).....	22
<i>Hessefort v. Super Micro Computer, Inc.</i> , No. 18-CV-00838-JST, 2023 WL 7185778 (N.D. Cal. May 5, 2023).....	13
<i>Hunt et al., v. Bloom Energy Corp., et al.</i> , No. 19-cv-02935-HSG, 2024 WL 1995840 (N.D. Cal. May 6, 2024).....	16
<i>In re Apollo Grp. Inc. Sec. Litig.</i> , No. CV 04-2147-PHX-JAT, 2012 WL 1378677 (D. Ariz. Apr. 20, 2012).....	16
<i>In re Charles Schwab Corp. Sec. Litig.</i> , 2011 WL 1481424 (N.D. Cal. Apr. 19, 2011).....	12
<i>In re Extreme Networks, Inc. Sec. Litig.</i> , No. 15-cv-04883-BLF, 2019 WL 3290770 (N.D. Cal. July 22, 2019).....	8, 24
<i>In re Heritage Bond Litig.</i> , No. 02-ML-1475 DT, 2005 WL 1594403 (C.D. Cal. June 10, 2005).....	16
<i>In re Lidoderm Antitrust Litig.</i> , No. 14-MD-02521-WHO, 2018 WL 4620695 (N.D. Cal. Sept. 20, 2018).....	16

1 *In re Lyft, Inc. Sec. Litig.*,
 No. 19-CV-02690-HSG, 2022 WL 17740302 (N.D. Cal. Dec. 16, 2022)..... 10, 17

2

3 *In re Mego Fin. Corp. Sec. Litig.*,
 213 F.3d 454 (9th Cir. 2000)..... 16

4 *In re N.C.A.A. Athletic Grant-in-Aid Cap Antitrust Litig.*,
 2017 WL 6040065 (N.D. Cal. Dec. 6, 2017) *aff'd*, 768 Fed. App'x 651 (9th Cir. 2019) 17

5

6 *In re Omnivision Techs.*,
 559 F. Supp. 2d 1036 (N.D. Cal. 2007) 16, 20

7 *In re Oracle Corp. Sec. Litig.*,
 627 F.3d 376 (9th Cir. 2010) 12

8

9 *In re Portal Software, Inc. Sec. Litig.*,
 2007 WL 1991529 (N.D. Cal. June 30, 2007)..... 9, 23

10 *In re Tesla Inc. Sec. Litig.*,
 2022 WL 1497559 (N.D. Cal. Apr. 1, 2022)..... 12

11

12 *In re Vaxart, Inc. Sec. Litig.*,
 Case No. 3:20-cv-05949-VC, ECF No. 273 (N.D. Cal. Jan. 25, 2023)..... 18

13 *In re Wells Fargo & Co. S'holder Derivative Litig.*,
 445 F. Supp. 3d 508 (N.D. Cal. 2020), *aff'd*, 845 F. App'x 563 (9th Cir. 2021)..... 7

14

15 *In re Yahoo! Inc. Sec. Litig.*,
 Case No. 5:17-cv-00373 (N.D. Cal. May 9, 2018)..... 22

16 *In re Zynga Inc. Sec. Litig.*,
 2015 WL 6471171 (N.D. Cal. Oct. 27, 2015) 13, 18

17 *In re: Sandisk LLC Sec. Litig.*, Case No. 3:15-cv-01455-VC (N.D. Cal. May 24, 2019)..... 22

18

19 *Lane v. Facebook, Inc.*,
 696 F.3d 811 (9th Cir. 2012) 8, 22

20 *Lembeck v. Arvest Cent. Mortg. Co.*,
 No. 3:20-CV-03277-VC, 2021 WL 5494940 (N.D. Cal. Aug. 26, 2021)..... 7

21 *Linney v. Cellular Alaska P'ship*,
 1997 WL 450064 (N.D. Cal. July 18, 1997), *aff'd*, 151 F.3d 1234 (9th Cir. 1998)..... 9

22 *Mendoza v. Hyundai Motor Co.*,
 2017 WL 342059 (N.D. Cal. Jan. 23, 2017)..... 19

23

24 *Norton v. LVNV Funding, LLC*,
 No. 18-cv-05051-DMR, 2021 WL 3129568 (N.D. Cal. July 23, 2021)..... 1, 4, 10, 11

25 *Paul, Johnson, Alston & Hunt v. Graulty*,
 886 F.2d 268 (9th Cir. 1989) 15

26

27

28

1 *Rodriguez v. W. Publ’g Corp.*,
 2 563 F.3d 948 (9th Cir. 2009) 7, 9, 20

3 *Sheet Metal Workers Loc. 19 Pension Fund v. ProAssurance Corp.*,
 4 No. 2:20-CV-00856-RDP, 2023 WL 7180604 (N.D. Ala. Aug. 25, 2023) 10

5 *Syed v. M-I, L.L.C.*,
 6 No. 1:12-CV-01718, 2017 WL 3190341(E.D. Cal. July 27, 2017)..... 16

7 *Szyborski v. Ormat Techs., Inc.*,
 8 No. 3:10-CV-132-RCJ, 2012 WL 4960098 (D. Nev. Oct. 16, 2012)..... 16

9 *Torres v. Pick-A-Part Auto Wrecking*,
 10 No. 1:16-CV-01915, 2018 WL 3570238 (E.D. Cal. July 23, 2018)..... 16

11 *TracFone Unlimited Serv. Plan Litig.*,
 12 112 F. Supp. 3d 993 (N.D. Cal. 2015) 14

13 *Vataj v. Johnson*,
 14 2021 WL 1550478 (N.D. Cal. Apr. 20, 2021)..... 11

15 *Vizcaino v. Microsoft Corp.*,
 16 290 F.3d 1043 (9th Cir. 2002) 17

17 *Weeks v. Kellogg Co.*,
 18 2013 WL 6531177 (C.D. Cal. Nov. 23, 2013) 13

19 *Wong v. Arlo Techs., Inc.*,
 20 No. 5:19-cv-00372-BLF, 2021 WL 1531171 (N.D. Cal. Apr. 19, 2021) 7, 11

21 **Statutes**

22 15 U.S.C. § 78.....3

23 15 U.S.C. §782, 6

24 28 U.S.C. § 1715.....23

25 **Other Authorities**

26 Laarni T. Bulan, Laura E. Simmons,
 27 *Securities Class Action Settlements – 2023 Review and Analysis*
 28 (Cornerstone Research 2023) 11

Rules

F.R.C.P. 23(b).....22

F.R.C.P. 23(c)..... 19, 22, 23

F.R.C.P. 23(e)..... passim

F.R.C.P. 23(f)5

PLAINTIFFS’ NOTICE OF UNOPPOSED MOTION AND MOTION FOR PRELIMINARY APPROVAL
 OF PROPOSED CLASS ACTION SETTLEMENT AND MEMORANDUM OF POINTS AND
 AUTHORITIES IN SUPPORT THEREOF – v
 Case No. 3:21-cv-00058-WHO

1 F.R.C.P. 23(h).....23

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STATEMENT OF ISSUES TO BE DECIDED

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2 1. Whether the proposed \$47,500,000.00 cash recovery and the other terms of the
3 proposed Settlement of this action are within the range of fairness, reasonableness, and adequacy to
4 warrant the Court’s preliminary approval and the dissemination of notice of its terms to Class.

5 2. Whether the proposed form and content of the Notice, Summary Notice, Postcard
6 Notice, and Claim Form, and the proposed plan for disseminating notice to Settlement Class Members
7 (the “Notice Plan”), as detailed in the accompanying Walter Declaration and the proposed Preliminary
8 Approval Order, should be approved.

9 3. Whether the Court should set a date for a hearing to determine whether the Settlement,
10 the Agreement, and the Plan of Allocation should be finally approved and to consider Plaintiffs’
11 Counsel’s application for an award of attorneys’ fees and payment of expenses, including awards to
12 the Class Representatives pursuant to 15 U.S.C. §78u-4(a)(4) (“Fairness Hearing”).

I. PRELIMINARY STATEMENT

The Parties have reached a proposed Settlement of this securities class action on behalf of all persons and entities who purchased or transacted in securities of QuantumScape Corporation (“QuantumScape”) between November 27, 2020 and April 14, 2021 (the “Class Period”) and were damaged thereby, where the claims against Defendants will be dismissed and released in exchange for \$47,500,000.00 in cash.¹ Plaintiffs now move the Court, pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, applicable Ninth Circuit precedent, and the guidelines set forth in the Northern District of California’s Procedural Guidance for Class Action Settlements (the “Guidelines”),² to preliminarily approve the proposed Settlement.

The proposed Settlement represents a substantial recovery for the Class and came after three years of hard-fought litigation and at a time when the Parties were fully aware of the strengths and potential weaknesses of their respective positions. Prior to reaching the Settlement, Plaintiffs had (i) filed a detailed amended complaint; (ii) successfully opposed Defendants’ motion to dismiss; (iii) reviewed over a million of pages of documents produced by Defendants and various third-parties; (iv) taken and defended 20 depositions; (v) successfully obtained class certification; (vi) obtained and exchanged with Defendants’ Counsel expert reports on issues involving market efficiency, loss causation, damages, and battery technology; and (vii) participated in two mediation sessions with David Murphy, Esq., an experienced and highly-regarded mediator, which resulted in a “mediator’s proposal,” accepted by the Parties. Considering the risks and delays entailed with further litigation, the Settlement provides a certain, immediate, and significant recovery to the Class.

Accordingly, Plaintiffs submit that the Court will be likely to finally approve the Settlement as fair, reasonable, and adequate under Rule 23(e)(2) at the Fairness Hearing and, accordingly, the Court should preliminarily approve the Settlement. Plaintiffs, therefore, request that the Court enter the

¹ All capitalized terms have the same meaning as those set forth in the Stipulation of Settlement (the “Stipulation”). *See* Porritt Decl. Ex. 1.

² The Guidelines may be accessed at <https://www.cand.uscourts.gov/forms/procedural-guidance-for-class-action-settlements/> (last visited June 10, 2024). While a court may “consider them,” the Guidelines “do not carry the weight of law.” *Norton v. LVNV Funding, LLC*, No. 18-cv-05051-DMR, 2021 WL 3129568, at *12 (N.D. Cal. July 23, 2021).

1 [proposed] Preliminary Approval Order attached hereto, which will among other things: (i) approve
2 the form and content of the Notice, Claim Form, Summary Notice, and Postcard Notice (see Porritt
3 Decl. at Exhibits A-1, A-2, A-3, and A-4; (ii) approve the means and methods for disseminating notice
4 of the Settlement, finding that such notice comports with due process and the Private Securities
5 Litigation Reform Act of 1995, 15 U.S.C. §78u-4, et seq.; (iii) approval of A.B. Data as Claims
6 Administrator and Esquire Bank as the Escrow Agent; and (iv) set a schedule for various settlement
7 related deadlines, including a time and date for the Fairness Hearing.

8 **II. OVERVIEW OF THE LITIGATION**

9 **A. Factual Background**

10 QuantumScape is a pre-revenue company that is working to develop the next generation of
11 solid-state batteries for electric vehicles. On November 25, 2020, QuantumScape closed a merger with
12 a special purpose acquisition company called Kensington Capital Acquisition Corp. The merger
13 resulted in net proceeds of approximately \$680 million to QuantumScape, including \$500 million of
14 fully committed funds through a private investment in public equity (or PIPE) offering. After the
15 closing of the merger, QuantumScape stock became publicly tradeable on the New York Stock
16 Exchange.

17 On the same day that it closed its merger, QuantumScape, through its Chief Executive Officer,
18 Jagdeep Singh, began making public statements about its technology. On November 27, 2020, Mr.
19 Singh stated publicly that “the fundamental science risk is behind us”. On December 8, 2020,
20 QuantumScape made an elaborate public presentation where it made several detailed claims about the
21 capabilities of its battery cells, including certain testing results. Plaintiffs alleged, among other things,
22 that these statements were misleading by representing that: (i) QuantumScape’s technology was more
23 developed and had better capabilities than it did in reality, (ii) that certain testing results were
24 incomplete or presented in a misleading manner, (iii) that the “science risk” of QuantumScape’s
25 technology was behind them, (iv) that QuantumScape’s battery was ready for commercial deployment
26 and all that was needed was to scale up production and make multilayer versions of the cells, and (v)
27 that its battery exceeded what was capable in today’s lithium-ion batteries.

1 Plaintiffs further alleged that these misrepresentations and omissions by Defendants had the
 2 effect of artificially inflating QuantumScape’s stock price so that all persons and entities who
 3 purchased QuantumScape securities during the Class Period suffered economic losses when the price
 4 of QuantumScape’s stock declined when the truth about its battery cells were disclosed to the market:
 5 first in an article published by Dr. Brian Morin on *Seeking Alpha*, on January 4, 2021, and second in
 6 a lengthy report by Scorpion Capital published on April 15, 2021. These publications revealed
 7 QuantumScape presented compromised testing data, exaggerated the capabilities of its battery cells,
 8 and overstated its comparisons to lithium-ion batteries with respect to cost, performance, and safety.

9 Plaintiffs alleged that during the Class Period, Defendants made materially false or misleading
 10 statements and omissions in violation of § 10(b) of the Securities Exchange Act of 1934 (“Exchange
 11 Act”), 15 U.S.C. § 78j(b), and were liable to Class Members pursuant to that section, SEC Rule 10b-
 12 5 promulgated thereunder, 17 C.F.R. § 240.10b-5, and § 20(a) of the Exchange Act, 15 U.S.C. § 78t(a).

13 Defendants have denied and continue to deny all the claims and contentions alleged by
 14 Plaintiffs in this Action. Defendants further assert that they are entering into this Settlement solely to
 15 eliminate the burden, expense, and uncertainty of further protracted litigation.

16 **B. Procedural History**

17 On January 5, 2021, the initial complaint in this Action was filed, captioned *Malriat v.*
 18 *QuantumScape Corporation f/k/a Kensington Capital Acquisition Corp., et al.*, Case No. 21-cv-00058-
 19 WHO (N.D. Cal), alleging federal securities law violations against QuantumScape and Jagdeep Singh,
 20 its then CEO. ECF No. 1. On April 20, 2021, the Court consolidated this and other related later-filed
 21 cases,³ appointed Frank Fish as Lead Plaintiff, and appointed Levi & Korsinsky, LLP as lead counsel.
 22 ECF No. 115. The related later-filed cases named Fritz Prinz, Timothy Holme, Kevin Hettrich, and
 23 Volkswagen Group of America Investments, LLC as additional defendants. Porritt Decl. at ¶9. On
 24 June 21, 2021, Lead Plaintiff filed the Consolidated Class Action Complaint, and on July 13, 2021,
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 27 ³ *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 Parties stipulated to voluntarily dismiss Fritz Prinz and Volkswagen Group of America
2 Investments, LLC as defendants, leaving QuantumScape, Jagdeep Singh, Timothy Holme, and Kevin
3 Hettrich as the remaining defendants. ECF Nos. 131, 134. Defendants thereafter moved to dismiss the
4 Complaint. ECF No. 137. Plaintiffs opposed Defendants' Motion (ECF No. 139) and on January 14,
5 2022, after a full briefing and oral argument, the Court granted in part and denied in part Defendants'
6 motion. ECF No. 153.

7 Defendants answered the Complaint on February 25, 2022. ECF No. 156. On July 14, 2022,
8 Lead Plaintiff and additional plaintiffs Mary Cranny and Kathy Stark, filed the Second Amended
9 Consolidated Complaint (ECF No. 164), Defendants filed their Answer to the Second Amended
10 Complaint on August 4, 2022 (ECF No. 170), and the parties began formal fact discovery. Discovery
11 was extensive and required resolution of difficult technical issues, especially over the production of
12 QuantumScape's raw testing data in a specialized format to enable review by Plaintiffs and their
13 experts. Ultimately, the Parties' fact discovery included the exchange of over 140,000 documents,
14 totaling nearly 1,000,000 pages and large data files, from multiple custodians, and the exchange of
15 hundreds of pages of sworn interrogatory responses. Porritt Decl. at ¶21. Plaintiffs also issued
16 subpoenas to more than 20 third parties, which produced over 37,000 additional documents. *Id.* Lead
17 Plaintiff and additional plaintiffs Mary Cranny and Kathy Stark sat for depositions, provided responses
18 to document requests and interrogatories, and produced hundreds of documents. *Id.* at ¶22. The Parties
19 also took the depositions of 14 additional fact witnesses, including the named Defendants, as well as
20 the depositions of two experts on the question of market efficiency in connection with Plaintiffs' class
21 certification motion. *Id.* at ¶¶22-23.

22 On December 19, 2022, after briefing from the Parties, the Court certified a class of "[a]ll
23 persons or entities that purchased or otherwise acquired QuantumScape securities between November
24 27, 2020 and April 14, 2021, inclusive, and were damaged thereby."⁴ *See* ECF No. 183. The Court
25

26 ⁴ Guideline §1(b) states that, "if a litigation class has been certified," "[t]he motion for preliminary
27 approval should state . . . any differences between the settlement class and the class certified and an
28 explanation as to why the differences are appropriate in the instant case." Here, the certified class is

1 appointed Mr. Fish, Ms. Cranny, and Ms. Stark as Class Representatives and Levi & Korsinsky LLP
2 as Class Counsel. *Id.* On January 3, 2023, Defendants filed a petition under Rule 23(f) for the U.S.
3 Court of Appeals for the Ninth Circuit to review the Court’s Class Certification Order. *Id.* at ¶24.
4 Plaintiffs opposed the petition and on March 30, 2023, Circuit Judges Sidney R. Thomas and Lucy H.
5 Koh issued an order denying the petition. *Id.*

6 In addition to market efficiency, Plaintiffs also conducted extensive expert discovery on issues
7 including loss causation, damages, and battery technology. Given the complex subject matter of the
8 alleged misrepresentations underlying the Action, Plaintiffs consulted extensively with Dr. Seth
9 Miller, a highly respected battery expert, and Professor Brett Lucht of the University of Rhode Island.
10 *Id.* at ¶¶25-26. Professor Lucht reviewed documents provided in discovery and attended three
11 depositions. *Id.* Dr. Miller reviewed documents produced in discovery, evaluated Defendants’ testing
12 data, attended eight depositions, and submitted a lengthy report, which was exchanged with
13 Defendants. *Id.* Plaintiffs’ expert, Dr. Matthew Cain, in addition to his report on market efficiency,
14 also submitted a report regarding loss causation and damages. *Id.* at ¶27.

15 During the litigation, the Parties engaged David Murphy, Esq. of Phillips ADR as a neutral
16 third-party mediator. *Id.* at ¶¶ 29-30. Mr. Murphy held full-day in-person mediation sessions in Wilson
17 Sonsini’s New York City offices on October 24, 2023 and March 26, 2024, and convened various
18 teleconferences and meetings regarding a potential resolution of the action throughout that period. *Id.*
19 The Parties exchanged mediation briefs detailing their respective theories of alleged liability, defenses,
20 and damages. *Id.* While the Parties did not reach an agreement at the second mediation, they continued
21 post-mediation discussions with Mr. Murphy. *Id.* at ¶30. On April 5, 2024, Mr. Murphy made a
22 mediator’s recommendation to settle the claims for \$47,500,000, which the Parties accepted in
23 principle on April 8, 2024, *Id.*

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27 identical to that contained in the Settlement, a factor that “weighs in favor of preliminary approval.”
28 *Norton*, 2021 WL 3129568, at *12.

III. THE PROPOSED SETTLEMENT

The Settlement requires QuantumScape to pay, or cause to be paid, \$47,500,000 (the “Settlement Amount”), which amount, plus all interest earned thereon, compromises the Settlement Fund. Stipulation, ¶2.1. Defendants shall pay or cause to be paid the Settlement Amount into the Escrow Account within 30 (thirty) calendar days of the later of (a) entry of a preliminary approval order or (b) receipt of complete payment instructions from Plaintiffs’ Counsel. *Id.* at ¶¶ 1.35, 2.1.

Notice and Administration Expenses will be funded by the Settlement Fund. *Id.* at ¶2.2. Plaintiffs propose A.B. Data, a nationally recognized class action settlement administrator, be retained subject to the Court’s approval. The proposed notice plan, plan of allocation, and plan for claims processing is discussed below in §IV.C.2 and in the Porritt Declaration submitted herewith.

Once Notice and Administration Expenses, Taxes, Tax Expenses, and Court-approved Attorneys’ Fees and Expenses and any award to Class Representatives pursuant to 15 U.S.C. §78u-4(a)(4) in connection with their representation of the Class have been paid from the Settlement Fund, the remaining amount (the “Net Settlement Fund”), shall be distributed pursuant to the Court approved Plan of Allocation to Authorized Claimants. Stipulation, ¶5.2. These distributions shall be repeated until the balance remaining in the Settlement Fund is *de minimis*. *Id.*, ¶4.15. Any *de minimis* balance that remains in the Net Settlement Fund after such reallocation(s) and payment(s) and that is not feasible or economical to reallocate shall be donated to a non-sectarian, non-profit Section 501(c)(3) organization as may be deemed appropriate by the Court. *Id.* The Plan of Allocation treats all Class Members equitably based on the timing of the purchases, acquisitions, and sales of their QuantumScape securities.

In exchange for the benefits provided under the Stipulation, all Class Members – except those who submit valid and timely requests for exclusion– will release claims 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

1 to the purchase, acquisition, sale, disposition, or holding of any QuantumScape securities acquired
2 during the Class Period. ¶¶1.47, 2.1.

3 **IV. THE PROPOSED SETTLEMENT MERITS PRELIMINARY APPROVAL**

4 As a matter of public policy, settlement is a strongly favored method for resolving disputes,
5 “particularly where complex class action litigation is concerned.” *In re Hyundai & Kia Fuel Econ.*
6 *Litig.*, 926 F.3d 539, 556 (9th Cir. 2019). Settlement of complex cases contributes to the efficient
7 utilization of scarce judicial resources and achieves the speedy resolution of justice. *Lembeck v. Arvest*
8 *Cent. Mortg. Co.*, No. 3:20-CV-03277-VC, 2021 WL 5494940 at *3 (N.D. Cal. Aug. 26, 2021);
9 *McKnight v. Uber Techs., Inc.*, 2017 WL 3427985, at *2 (N.D. Cal. Aug. 7, 2017) (“The Ninth Circuit
10 maintains a ‘strong judicial policy’ that favors the settlement of class actions.”). Moreover, the Ninth
11 Circuit “has long deferred to the private consensual decision of the parties” in such cases. *Rodriguez*
12 *v. W. Publ’g Corp.*, 563 F.3d 948, 965 (9th Cir. 2009).

13 Approval of class action settlements normally requires a two-step process – a preliminary
14 approval followed by a later final approval. *See, e.g., In re Wells Fargo & Co. S’holder Derivative*
15 *Litig.*, 445 F. Supp. 3d 508, 516-17 (N.D. Cal. 2020), *aff’d*, 845 F. App’x 563 (9th Cir. 2021). By this
16 Motion, Plaintiffs request that the Court grant preliminary approval so that notice can be issued to the
17 Settlement Class. The applicable standard is whether the Court finds that it “will likely be able” to
18 approve the Settlement as “fair, reasonable, and adequate” after a final Fairness Hearing. Rule
19 23(e)(1)(B). In considering whether final approval is likely, the 2018 Amendments to Rule 23(e)
20 instruct courts to consider whether:

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

26 Rule 23(e)(2). While these Rule 23(e) factors focus on core concerns of procedure and substance of a
27 settlement, they are not intended to fully displace factors previously adopted by courts to evaluate

1 settlements. *See, e.g., Wong v. Arlo Techs., Inc.*, No. 5:19-cv-00372-BLF, 2021 WL 1531171, at *5
2 (N.D. Cal. Apr. 19, 2021) (“[T]he Court applies the framework set forth in Rule 23 with guidance from
3 the Ninth Circuit’s precedent . . .”). In this respect, the Ninth Circuit has long considered the following
4 factors when evaluating a class settlement, some of which overlap with Rule 23(e)(2):

5 [T]he strength of the plaintiffs’ case; the risk, expense, complexity, and likely duration
6 of further litigation; the risk of maintaining class action status throughout the trial; the
7 amount offered in settlement; the extent of discovery completed and the stage of the
8 proceedings; the experience and views of counsel; the presence of a governmental
9 participant; and the reaction of the class members to the proposed settlement.

10 *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 1998); *see also, e.g., Lane v. Facebook,*
11 *Inc.*, 696 F.3d 811, 819 (9th Cir. 2012) (discussing the *Hanlon* factors).

12 As discussed below, the proposed Settlement readily satisfies each of the factors identified
13 under Rule 23(e)(2), as well as the applicable Ninth Circuit *Hanlon* factors and Northern District
14 Guidelines. Therefore, as it is likely the Court will approve the Settlement, Notice of the proposed
15 Settlement should be sent to the Class in advance of the final Fairness Hearing.

16 **A. Plaintiffs and Lead Counsel Have Adequately Represented the Class**

17 Plaintiffs and Class Counsel have adequately represented the Class as required by Rule
18 23(e)(2)(A). The Settlement was the result of three years of diligent prosecution of this action on behalf
19 of the Class. *See Hefler v. Wells Fargo & Co.*, 2018 WL 6619983, at *6 (N.D. Cal. Dec. 18, 2018)
20 (finding Rule 23(e)(2)(A) satisfied for purposes of finally approving settlement and reiterating “Class
21 Counsel had vigorously prosecuted this action through dispositive motion practice, extensive . . .
22 discovery, and formal mediation”); *In re Extreme Networks, Inc. Sec. Litig.*, No. 15-cv-04883-BLF,
23 2019 WL 3290770, at *7 (N.D. Cal. July 22, 2019) (same).

24 Rule 23(e)(2)(A) asks whether the plaintiff and its counsel have adequately represented the
25 class. This factor overlaps with the Ninth Circuit’s factor regarding “the extent of discovery completed
26 and the stage of the proceedings.” *Hanlon*, 150 F.3d at 1026As detailed above, Plaintiffs and Levi &
27 Korsinsky satisfy this factor as they have diligently prosecuted this Action, including, *inter alia*,
28 investigating and drafting the complaints, successfully opposing Defendants’ motions to dismiss,
obtaining and reviewing significant document discovery, successfully moving for class certification,
PLAINTIFFS’ NOTICE OF UNOPPOSED MOTION AND MOTION FOR PRELIMINARY APPROVAL
OF PROPOSED CLASS ACTION SETTLEMENT AND MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT THEREOF – 8

1 conducting party and non-party depositions, and conducting extended settlement discussions with
2 David Murphy, Esq. Here, the parties were well into formal discovery. Given Plaintiffs’ and Plaintiffs’
3 Counsel’s demonstrated prosecution of the Actions, they have thus adequately represented the Class.

4 The Ninth Circuit also tasks trial courts with considering two additional factors to determine
5 “legal adequacy: (1) do the named plaintiffs and their counsel have any conflicts of interest with other
6 class members and (2) will the named plaintiffs and their counsel prosecute the action vigorously on
7 behalf of the class?” *Hanlon*, 150 F.3d at 1020. The Court previously found Plaintiffs and Levi &
8 Korsinsky adequate to represent the Class, *see* ECF No. 183, and no evidence to the contrary has since
9 emerged. Moreover, Plaintiffs and Plaintiffs’ Counsel have no interests antagonistic to other Class
10 Members; Plaintiffs’ claims are typical of the Class’s claims; and their interest in obtaining the largest
11 possible recovery for QuantumScape investors is aligned with that of the Class. *Davis v. Yelp, Inc.*,
12 No. 18-CV-00400-EMC, 2022 WL 21748777, at *2 (N.D. Cal. Aug. 1, 2022) (“Lead Plaintiff’s claims
13 are typical of and coextensive with the claims of the Class, and he has no antagonistic interests; rather,
14 Lead Plaintiff’s interest in obtaining the largest possible recovery in this Action is aligned with the
15 other Class Members.”). Finally, the substantial monetary recovery obtained after the three years of
16 litigation preceding the Settlement speaks for itself and is an excellent result for Plaintiffs and the
17 Class.

18 **B. The Settlement Enjoys an Initial Presumption of Reasonableness as the Product of**
19 **Arm’s-Length Negotiations Under the Auspices of an Experienced Mediator**

20 Rule 23(e)(2)(B) asks whether a proposed settlement is procedurally adequate, i.e., whether
21 “the proposal was negotiated at arm’s length.” Fed. R. Civ. P. 23(e)(1)(B). There is an initial
22 presumption that a proposed settlement is fair and reasonable when it is “the product of arms-length
23 negotiations.” *In re Portal Software, Inc. Sec. Litig.*, 2007 WL 1991529, at *6 (N.D. Cal. June 30,
24 2007). Courts within the Ninth Circuit “put a good deal of stock in the product of an arms-length, non-
25 collusive, negotiated resolution.” *Rodriguez*, 563 F.3d at 965; *accord Linney v. Cellular Alaska P’ship*,
26 1997 WL 450064, at *5 (N.D. Cal. July 18, 1997), *aff’d*, 151 F.3d 1234 (9th Cir. 1998) (“The
27 involvement of experienced class action counsel and the fact that the settlement agreement was reached

1 in arm’s length negotiations, after relevant discovery had taken place create a presumption that the
2 agreement is fair.”)

3 Here, the proposed Settlement was achieved only after the Parties participated in two mediation
4 sessions, the first on October 24, 2023 and the second on March 26, 2024, with David Murphy Esq. –
5 an experienced mediator with considerable knowledge, experience, and expertise in the field of federal
6 securities law – as well as various teleconferences and correspondences regarding a potential resolution
7 of the Action. The mediations took place after substantial fact discovery had been conducted (indeed,
8 fact discovery was completed at the time of the second mediation) so counsel was well informed
9 regarding the strengths and weaknesses of the claims asserted in this Action against Defendants.
10 Plaintiffs and Defendants’ Counsel prepared and presented submissions to Mr. Murphy concerning
11 their respective views on the merits of the Actions, along with supporting evidence obtained through
12 discovery. The negotiations resulted in Mr. Murphy’s April 5, 2024 “mediator’s proposal,” which was
13 accepted by the Parties. The protracted negotiations under the supervision of a neutral experienced
14 mediator such as Mr. Murphy are evidence that the \$47,500,000.00 Settlement was reached at arm’s
15 length. *In re Lyft, Inc. Sec. Litig.*, No. 19-CV-02690-HSG, 2022 WL 17740302 (N.D. Cal. Dec. 16,
16 2022) (granting preliminary approval of a settlement where Mr. Murphy mediated); *see also Sheet*
17 *Metal Workers Loc. 19 Pension Fund v. ProAssurance Corp.*, No. 2:20-CV-00856-RDP, 2023 WL
18 7180604, at *7 (N.D. Ala. Aug. 25, 2023)(“the Court preliminarily finds that Settlement Agreement
19 is a result of substantial, informed, non-collusive negotiations conducted with the assistance of
20 mediator David Murphy”). The negotiations were at all times adversarial and at arm’s length, and
21 produced a result that is in the Class’s best interests.

22 **C. The Settlement Provides Adequate Relief for the Class**

23 Pursuant to Rule 23(e)(2)(C), the Court also must consider whether “the relief provided for the
24 class is adequate, taking into account” four relevant factors that are addressed below.⁵ While each of

25
26 ⁵ In addition to the fourth *Hanlon* factor (“the amount offered in settlement”), which is subsumed
27 within the Rule 23(e)(2)(C) analysis, courts also evaluate the requirements of Guideline §1(c) with
28 regard to “[t]he class recovery under the settlement. . . . , the potential class recovery if plaintiffs had

1 these factors supports preliminary approval of the Settlement, as an initial matter, the \$47,500,000.00
 2 recovery achieved by the Settlement is an exceptional result for the Class. See *Wong*, 2021 WL
 3 1531171, at *9 (“The relief that the settlement is expected to provide to class members is a central
 4 concern,’ though it is not enumerated among the factors of Rule 23(e).”) (quoting 2018 Advisory
 5 Committee Notes to Fed. R. Civ. P. 23).

6 Here, the Settlement recovers approximately 4% of the estimated aggregate damages of \$1.1
 7 Billion as estimated by Plaintiffs’ damages expert. This result is above the median ratio of settlements
 8 to investor losses in securities cases in 2023. See Edward Flores and Svetlana Starykh, Recent Trends
 9 in Securities Class Action Litigation: 2023 Full-Year Review, at 26, Figure 22 (NERA Jan. 23, 2024)
 10 (median ratio of settlement to investor losses was 1.8% in 2023)(Porritt Decl., Ex. 3); Laarni T. Bulan,
 11 Laura E. Simmons, *Securities Class Action Settlements – 2023 Review and Analysis* at 9, Fig. 5
 12 (Cornerstone Research 2023) (finding median settlement as a percentage of estimated damages was
 13 2% in 2023 for Rule 10b-5 cases involving over \$1 billion in damages)(Porritt Decl. Ex. 4); see also
 14 *Vataj v. Johnson*, 2021 WL 1550478, at *9 (N.D. Cal. Apr. 20, 2021) (finding 2% of damages was
 15 “consistent with the typical recovery in securities class action settlements).

16 As discussed more fully below, the benefits conferred on Class Members by the Settlement far
 17 outweigh the costs, risks, and delay of further litigation. Accordingly, the relief provided by the
 18 Settlement is adequate and supports approval.

19 **1. The Costs, Risks, and Delay of Trial and Appeal Support Approval of the**
 20 **Settlement**

21 The factors presented by Rule 23(e)(2)(C)(i) are satisfied because the \$47,500,000 recovery
 22 provides a significant and immediate benefit to the Class, especially considering the costs, risks, and
 23 delay posed by continued litigation.⁶ “[S]ecurities actions are highly complex and . . . securities class

24 _____
 25 fully prevailed on each of their claims, claim by claim, and a justification of the discount applied to
 26 the claims.” Guideline §1(c); see also, *Norton v. LVNV Funding, LLC*, 2021 WL 3129568, at *13
 (N.D. Cal. July 13, 2021) (*citing* Guideline with alterations).

27 ⁶ Rule 23(e)(2)(C)(i) essentially incorporates the first three traditional *Hanlon* factors. See, e.g., *Wong*,
 2021 WL 1531171, at *8 (citing *Hanlon*, 150 F.3d at 1026); *Norton*, 2021 WL 3129568, at *5 (“The

1 litigation is notably difficult and notoriously uncertain.” *Hefler*, 2018 WL 6619983, at *13: *see also*
2 *Alaska Elec. Pension Fund v. Flowserve Corp.*, 572 F.3d 221, 235 (5th Cir. 2009) (“To be successful,
3 a securities class action plaintiff must thread the eye of a needle made smaller and smaller over the
4 years by judicial decree and congressional action.”) (O’Connor, J., sitting by designation).

5 While Plaintiffs at all times remained confident in their ability to ultimately prove the alleged
6 claims, further litigation – including a trial – is always a risky proposition. *See Fleming v. Impax*
7 *Laby’s Inc.*, 2021 WL 5447008, at *11 (N.D. Cal. Nov. 22, 2021) (finding that the risks of continued
8 litigation, including “prevailing at summary judgment, pretrial motions, trial, and subsequent appeals
9 in a complex case that is likely to be expensive and lengthy to try” “weighs in favor of granting
10 preliminary approval”). Further, complex securities fraud class actions such as this one present a
11 myriad of risks that a plaintiff must overcome to ultimately secure a recovery. *See, e.g., In re Charles*
12 *Schwab Corp. Sec. Litig.*, 2011 WL 1481424, at *5 (N.D. Cal. Apr. 19, 2011) (“[P]rosecuting these
13 claims through trial and subsequent appeals would have involved significant risk, expense, and delay
14 to any potential recovery . . . risks included proving loss causation and the falsity of the representations
15 at issue.”); *see also In re Oracle Corp. Sec. Litig.*, 627 F.3d 376, 395 (9th Cir. 2010) (affirming
16 summary judgment in favor of defendants where plaintiff failed to establish a triable issue on loss
17 causation). While Plaintiffs would be required to prove all elements of their claims to prevail,
18 Defendants need only succeed on one defense to potentially defeat the Action entirely. Plaintiffs’
19 Counsel has direct experience of the risks of prosecuting securities class actions as it was counsel for
20 the investor class in *In re Tesla Inc. Securities Litigation*, Case No. 3:18-cv-04865-EMC (N.D. Cal.),
21 where a jury returned a defense verdict even after Plaintiff obtained summary judgment on the issues
22 of falsity and scienter. *In re Tesla Inc. Sec. Litig.*, 2022 WL 1497559 (N.D. Cal. Apr. 1, 2022).

23 Defendants have denied any wrongdoing, have already advanced several arguments disputing
24 liability, and would have presented a multi-pronged defense to Plaintiffs’ claims at summary judgment,
25

26 _____
27 first three [*Hanlon*] factors are addressed together and require the court to assess the plaintiff’s
28 ‘likelihood of success on the merits and the range of possible recovery’ versus the risks of continued
litigation and maintaining class action status through the duration of the trial.”).

1 trial, and in subsequent appeals. First, Defendants raised numerous challenges to falsity. Defendants
2 repeatedly argued that alleged misstatements concerning QuantumScape’s technology were accurate
3 statements and not misleading.⁷ Defendants also argue that the risks associated with reaching
4 commercialization were adequately disclosed. These arguments regarding the element of falsity
5 present several issues of fact that would create a significant jury issue.

6 Second, Defendants have vigorously disputed scienter. *Hessefort v. Super Micro Computer,*
7 *Inc.*, No. 18-CV-00838-JST, 2023 WL 7185778, at *4 (N.D. Cal. May 5, 2023) (“The risks specific to
8 this case include the need to prove that Defendants acted with the requisite scienter, which is ‘complex
9 and difficult to establish at trial’ in any case. . .”). A jury could conclude that the lack of traditional
10 *indicia* of securities fraud, such as meaningful sales of QuantumScape stock by Defendants during the
11 Class Period, or the lack of clear motive would not support this element of Plaintiffs’ claims.

12 Third, Defendants challenged Plaintiffs’ theory of loss causation and damages. *See Zynga,*
13 *2015 WL 6471171*, at *9 (“[I]n ‘any securities litigation case, it [is] difficult for [plaintiff] to prove
14 loss causation and damages at trial.’”) (second and third alterations in original). Defendants argue that
15 information and statements about QuantumScape’s technology contained in Dr. Morin’s January 4,
16 2021 *Seeking Alpha* article and the Scorpion Capital April 15, 2021 could not as a matter of both law
17 and fact have caused any recoverable loss by Class members due to the decline in QuantumScape’s
18 stock price and changes in the prices of other QuantumScape securities. This is because Dr. Morin’s
19 analysis presented in his January 4, 2021 *Seeking Alpha* article was based upon information that was
20 previously disclosed by QuantumScape and some commentators had previously expressed similar
21 views to Dr. Morin, including a December 9, 2020 report from Bernstein Research. Although Plaintiffs
22

23 ⁷ While jurors would undoubtedly be generally familiar with batteries and electric vehicles, the sheer
24 complexity of the underlying issues require substantial expert analysis and testimony to fully explain
25 them. Explaining the science and why Defendants’ statements were false and misleading, while all of
26 Defendants’ fact witnesses and competing expert witnesses would testify in support of Defendants’
27 major defenses, would be a substantial obstacle to Plaintiffs’ potential for success at trial. *See, e.g.,*
28 *Weeks v. Kellogg Co.*, 2013 WL 6531177, at *13 (C.D. Cal. Nov. 23, 2013) (“The fact that this issue,
which is at the heart of plaintiffs’ case, would have been the subject of competing expert testimony
suggests that plaintiffs’ ability to prove liability was somewhat unclear; this favors a finding that the
settlement is fair.”).

1 were confident they could prove that a substantial portion of the stock price decline on January 4, 2021
2 was caused by disclosures in Dr. Morin’s *Seeking Alpha* article that contradicted public representations
3 by QuantumScape, and presented an expert report by Dr. Matthew Cain to this effect, this would have
4 been highly contested at trial and a jury could credit Defendants’ expert that it is impossible to tell
5 whether it was Dr. Morin’s article that moved the stock price or some other factor. Notably, millions
6 of QuantumScape shares issued as part of the PIPE offering became eligible to trade on January 4,
7 2021 as well and Defendants’ expert would also offer evidence that the availability of these additional
8 shares on January 4, 2021 caused the stock price to decline and *not* Dr. Morin’s article.

9 Defendants also argue that the April 15, 2021 Scorpion Capital report did not correct any prior
10 alleged misrepresentation because it contained secondhand information produced by a self-interested
11 short seller. In the Order on the Motion to Dismiss, the Court noted “that Scorpion Capital was
12 allegedly short on QuantumScape may raise serious credibility issues for a factfinder.” ECF No. 153
13 at 14. With a fully developed factual record and the unfavorable spotlight that Defendants would shine
14 on the Scorpion Capital report, there was a significant risk that a jury would refuse to accept it as
15 credible and reliable information that affected QuantumScape’s stock price.

16 Barring the Settlement, this case would require the expenditure of substantial additional sums
17 of time and money for the completion of expert discovery, summary judgment briefing and argument,
18 trial and any subsequent appeal, with no guarantee that any additional benefit would be provided to
19 the Class. *See TracFone Unlimited Serv. Plan Litig.*, 112 F. Supp. 3d 993, 999 (N.D. Cal. 2015)
20 (Defendants had “plausible defenses that could have ultimately left class members with a reduced or
21 non-existent recovery,” which weighs in favor of approving the Settlement). Defendants have denied
22 any wrongdoing and would have presented a multi-pronged defense to Plaintiffs’ claims at trial and in
23 subsequent appeals. Conversely, the Settlement confers a substantial and immediate benefit on the
24 Class, and avoids the risks associated with obtaining a wholly speculative sum in the future.

25 Given all of the foregoing risks and potential costs to establishing liability and damages, the
26 \$47,500,000 Proposed Settlement is fair, reasonable and adequate, and represents a strong recovery
27 for the Class.

1 **2. The Proposed Method for Distributing Relief is Effective**

2 The method for distributing relief to eligible claimants and for processing Class Members’
 3 claims includes standard, well-established, and effective procedures for processing claims and
 4 efficiently distributing the Net Settlement Fund and is therefore an effective method of distribution to
 5 the Class under Rule 23(e)(2)(C)(ii). The notice plan includes sending by first-class mail a postcard
 6 notice (Porritt Decl., Ex. A-4) to potential Class Members at the addresses set forth in the records
 7 provided by QuantumScape or in the records which QuantumScape caused to be provided, or who
 8 otherwise may be identified through further reasonable effort, supplemented by the publication of the
 9 Summary Notice (Porritt Decl. Ex. A-3) in *Investors’ Business Daily*. The Notice and Summary Notice
 10 also will be posted on the case website established in connection with the Class Notice.⁸

11 The claims process also includes a standard claim form that requests the information necessary
 12 to calculate a claimant’s claim amount pursuant to the Plan of Allocation. The Plan of Allocation will
 13 govern how Class Members’ claims will be calculated and, ultimately, how money will be distributed
 14 to Authorized Claimants. The Plan of Allocation was prepared with the assistance of Plaintiffs’
 15 damages expert and is based primarily on the expert’s event study and analysis estimating the amount
 16 of artificial inflation in the price of QuantumScape common stock during the Class Period.

17 **3. The Proposed Attorneys’ Fees, Litigation Expenses, and Plaintiffs’ Award**

18 As set forth in the proposed Notice, Plaintiffs’ Counsel intends to seek an attorneys’ fee award
 19 of not more than 33% of the Settlement Fund. The Ninth Circuit established 25% of a common fund
 20 as the “benchmark” award for attorneys’ fees in *Paul, Johnson, Alston & Hunt v. Graulty*, 886 F.2d
 21 268, 272 (9th Cir. 1989), and courts in this Circuit (and elsewhere) “have consistently approved of
 22 attorney fee awards over the 25% benchmark[,] specifically at a rate of 30% or higher” based on a
 23
 24
 25

26 _____
 27 ⁸ In connection with the dissemination of the Notice of Pendency of this action, a case-specific website
 28 will be created where key documents are posted, and Class Members can go to obtain additional
 information about the Litigation. *See* Walter Decl., ¶8.

1 consideration of all relevant facts and circumstances. *Bellinghausen v. Tractor Supply Co.*, 306 F.R.D.
2 245, 260 (N.D. Cal. 2015).⁹

3 The Ninth Circuit has identified five non-exclusive factors that are typically relevant to a
4 district court's fee determination, namely: (1) the results achieved; (2) the risk of litigation; (3) the
5 skill required and the quality of work; (4) the contingent nature of the fee and the financial burden
6 carried by the plaintiffs; and (5) awards made in similar cases. *In re Omnivision Techs.*, 559 F. Supp.
7 2d 1036, 1046 (N.D. Cal. 2007). In complex securities class actions such as this, courts in this Circuit
8 regularly award fee percentages of 30% to 33½%. *See, e.g., In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d
9 454, 463 (9th Cir. 2000) (affirming 33½% fee); *Pac. Enters. Sec. Litig.*, 47 F.3d 373, 379 (9th Cir.
10 1995) (affirming 33% fee). Similarly, courts in the Ninth Circuit regularly approve fee awards of one-
11 third in antitrust litigation. *See, e.g., In re Lidoderm Antitrust Litig.*, No. 14-MD-02521-WHO, 2018
12 WL 4620695, at *4 (N.D. Cal. Sept. 20, 2018) (Orrick, J.) (collecting cases)

13 A fee of up to 33% is also reasonable considering Plaintiffs' Counsel's "lodestar" (*i.e.*, hours
14 expended on the settled claims by each attorney and professional, multiplied by their respective hourly
15 rates). Here, to date Plaintiffs' Counsel have devoted a total of approximately 16,000 hours to all
16 claims asserted in the Action, with a total lodestar value of roughly \$9.6 million (subject to detailed
17 review and adjustment to reflect billing judgment when counsel submits their Fee and Expense
18 Application at final approval). Porritt Decl. at ¶68. Were the Court to grant a full 33% fee (equal to
19 roughly \$15,675,000), that would equate to a lodestar multiplier of approximately 1.65x, which would
20 be within the range of multipliers (typically from 1.0 to 4.0) that are typically awarded in class actions.
21 *See, e.g.*, 2018 WL 4620695, at *2 (N.D. Cal. Sept. 20, 2018) (1.37 multiplier.); *Hefler v. Wells Fargo*

22 _____
23 ⁹ *See also, e.g., Hunt et al., v. Bloom Energy Corp., et al.*, No. 19-cv-02935-HSG, 2024 WL 1995840
24 (N.D. Cal. May 6, 2024) (30% fee); *Torres v. Pick-A-Part Auto Wrecking*, No. 1:16-CV-01915, 2018
25 WL 3570238, at *7 (E.D. Cal. July 23, 2018) (33½% fee); *Syed v. M-I, L.L.C.*, No. 1:12-CV-01718,
26 2017 WL 3190341, at *5 (E.D. Cal. July 27, 2017) (33½% fee); *Szymborski v. Ormat Techs., Inc.*, No.
27 3:10-CV-132-RCJ, 2012 WL 4960098, at *3 (D. Nev. Oct. 16, 2012) (awarding 30% fee "does not
28 seem an extraordinary or extravagant fee for counsel"); *In re Apollo Grp. Inc. Sec. Litig.*, No. CV 04-
2147-PHX-JAT, 2012 WL 1378677, at *7 (D. Ariz. Apr. 20, 2012) (awarding 33% fee on \$145 million
settlement); *In re Heritage Bond Litig.*, No. 02-ML-1475 DT, 2005 WL 1594403, at *18-22 (C.D. Cal.
June 10, 2005) (awarding 33½% fee on \$27 million settlement).

1 & Co., 2018 WL 6619983, at *14 (N.D. Cal. Dec. 18, 2018) (3.22 multiplier); *In re N.C.A.A. Athletic*
2 *Grant-in-Aid Cap Antitrust Litig.*, 2017 WL 6040065, at *7-9 (N.D. Cal. Dec. 6, 2017) (3.66
3 multiplier), *aff'd*, 768 Fed. App'x 651 (9th Cir. 2019); *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043,
4 1050-52 & 1051 n.6 (9th Cir. 2002) (affirming 3.65 multiplier, and noting that most common
5 multipliers fall between 1.0 and 4.0). Plaintiffs' Counsel therefore respectfully submit that they should
6 be allowed to request attorneys' fees of up to 33% (and include that figure in the Notice) as being
7 within the range of reasonableness for comparable securities cases, while recognizing that the Court
8 will, of course, reserve final decision upon any fee award until the Fairness Hearing.

9 Plaintiffs' Counsel also intends to seek reimbursement of their expenses in an amount not to
10 exceed \$2,200,000 (excluding the \$40,000 also to be included in their Fee and Expense Application,
11 for PSLRA reimbursement to the Plaintiffs). *See Harris v. Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994)
12 (plaintiff may recover "those out-of-pocket expenses that would normally be charged to a fee-paying
13 client"). Here, these expenses include document database management fees, document review costs,
14 filing fees, legal research costs, expert fees, and mediation fees. Plaintiffs' Counsel will submit a
15 detailed accounting of all expenses sought to be reimbursed as part of their Fee and Expense
16 Application.

17 **4. Identification of Agreements**

18 In addition to the Stipulation, the Parties have entered into a customary, confidential "Opt-Out
19 Agreement" that gives the Settling Defendants the option to terminate the Proposed Settlement if the
20 amount of liability represented by valid Requests for Exclusion ("opt-outs") exceeds an agreed
21 threshold. *See Stip.*, ¶9.5. Such agreements have no negative impact on a securities settlement's
22 fairness. *See, e.g., Hefler*, 2018 WL 4207245, at *11 ("The existence of a termination option triggered
23 by the number of class members who opt out of the Settlement does not by itself render the Settlement
24 unfair."); *see also Lyft*, 2022 WL 17740302, at *6 ("The existence of a termination option triggered
25 by the number of class members who opt out of the settlement does not by itself render the settlement
26 unfair."); *Hampton v. Aqua Metals, Inc.*, No. 17-CV-07142-HSG, 2021 WL 4553578, at *10 (N.D.
27 Cal. Oct. 5, 2021) (same)

1 As is standard practice in securities cases, the Settling Parties have agreed to keep the
 2 supplemental Opt-Out Agreement’s terms confidential, to avoid encouraging the formation of an opt-
 3 out group that might result in “blowing up” the settlement to the Class’s detriment. If the Court
 4 requires, the Opt-Out Agreement can be submitted under seal. *See* Stip., ¶9.5.

5 There are otherwise no agreements requiring identification under Rule 23(e)(3).

6 **D. Proposed Plan of Allocation Treats Class Members Equitably and Does Not Confer**
 7 **Preferential Treatment**

8 The Court must also ultimately assess whether a proposed settlement “treats class members
 9 equitably relative to each other” under Rule 23(e)(2)(D), and whether the proposed methods for
 10 distributing “relief” to class members will be “effective” under Rule 23(e)(2)(C)(ii).

11 Drafted with the assistance of Plaintiffs’ damages expert, the [proposed] Plan of Allocation
 12 (“POA”) provides for customary *pro rata* distribution of the Net Settlement Fund among all eligible
 13 Settlement Class Members who have submitted a valid proof of claim. Porritt Decl. at ¶¶60-61. *See*
 14 Rule 23(e)(2)(D). Such customary POAs, based on *pro rata* allocations to each class member under a
 15 common formula, ensure that each Settlement Class Member’s recovery is based upon the relative
 16 losses they sustained, and that eligible Settlement Class Members will receive distributions calculated
 17 in the same manner and are routinely held to be fair and reasonable. *See, e.g., In re Vaxart, Inc. Sec.*
 18 *Litig.*, Case No. 3:20-cv-05949-VC, ECF No. 273 (N.D. Cal. Jan. 25, 2023); *In re RH, Inc. Sec. Litig.*,
 19 2019 WL 5538215, at *5, 20 (N.D. Cal. Oct. 25, 2019); *Extreme Networks*, 2019 WL 3290770, at *8
 20 (finding *pro rata* allocation “equitable”); *In re Zynga Inc. Sec. Litig.*, 2015 WL 6471171, at *12 (N.D.
 21 Cal. Oct. 27, 2015).¹⁰

22 The POA is fair, reasonable, and adequate; it does not “improperly grant” the Plaintiffs or
 23 any other Class Member “preferential treatment.” *Zynga*, 2015 WL 6471171, at *10. Specifically,
 24 the POA provides formulas for calculating the recognized claim of each Class Member, based on each

25 _____
 26 ¹⁰ To reduce administrative costs, the POA provides that “Recognized Claims” of less than \$10
 27 will not be paid. If funds remaining after the initial distribution of the Net Settlement Fund to eligible
 28 Class Members are so small that a further re-distribution to Class Members would not be economically
 feasible, they will be donated to a non-profit §501(c)(3) entity approved by the Court. Stip., ¶4.15.

1 such Person’s purchases or acquisitions of QuantumScape securities on the open market during the
2 Class Period and if or when they sold.

3 Each Authorized Claimant, including Plaintiffs, will receive a pro rata distribution pursuant to
4 the Plan of Allocation. The amount of the payment will depend on, among other factors, how many
5 Class Members file valid claims, and the aggregate value of the Recognized Claims represented by
6 valid and acceptable Claim Forms. Moreover, as confirmed by the accompanying Walter Declaration,
7 A.B. Data is highly experienced in administering securities class action settlements. Accordingly,
8 there is no reason to believe that the “effectiveness” of the means to be used here in distributing the
9 settlement proceeds to members of the Settlement Class will be any less here than in any other
10 securities class action settlement. Accordingly, the Plan is fair, reasonable, and applies in an equitable
11 manner to all Class Members.

12 **E. The Remaining Ninth Circuit Factors Support Preliminary Approval of the Settlement**

13 Each of the relevant Hanlon factors that are not co-extensive with the Rule 23(e)(2) analysis
14 above (i.e., the third and sixth Hanlon factors) also support preliminary approval.¹¹

15 **1. Risks of Maintaining Class Action Status Through Trial**

16 The Court had already certified a Class at the time the Settlement was reached, and Plaintiffs’
17 Counsel was confident that this certification would be maintained through the end of trial (the third
18 *Hanlon* factor). Nevertheless, because Rule 23(c)(1) provides that a class certification order may be
19 altered or amended at any time prior to a decision on the merits and Defendants had strongly opposed
20 Plaintiffs’ class certification motion and pointed to potentially anomalous patterns in the trading and
21 prices for QuantumScape stock that Defendants maintained were inconsistent with the market for
22 QuantumScape’s securities being efficient throughout the Class Period as required to maintain class
23

24
25
26 ¹¹ “Because there is no governmental entity involved in this litigation,” the seventh *Hanlon* factor
27 (“presence of a governmental participant”) is inapplicable. *Mendoza v. Hyundai Motor Co.*, 2017 WL
28 342059, at *7 (N.D. Cal. Jan. 23, 2017). Regarding the eighth *Hanlon* factor (“the reaction of the class
members to the proposed settlement”), the Class’s reaction is not yet available for consideration
because notice of the Settlement has not yet been provided to the Class.

1 certification. Thus, there was a risk that Defendants could have moved to decertify the Class or shorten
2 the Class Period up until the time the jury reached a verdict. *See Rodriguez*, 563 F.3d at 966.

3 **2. The Extent of Discovery Completed and the Stage of the Proceedings at Which**
4 **the Settlement Was Achieved Strongly Support Preliminary Approval.**

5 The fifth *Hanlon* factor (the extent of discovery completed and the stage of the proceedings at
6 which the settlement was achieved) unquestionably supports preliminary approval of the Settlement.
7 The Settlement was reached after the completion of fact discovery after the Parties had exchanged
8 multiple rounds of mediation briefs and Plaintiffs provided Defendants with opening expert reports.
9 The Parties had a thorough understanding of the arguments, evidence, and witnesses that would be
10 presented at trial. Plaintiffs' decision to enter into the Settlement was based on their understanding of
11 the strengths and potential weaknesses of their claims and Defendants' defenses after extensive fact
12 discovery, which consisted of reviewing over a million documents from parties and nonparties and
13 fourteen depositions, consultation with subject matter experts, and after two mediations.

14 **3. Experience and Views of Counsel**

15 The sixth *Hanlon* factor, the opinion of experienced counsel as to the merits of settlement after
16 arm's length negotiation, is entitled to considerable weight. *See Hefler*, 2018 WL 6619983, at *9
17 ("That counsel advocate in favor of this Settlement weighs in favor of its approval"). Plaintiffs'
18 Counsel has significant experience in securities and other complex class action litigation and has
19 negotiated numerous other substantial class action settlements throughout the country. *See Porritt*
20 *Decl.*, Ex. 2 (Levi & Korsinsky, LLP Resume). Here, "[t]here is nothing to counter the presumption
21 that . . . Counsel's recommendation is reasonable." *In re Omnivision Techs., Inc.*, 559 F. Supp. 2d
22 1036, 1043 (N.D. Cal. 2008).

23 Since being appointed by this Court, Levi & Korsinsky largely defeated Defendants' motion
24 to dismiss, obtained class certification, and aggressively pursued discovery critical to the claims
25 asserted. As a result of this experience and with the assistance of sophisticated experts when
26 appropriate, Levi & Korsinsky gained a firm understanding of the strengths and weaknesses of the
27

1 claims by the time the Settlement was reached, in advance of expert depositions and summary
2 judgment.

3 Each factor identified under Rule 23(e)(2) and by the Ninth Circuit is satisfied. The Settlement
4 is fair, adequate, and reasonable, and meets each of the applicable factors such that notice of the
5 Settlement should be sent to the Class.

6 **V. THE PROPOSED SETTLEMENT AND RELATED SUBMISSIONS DO NOT**
7 **VIOLATE ANY OF THE NORTHERN DISTRICT CLASS ACTION GUIDELINES**

8 For the Court’s convenience, a “checklist” setting forth this District’s specific “procedural
9 guidance” considerations and/or recommendations for consideration at preliminary approval—and a
10 note of where the information addressing each relevant point is addressed in Plaintiffs’ settlement
11 submissions—is attached to the Porritt. Decl. at Ex. 5. Certain of these considerations are discussed
12 in more detail below.

13 **A. The Scope of the Releases Is Reasonable**

14 The Stipulation provides for Class Members to release the “Released Claims” as against the
15 “Released Parties.” *See* Stip., ¶¶1.47-1.50. Released Claims include “any and all claims, rights,
16 demands, obligations, damages, actions or causes of action, or liabilities whatsoever, of every nature
17 and description, including both known claims and Unknown Claims, that have been or could have been
18 asserted in this Action, or any other action arising under federal, state, local, common, statutory,
19 administrative or foreign law, or any other law, rule, or regulation, at law or in equity that (a) arise out
20 of, are based upon, or relate in any way to any of the allegations, acts, transactions, facts, events,
21 matters, occurrences, representations or omissions involved, set forth, alleged or referred to in this
22 Action, or which could have been alleged in this Action, or (b) arise out of, are based upon, or relate
23 in any way to the purchase, acquisition, sale, disposition, or holding of any QuantumScape securities
24 acquired during the Class Period.” Stip., ¶1.47.

25 The release is thus appropriately limited to claims that relate to the same factual allegations as
26 set forth in the operative complaint (ECF No. 164), and it releases *only* claims arising from the purchase
27 or acquisition of QuantumScape securities during a “Class Period” that is the same as that alleged in

1 the operative complaint. *See* Stip., ¶1.47; *see also* N.D. Cal. Guid., ¶1(b) (requiring differences
 2 between claims to be released and claims in operative complaint to be explained). The releases are no
 3 broader than the factual predicate of the underlying claims, consistent with Ninth Circuit law. *Hesse*
 4 *v. Sprint Corp.*, 598 F.3d 581, 590 (9th Cir. 2010). The proposed releases are also consistent with
 5 release provisions routinely approved by this Court in other securities class actions. *See, e.g., In re:*
 6 *Sandisk LLC Sec. Litig.*, Case No. 3:15-cv-01455-VC, at ECF Nos. 274-75 (N.D. Cal. May 24, 2019)
 7 (approving similar basic release language); *In re Yahoo! Inc. Sec. Litig.*, Case No. 5:17-cv-00373, at
 8 ECF Nos. 102, 105 at ¶31 (N.D. Cal. May 9, 2018) (same);

9 **VI. THE COURT SHOULD APPROVE THE FORM, CONTENT, AND METHOD**
 10 **FOR DISSEMINATING NOTICE TO THE SETTLEMENT CLASS**

11 Rule 23(c)(2)(B) requires “the best notice that is practicable under the circumstances.” Further,
 12 Rule 23(e)(1)(B) requires that such notice be directed “in a reasonable manner to all class members
 13 who would be bound by the propos[ed settlement].” The notices “must generally describe[] the terms
 14 of the settlement in sufficient detail to alert those with adverse viewpoints to investigate and to come
 15 forward and be heard.” *Lane v. Facebook, Inc.*, 696 F.3d 811, 826 (9th Cir. 2012).¹²

16 Here, the proposed Notice—a copy of which is attached at Porritt Decl. Ex. A-1—includes all
 17 information required by the Federal Rules, the PSLRA, and this District’s *Procedural Guidance for*
 18 *Class Action Settlements*. In particular, the proposed Notice describes in plain English the Proposed
 19 Settlement’s terms, as well as: (i) the nature, history, and status of the litigation; (ii) the definition of
 20 the Class and who is excluded; (iii) the reasons for the Settlement; (iv) the amount of the Settlement;
 21 (v) the estimated average recovery per damaged share; (vi) the Class’s claims; (vii) that the Parties
 22 disagree over damages and liability; (viii) the maximum amount of attorneys’ fees and expenses that
 23 Plaintiffs’ Counsel will seek; (ix) the terms of the Plan of Allocation; and (x) the date, time, and
 24 location of the Fairness Hearing. The proposed Notice also sets forth the Class Members’ rights to:

25 _____
 26 ¹² The notice must also explain in basic terms the nature of the action, class definition, class claims,
 27 issues and defenses, ability to appear through individual counsel, procedure to request exclusion, and
 28 binding nature of a class judgment. Fed. R. Civ. P. 23(b)(3); *Bellinghausen v. Tractor Supply Co.*, 303
 F.R.D. 611, 624 (N.D. Cal. 2014).

1 (i) request exclusion from the Class, and how to do so; (ii) object to the Settlement, POA, and/or Fee
 2 and Expense Application, or any aspects thereof, and how to do so; and (iii) submit a claim to
 3 participate in the Settlement, and instructions on how to complete and submit a Claim Form. The
 4 Notice also provides contact information for Plaintiffs' Counsel.

5 Under Rule 23(h)(1), "[n]otice of the motion [for attorneys' fees] must be served on all parties
 6 and, for motions by class counsel, directed to class members in a reasonable manner." The Notice
 7 satisfies these requirements, as it will advise that (a) Plaintiffs' Counsel will apply to the Court for
 8 attorneys' fees of up to 33% of the Settlement Fund, plus reimbursement of expenses of not more than
 9 \$2,200,000, from the Settlement Fund, and that (b) copies of their Fee and Expense Application will
 10 be available on the settlement website. *See* Notice at p. 3 (Porrirt Decl., Ex. A-1); Porrirt Decl. at ¶70.

11 Plaintiffs' proposed method for disseminating notice to the Class also satisfies all applicable
 12 standards, *e.g.*, *In re Portal Software, Inc. Sec. Litig.*, 2007 WL 1991529, at *7 (N.D. Cal. June 30,
 13 2007) ("notice by mail or publication is the best notice practicable under the circumstances, as
 14 mandated by FRCP 23(c)(2)(B)") and should therefore also be approved.¹³

15 Plaintiffs also request that the Court approve the retention of A.B. Data, a highly experienced
 16 class action claims administration firm. *See* Walter Decl. at ¶2. Consistent with Rules 23(c)(2)(B) &
 17 23(e)(1), and as set forth in the Walter Decl. at ¶¶4-12, A.B. Data will carry out the robust Notice Plan
 18 (as directed by the [proposed] Preliminary Approval Order) to identify and disseminate the Notice to
 19 Settlement Class Members by U.S. mail, as supplemented by publication of the Summary Notice in
 20 *Investors' Business Daily* (*see* Porrirt Decl., Ex. A-3) and a press release on the internet via *PR*
 21 *Newswire*, which will also direct readers to the settlement website for additional information.

22 As per the Guidelines at ¶2, A.B. Data estimates that Notice and Administration Expenses here,
 23 which will be paid out of the Settlement Fund, will be roughly \$350,000. Walter Decl., ¶13. This is
 24 an estimate, given that the administration has not yet commenced, and final Notice and Administration
 25

26 ¹³ QuantumScape will also serve, or cause to be served, the notice required under the Class Action
 27 Fairness Act, 28 U.S.C. § 1715 et seq. ("CAFA") on behalf of all Defendants. Stip., ¶4.3; see
 Guidelines ¶ 10.

1 Ex will largely depend upon the number of Notices mailed and the number of Claim Forms submitted
 2 for processing. *Id.* Based on A.B. Data’s experience in other recent securities settlements, it estimates
 3 that approximately 30% of potential Settlement Class Members to whom notice is provided will submit
 4 claims. *Id.* at ¶11. A.B. Data’s costs are necessary to effectuate the Settlement and as estimated at
 5 approximately 0.7% of the total Settlement Amount, are reasonable in relation to the value of the
 6 Settlement. *Id.* at ¶13; *see also* Guidelines, ¶2 (preliminary approval motion should identify “proposed
 7 settlement administrator” and discuss anticipated costs, their reasonableness, and who will pay them);
 8 *Extreme Networks*, 2019 WL 3290770, at *2, *12 (approving \$500,000 in administration costs from
 9 \$7 million settlement fund).

10 VII. PROPOSED SCHEDULE OF SETTLEMENT-RELATED EVENTS

11 In connection with preliminary approval, the Court must also set a date for the Fairness
 12 Hearing, and set deadlines for certain future events (*e.g.*, for mailing the Notice, publishing the
 13 Summary Notice, filing final approval briefs, requesting exclusion from the Settlement Class, serving
 14 objections to the Settlement, submitting Claim Forms). Plaintiffs propose the following schedule:

Event	Proposed Time for Compliance
Deadline for mailing Postcard Notice to Settlement Class Members (“Notice Deadline”)	20 business days after the Court’s entry of the Preliminary Approval Order ([proposed Prelim. Approval Order, ¶4 (b) (Porritt Decl. Ex. A)])
Deadline for publishing the Summary Notice	20 business days after entry of Preliminary Approval Order (<i>Id.</i> , ¶ 4(c))
Deadline for filing papers in support of final approval of the Settlement, plan of allocation, and Plaintiffs’ Counsel’s request for attorneys’ fees and litigation expenses	35 calendar days prior to the Fairness Hearing (<i>Id.</i> , ¶ 23)
Deadline for requesting exclusion from the Settlement Class, or for filing objections to the Settlement, Plan of Allocation, and/or the Fee and Expense Application	Exclusions: 35 calendar days prior to Fairness Hearing (<i>Id.</i> , ¶ 10) Objections: 21 calendar days prior to Fairness Hearing (<i>Id.</i> , ¶ 13)
Deadline for filing reply papers	7 calendar days prior to Fairness Hearing (<i>Id.</i> , ¶ 23)
Fairness Hearing	To be set by Court and inserted at ¶2 of Prelim. Approval Order [<i>Note</i> : should be set for at least

Event	Proposed Time for Compliance
	100 days after entry of Prelim. Approval Order to allow time for issuance of Notice] ¹⁴
Deadline for submitting Claim Forms	120 calendar days after the Notice Deadline (<i>Id.</i> , ¶ 7)

VIII. CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that the Court enter the [Proposed] Preliminary Approval Order, which will: (i) preliminarily approve the Settlement; (ii) authorize retention of A.B. Data as the claims administrator for the Settlement and Esquire Bank as the escrow agent; (iii) approve the form, content, and method of disseminating notice to the Settlement Class; and (iv) schedule a final Fairness Hearing.

Dated: June 11, 2024

Respectfully submitted,

LEVI & KORSINSKY, LLP

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 Telephone: (415) 373-1671
 Email: aapton@zlk.com

Lead Counsel for Plaintiffs and the Class

¹⁴ Under this schedule, class members will have more than 35 days to “opt out” or submit objections to the Settlement and/or Fee and Expense Application. *See* Guidelines, ¶ 9.

1 Adam M. Apton (SBN 316506)
2 1160 Battery Street East
3 Suite 100 - #3425
4 San Francisco, CA 94111
5 Telephone: (415) 373-1671
6 Email: aapton@zlk.com

7 *Plaintiffs' Counsel for Plaintiffs and the Class*

8 [additional counsel on signature page]

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

11 In re QuantumScape Securities Class Action
12 Litigation

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

14 **DECLARATION OF NICHOLAS I**
15 **PORRITT IN SUPPORT OF PLAINTIFFS'**
16 **UNOPPOSED MOTION FOR**
17 **PRELIMINARY APPROVAL OF**
18 **PROPOSED CLASS ACTION**
19 **SETTLEMENT**

20 **JUDGE: Hon. William H. Orrick III**
21 **DATE: July 17, 2024**
22 **TIME: 2:00 PM**

23
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28

1 I, Nicholas Ian Porritt, declare under penalty of perjury:

2 1. I am an attorney admitted *pro hac vice* before this Court. I am a partner in the firm of
3 Levi & Korsinsky, LLP (“Levi & Korsinsky”), counsel for Lead Plaintiff Frank Fish, Plaintiffs Mary
4 Cranny and Kathy Stark, and the Class. Levi & Korsinsky was appointed as Class Counsel in this
5 matter by order of this Court dated December 18, 2022. ECF No. 183. I have personal knowledge of
6 the facts set forth herein and, if called upon to testify, I could and would do so truthfully and accurately.
7 I submit this declaration in support of Plaintiffs’ Unopposed Motion for Preliminary Approval of
8 Proposed Class Action Settlement.

9 2. The proposed Settlement, if approved by the Court, will resolve all claims asserted in
10 this Action against QuantumScape Corp., Jagdeep Singh, Kevin Hettrich, and Timothy Holme in
11 exchange for a cash payment of \$47,500,000 for the benefit of the Class.

12 3. I am using capitalized terms not otherwise defined herein with the same meaning as
13 used in the Parties’ Stipulation of Settlement, dated June 11, 2024.

14 **I. HISTORY AND BACKGROUND OF THE LITIGATION**

15 4. QuantumScape is a pre-revenue company that is working to develop the next generation
16 of solid-state batteries for electric vehicles. On November 25, 2020, QuantumScape closed a merger
17 with a special purpose acquisition company called Kensington Capital Acquisition Corp. The merger
18 resulted in net proceeds of approximately \$680 million to QuantumScape, including \$500 million of
19 fully committed funds through a private investment in public equity (or PIPE) offering. After the
20 closing of the merger, QuantumScape stock became publicly tradeable on the New York Stock
21 Exchange.

22 5. Two days later, on November 27, 2020, Defendant Singh appeared on CNBC making
23 representations about QuantumScape’s technology, stating that the “fundamental science risk” was
24 resolved and, as a result, QuantumScape was ready to “ramp[] up production” and move on to the
25 “final automotive qualification process.”

26 6. On December 8, 2020, QuantumScape livestreamed its “Solid-State Showcase” on
27 YouTube, releasing for the first-time results, data, and specifications from its internal testing that
28 purported to show that QuantumScape’s battery technology resisted dendrites, was capable of a 15-

1
NP

1 minute charge to 80% capacity, could last 800 cycles and hundreds of thousands of miles, could operate
2 at a wide range of temperatures, and that its battery was safer, had better energy density, and performed
3 as well, if not better than today's lithium-ion battery.

4 7. On January 4, 2021, Dr. Brain Morin published an article on *Seeking Alpha* containing
5 his analysis of QuantumScape's technology and the public statements made during the "Solid-State
6 Showcase." Dr. Morin identified what he believed were overstatements about the state of
7 QuantumScape's battery cell prototypes and the challenges to achieving commercialization.
8 QuantumScape's stock price fell by \$34.49, or approximately 40.84% on January 4, 2021.

9 8. This litigation commenced on January 5, 2021, with the filing of *Malriat v.*
10 *QuantumScape Corporation, et al.*, Case No. 21-cv-00058-WHO (N.D. Cal.), which alleged securities
11 fraud claims on behalf of a putative class against QuantumScape and Jagdeep Singh. ECF No. 1.
12 Claims were asserted against QuantumScape and Singh pursuant to §§10(b) and 20(a) of the Securities
13 Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78j(b) and 78t(a), and SEC Rule 10b-5
14 promulgated thereunder, 17 C.F.R. § 240.10b-5.

15 9. On January 6, 2021, a related securities class action lawsuit was also filed in the Court,
16 naming Fritz Prinz, Timothy Holme, Kevin Hettrich, and Volkswagen Group of America Investments,
17 LLC as additional defendants.

18 10. The securities plaintiffs alleged, among other things, that that Defendants' statements
19 were misleading by representing that: (i) QuantumScape's technology was more developed and had
20 better capabilities than it did in reality, (ii) that certain testing results were incomplete or presented in
21 a misleading manner, (iii) that the "science risk" of QuantumScape's technology was behind them, (iv)
22 that QuantumScape's battery was ready for commercial deployment and all that was needed was to
23 scale up production and make multilayer versions of the cells, and (v) that its battery exceeded what
24 was capable in today's lithium-ion batteries.

25 11. Following the publication of a notice as required under the Private Securities Litigation
26 Reform Act of 1995 and the filing of competing motions for appointment as lead plaintiff and lead
27 counsel, on April 20, 2021, the Court consolidated this and other later-filed cases, appointed Frank
28 Fish as Lead Plaintiff, and appointed Levi & Korsinsky as lead counsel, recaptioning the case as "*In*

1 *re QuantumScape Securities Class Action Litigation,*” Case No. 3:21-cv-00058-WHO. ECF No. 115.

2 12. My firm then engaged in an investigation into QuantumScape’s operations and public
3 disclosures, engaged a battery expert to evaluate Lead Plaintiff’s claims and Defendants’ public
4 statements, engaged a private investigation company to locate and interview former employees, and
5 reviewed numerous analysts’ reports and other publicly available information. Based on this factual
6 investigation, my firm filed on behalf of Lead Plaintiff Frank Fish, the Amended Consolidated Class
7 Action Complaint on June 21, 2021. ECF No. 131. On July 13, 2021, the Parties stipulated voluntarily
8 to dismiss Fritz Prinz and Volkswagen Group of America Investments, LLC as defendants. ECF No.
9 134.

10 13. The Amended Consolidated Class Action Complaint asserted claims on behalf of all
11 persons who purchased or otherwise acquired QuantumScape securities between November 27, 2020
12 and April 14, 2021, inclusive (the “Class Period”). ECF No. 131. The Amended Consolidated Class
13 Action Complaint included many additional alleged false and misleading statements made by
14 Defendants in the press, during live interviews, and in SEC filings. These included an interview in the
15 publication the Mobilist, two interviews with CNBC, a LinkedIn article, QuantumScape’s shareholder
16 letter, an earnings call, Defendants’ Form 10-K, and a Yahoo Finance interview. *Id.* at 45-90.

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

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

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

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

19 17. Defendants moved to dismiss the Complaint. ECF No. 137. Lead Plaintiff opposed
20 Defendants’ motion (ECF No. 140) and on January 14, 2022, the Court largely denied it. ECF No. 153.

21 18. Defendants answered the Complaint on February 25, 2022. ECF No. 156. On July 14,
22 2022, Lead Plaintiff and additional plaintiffs Mary Cranny and Kathy Stark, filed the Second Amended
23 Consolidated Complaint and Defendants filed their Answer to the Second Amended Consolidated
24 Complaint on August 4, 2022. ECF Nos. 164, 170.

25 19. Plaintiffs served extensive document requests on Defendants. A significant challenge
26 presented during discovery was that the software QuantumScape used to generate testing data was not
27 well suited to production in civil litigation and required extensive “bespoke work” from Defendants’
28 e-discovery vendor, tailored specifically to the requirements of producing the data in a useable format.

1 Resolving these issues required many conferences between counsel as well as input from industry
2 experts.

3 20. Defendants' use of Microsoft Teams and the project management website, ASANA,
4 added further complexity to the discovery process. These platforms contained a vast amount of data,
5 including messages, files, and multimedia content, which was cumbersome, and time consuming for
6 Defense Counsel to gather, review for responsive material, and produce. It was also difficult and time-
7 consuming for Plaintiffs' Counsel to review once it had been produced, requiring the engagement of a
8 significant team of experienced document review attorneys to complete.

9 21. Ultimately, the Parties' fact discovery included more than 140,000 documents
10 (encompassing nearly one million pages) from multiple custodians, and the exchange of hundreds of
11 pages of sworn interrogatory responses. Plaintiffs also issued subpoenas to more than 20 third parties,
12 which produced more than 37,000 additional documents. Plaintiffs themselves produced over 400
13 pages of documents and provided responses to document requests and interrogatories and attended
14 mediation in this matter.

15 22. The Parties also took the depositions of ten current or former QuantumScape
16 employees, including each of the Individual Defendants, and four non-parties, including Dr. Morin
17 and a representative of Scorpion Capital. Each of the Plaintiffs was also deposed.

18 23. On December 19, 2022, after briefing from the Parties, the Court certified a class of all
19 persons and entities that purchased or otherwise acquired QuantumScape securities during the Class
20 Period and were damaged thereby. ECF No. 183. The Court appointed Lead Plaintiff Frank Fish and
21 additional Plaintiffs Mary Cranny and Cathy Stark as Class Representatives, and appointed Levi &
22 Korsinsky as Class Counsel. *Id.* In connection with the Class Certification Motion, the Parties
23 exchanged expert reports on market efficiency and conducted expert depositions.

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

28 25. Plaintiffs also conducted extensive expert discovery on merits issues including loss
DECLARATION OF NICHOLAS I. PORRITT IN SUPPORT OF PLAINTIFFS' UNOPPOSED MOTION FOR
PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

1 causation, damages, and battery technology. To evaluate the alleged misrepresentations and omissions
2 at issue in this litigation required specialized knowledge and experience in the battery industry. The
3 experts retained by Levi & Korsinsky provided invaluable guidance on technical intricacies, helped
4 interpret complex data sets, and offered informed opinions that were crucial to the prosecution of this
5 case.

6 26. Levi & Korsinsky regularly consulted with experts due to the intricate and specialized
7 technical aspects involved in this litigation. To analyze Defendants' productions and assess the
8 strength of their claims, Plaintiffs' Counsel engaged two battery experts: Dr. Seth Miller and Professor
9 Brett Lucht. Dr. Miller has a Ph.D. in chemistry from Caltech and a long history of invention, with
10 over 75 issued US patents and over 200 US and international patent applications. Dr. Miller has worked
11 in technology development for Texas Instruments, Inc., and the venture-funded semiconductor startup
12 Zettacore, and has co-founded and raised funding for several startups. Professor Lucht has a Ph.D. in
13 chemistry from Cornell University, is a professor at the University of Rhode Island, and is a fellow at
14 the Electrochemical Society. Dr. Miller spent approximately 500 hours reviewing materials and
15 consulting with Plaintiff's counsel, including his attendance at eight depositions. Dr. Lucht spent
16 approximately 70 hours reviewing materials and consulting with Plaintiff's counsel, including his
17 attendance at three depositions.

18 27. Plaintiffs engaged Dr. Matthew Cain as an expert on market efficiency as well as loss
19 causation and damages. Dr. Cain has a Ph.D. in Finance from Purdue University and serves as a Senior
20 Fellow at Berkeley Law School. In connection with the Class Certification Motion, Dr. Cain produced
21 two reports and sat for a deposition.

22 28. As part of expert discovery on the merits of the case, Plaintiffs produced a 300-page
23 report from Dr. Miller and a 95-page report on loss causation and damages from Dr. Cain with over
24 300 pages of appendixes. Plaintiffs were preparing for expert depositions prior to agreeing to the
25 Settlement.

26 29. Beginning in August 2023, the Parties began preliminary discussions regarding a
27 potential settlement. The Parties engaged David Murphy, Esq. of Phillips ADR as a neutral third-party
28 mediator. In advance of the mediation, the Parties exchanged opening and reply briefs supported by

1 evidence obtained in discovery and set forth their respective theories of liability and damages. On
2 October 24, 2023, the Parties attended a full-day mediation with Mr. Murphy. Lead Plaintiff attended
3 the mediation in person. The Parties did not reach a settlement during the mediation but continued to
4 engage in post-mediation discussions with Mr. Murphy and convened various teleconferences and
5 meetings regarding a potential resolution of the action while fact discovery was ongoing.

6 30. At the close of fact discovery and after Plaintiffs exchanged their opening expert
7 reports, on March 26, 2024, the Parties met for a second mediation with Mr. Murphy. In advance of
8 the second mediation, the Parties exchanged supplemental mediation briefs, setting forth their
9 respective theories of liability and damages in light of the depositions. While the Parties did not reach
10 an agreement at the second mediation, they continued post-mediation discussions with Mr. Murphy,
11 and on April 5, 2024, Mr. Murphy made a mediator's recommendation to settle the claims for
12 \$47,500,000, which the Parties accepted in principle on April 8, 2024.

13 31. On June 11, 2024, after further negotiations regarding its final terms and exhibits, the
14 Parties executed the Stipulation of Settlement (the "Stipulation"), a true and correct copy of which is
15 attached hereto as Exhibit 1.

16 **II. SUMMARY OF THE BENEFITS OF SETTLEMENT VS. THE LIKELY RISKS**
17 **OF CONTINUED LITIGATION AGAINST THE SETTLING DEFENDANTS**

18 32. When the Settlement was reached, I had a firm understanding of the strengths and
19 weaknesses of the case as a result of (a) prior briefing on Defendants' motion to dismiss and Plaintiffs'
20 motion for class certification; (b) the review of Defendants' and third parties' voluminous document
21 productions; (c) depositions of seventeen fact witnesses and two expert witnesses; (d) expert reports
22 and analysis, in particular on the issue of loss causation; and (e) the participation in a thorough
23 mediation process, during which all parties and Mr. Murphy engaged in depth on relevant liability and
24 damages issues. Levi & Korsinsky, LLP has significant experience in securities and other complex
25 class action litigation and has negotiated numerous other substantial class action settlements
26 throughout the country (see Exhibit 2, Levi & Korsinsky, LLP resume).

27 33. While nearly all of Plaintiffs' claims survived the Motion to Dismiss, success at the
28 pleading stage is no guarantee of success at summary judgment or trial. I am acutely aware of this as

1 I acted as trial counsel in *In re Tesla Inc. Securities Litigation*, Case No. 3:18-cv-04865-EMC (N.D.
2 Cal), where the jury returned a verdict in favor of defendants on Rule 10b-5 claims even after summary
3 judgment had been entered by the Court in plaintiff’s favor on the elements of falsity and scienter.

4 34. Some of the challenges that Plaintiffs faced in prevailing on liability on the claims here
5 are apparent. After the ruling on Defendants’ motion to dismiss, this case was only reduced by one
6 statement. The remaining 26 statements were subject to significant factual disputes. Defendants have
7 denied any wrongdoing, have already advanced several arguments disputing liability, and would have
8 presented a multi-pronged defense to Plaintiffs’ claims at summary judgment, trial, and in subsequent
9 appeals.

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

18 36. Defendants have vigorously disputed the element of scienter. A jury could conclude
19 that the lack of traditional *indicia* of securities fraud, such as meaningful sales of QuantumScape stock
20 by the Individual Defendants during the Class Period, or the lack of clear motive would not support
21 this element of Plaintiffs’ claims.

22 37. Defendants also raised significant causation and damages defenses. Defendants argue
23 that neither Dr. Morin’s report, based upon public information, nor a short-seller report can establish
24 loss causation both as a matter of law and of fact. Dr. Morin’s statements about QuantumScape’s
25 technology contained in his January 4, 2021 article were based upon information that was previously
26 disclosed by QuantumScape. Defendants point to other commentators that expressed similar views to
27 Dr. Morin, including a December 9, 2020 report from Bernstein Research, that did not lead to a decline
28 in QuantumScape’s stock price. Defendants also pointed to other causes of the stock price decline on

1 January 4, 2021, in particular the fact that 50 million additional QuantumScape shares held by PIPE
2 investors becoming available to trade on NYSE. Although Plaintiffs were confident they could
3 overcome this issue at summary judgment, at trial a jury could credit Defendants' expert who could
4 argue that it is impossible to tell whether it was Dr. Morin's opinions that moved the stock price or the
5 repetition of previously disclosed information. Defendants' expert would also offer compelling
6 evidence that the availability of additional shares on January 4, 2021 caused the stock to move and *not*
7 Dr. Morin's report. As matter of law, Defendants argue, because Dr. Morin based his report on publicly
8 available information, he did not reveal anything for the first time to the market and as a matter of law
9 it cannot be a corrective disclosure.

10 38. Potentially losing Dr. Morin's report as a corrective disclosure would have substantially
11 limited Plaintiffs' recoverable damages. Approximately 60% of the estimated Class damages resulted
12 from the stock price decline on January 4, 2021.

13 39. Defendants further argue that the April 15, 2021 Scorpion Capital report was not a
14 corrective disclosure because it contained secondhand information produced by a self-interested short
15 seller. In the Order on the Motion to Dismiss, the Court noted: "that Scorpion Capital was allegedly
16 short on QuantumScape may raise serious credibility issues for a factfinder." ECF No. 153 at 14. With
17 a fully developed factual record and the unfavorable spotlight that Defendants would shine on the
18 Scorpion Capital report, a jury might refuse to credit its contents.

19 40. Finally, as Plaintiffs allege that over twenty misrepresentations by Defendants caused
20 the artificial inflation in QuantumScape's stock price during the Class Period that was corrected by Dr.
21 Morin's report and the Scorpion Capital report, Plaintiffs faced a risk that only some of the alleged
22 misrepresentations would be found to be fraudulent. This would require Plaintiffs to undertake the
23 technically challenging task of disaggregating the effects of different representations, some fraudulent
24 and some innocent, on QuantumScape's stock price during the same period. There was a significant
25 risk Plaintiffs may not be able to meet their evidential burden on this issue or convince a jury that their
26 analysis is correct.

27 41. Finally, even if Plaintiffs were able to overcome the significant risks at trial and obtain
28 a favorable jury verdict and judgment against Defendants, it is highly likely that Defendants would

1 exercise their right to appeal from such a judgment. An appeal would not only create the risk that the
2 judgment might be reversed but would also delay any recovery by the Class.

3 42. In sum, by accepting Mr. Murphy’s recommendation and finalizing the Proposed
4 Settlement, Plaintiffs have closed on a \$47,500,000 “bird in the hand” to settle claims that might well
5 prove to be worth little or nothing after years of further litigation. For these reasons and those discussed
6 in Plaintiffs’ accompanying brief, I believe that the Proposed Settlement is “fair, reasonable, and
7 adequate” for the Class.

8 **III. INFORMATION ABOUT THE SETTLEMENT**

9 43. The Settlement requires Defendants to pay, or cause to be paid, \$47,500,000 (the
10 “Settlement Amount”) which amount, plus all interest and accretions thereto, compromises the
11 Settlement Fund. Stipulation, ¶2.1. The Settlement Amount will be deposited into the Escrow Account
12 within 30 days of the later of the entry of a preliminary approval order or the receipt of payment
13 instructions from Plaintiffs’ Counsel. *Id.*

14 44. Notice to the Class and the cost of the settlement administration will be funded by the
15 Settlement Fund. Stipulation, ¶2.2. Plaintiffs propose that A.B. Data, a nationally recognized class
16 action settlement administrator, be retained, subject to the Court’s approval.

17 45. The Notice provides that Plaintiffs’ Counsel will move for final approval of the
18 Settlement and: (a) an award of attorneys’ fees in the amount of no more than 33% of the Settlement
19 Amount; (b) payment of expenses or charges resulting from the prosecution of this Litigation not in
20 excess of \$2.2 million; and (c) any interest on such amounts at the same rate and for the period as
21 earned by the Settlement Fund. Further, as explained in the Notice, Plaintiffs’ Counsel intend to request
22 the Court approve service awards to Plaintiffs in an amount not to exceed \$40,000 in the aggregate
23 pursuant to 15 U.S.C. §78u-4(a)(4) in connection with their representation of the Class.

24 46. Once Notice and Administration Expenses, Taxes, Tax Expenses and Court-approved
25 Attorneys’ Fees and Expenses, including Plaintiffs’ service awards, if any, have been paid from the
26 Settlement Fund, the remaining amount, the Net Settlement Fund, shall be distributed to Authorized
27 Claimants pursuant to the Court-approved Plan of Allocation. Stipulation, ¶5.2. These distributions
28 shall be repeated until it is no longer economically feasible and reasonable to do so. *Id.*, ¶4.15. Any

1 balance that still remains in the Net Settlement Fund after such reallocation(s) and payments and that
2 is not feasible or economical to reallocate shall be donated a non-sectarian, non-profit Section
3 501(c)(3) organization, such as the Investor Protection Trust, a non-profit dedicated to investor
4 education and protection (subject to Court approval). *Id.* The Plan of Allocation treats all Class
5 Members equitably based on the timing of their purchases, acquisitions, and sales of QuantumScape
6 securities.

7 47. In exchange for the benefits provided under the Stipulation, all Class Members – except
8 those who submit valid and timely exclusion requests – shall release all Released Claims against each
9 Released Defendant Person, whether or not such Plaintiff or Class Member executes and delivers a
10 Proof of Claim. *Id.*, ¶¶1.47, 3.2.

11 **A. The Releases**

12 48. Under the terms of the proposed Settlement, upon the Effective Date, Plaintiffs and
13 each of the Class Members, on behalf of themselves and their Related Persons, shall be deemed to
14 have, and by operation of the Judgment shall have, fully, finally, and forever released, waived,
15 relinquished and discharged, and shall forever be enjoined from prosecuting, all Released Claims
16 against each Released Defendant Person, whether or not such Plaintiff or Class Member executes and
17 delivers a Proof of Claim. *See Id.*, ¶3.2.

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

1 similar to the allegations in this Action. *Id.*, ¶1.47.

2 50. The Released Defendant Persons are defined in the Stipulation and means each and all
3 of Defendants and any of their Related Persons. *Id.*, ¶1.49. The term “Related Persons” means (a) with
4 respect to an individual, their immediate family members and any trust that such Person is the settlor
5 of or which is for their benefit and/or the benefit of any of their family members; ***provided however***,
6 that with respect to the Individual Defendants, “Related Persons” also includes the Individual
7 Defendants’ respective past and present representatives, insurers, reinsurers, auditors, underwriters,
8 trustees, trustors, agents, attorneys, predecessors, successors, assigns, heirs, executors, and
9 administrators, in their capacities as such; and (b) with respect to corporation, partnership, limited
10 liability company or partnership, limited partnership, professional corporation, association, joint stock
11 company, trust, estate, unincorporated association, government or any political subdivision or agency
12 thereof, and any other type of legal or political entity, their subsidiaries, parent entities, divisions, and
13 departments, and their respective past and present officers, directors, employees, representatives,
14 insurers, reinsurers, auditors, trustees, trustors, agents, attorneys, predecessors, successors, assigns,
15 heirs, executors, and administrators, in their capacities as such. For purposes of this Stipulation and
16 Settlement Agreement, the Individual Defendants and QuantumScape are each other’s Related
17 Persons. *Id.*, ¶1.46.

18 51. The terms of the Releases and Released Claims were negotiated to appropriately
19 reflect the scope the claims asserted in this Action.

20 **B. The Anticipated Recovery Under the Settlement**

21 52. This \$47,500,000 Settlement amounts to an estimated average recovery per eligible
22 share of \$0.47, before the deduction of Court-approved Fees and Expenses and costs of notice and
23 claims administration. This is based on an estimate by Plaintiffs’ experts that purchasers of
24 approximately 102 million QuantumScape shares suffered damage during the Class Period.

25 53. Class Counsel will request attorneys’ fees in an amount not to exceed 33% of the
26 Settlement Fund and payment of expenses not to exceed \$2.2 million. Further, as explained in the
27 Notice, Plaintiffs intend to request Plaintiffs’ service awards not to exceed \$40,000 in the aggregate
28 pursuant to 15 U.S.C. §78u-4(a)(4) in connection with their representation of the Class. The costs of

1 the notice and claims administration process are estimated to be approximately \$350,000. *See*
2 Declaration of Adam Walter of A.B. Data in Support of Settlement Notice Plan (“Walter Decl.”), ¶ 13.

3 54. If Plaintiffs had succeeded at trial, and if the jury awarded Plaintiffs the maximum
4 amount of damages – i.e., Plaintiffs’ best-case scenario – estimated recoverable damages would have
5 been approximately \$1.1 billion. Thus, the \$47,500,000 Settlement represents approximately 4% of
6 the recoverable damages potentially available if Plaintiffs had fully prevailed at trial. This represents
7 twice the median percentage recovery for cases settled with estimated damages of \$1 billion or more
8 in 2023 (2%). *See* Edward Flores and Svetlana Starykh, Recent Trends in Securities Class Action
9 Litigation: 2023 Full-Year Review, at 26, Figure 22 (NERA Jan. 23, 2024) (median ratio of settlement
10 to investor losses was 1.8% in 2023) (Exhibit 3 hereto); Laarni T. Bulan, Laura E. Simmons, *Securities*
11 *Class Action Settlements – 2023 Review and Analysis* at 9, Fig. 5 (Cornerstone Research 2023) (finding
12 median settlement as a percentage of estimated damages was 2% in 2023 for Rule 10b-5 cases
13 involving over \$1 billion in damages)(Exhibit 4 hereto).

14 55. Among the factors bearing on the fairness of the compromise reached are Class
15 Counsel’s extensive investigation, the amount of discovery conducted, and legal research of the claims
16 asserted in the Litigation, which helped counsel evaluate, refine, and sharpen their understanding of
17 the strengths and weaknesses of Plaintiffs’ claims, including:

- 18 (a) In drafting the Complaint and during the PSLRA automatic discovery stay, counsel
19 conducted a widespread factual investigation, which included: (a) a detailed review
20 of (i) QuantumScape’s Securities Exchange Commission (“SEC”) filings, press
21 releases, conference calls, news reports, blog postings, and other public statements
22 made by Defendants prior to, during, and after the Class Period; (ii) public
23 documents, reports, announcements, and news articles concerning QuantumScape;
24 (iii) research reports by securities and financial analysts; and (iv) economic analyses
25 of stock price movement and pricing data; (b) conducting numerous fact interviews
26 with third parties; and (c) a review and analysis of other publicly available material
27 and data;

- 28 (b) In opposing the Defendants’ motion to dismiss, counsel further engaged in legal

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1 research relating to the strengths and weaknesses of the claims asserted in this
2 Litigation; and

3 (c) Following the Court’s denial, in large part, of Defendants’ motion to dismiss,
4 counsel (i) completed extensive fact discovery involving the exchange of hundreds
5 of thousands of documents between the Parties, more than fourteen fact depositions,
6 and over 20 subpoenas issued to third parties and pursuing letters rogatory in
7 Germany to obtain discovery from Volkswagen; (ii) engaged in expert discovery,
8 involving the exchange of comprehensive expert reports; and (iii) attended and
9 prepared briefs for two mediations.

10 56. Based on publicly available information, documents obtained through counsel’s pre-
11 Complaint investigation, formal discovery, research, and analysis conducted in connection with the
12 numerous briefs that were filed in the Litigation, and discussions with experts, Plaintiffs’ Counsel
13 believe that Plaintiffs would have been able to survive summary judgment and prove their claims at
14 trial.

15 57. Plaintiffs’ Counsel also recognizes that Plaintiffs faced considerable risks at summary
16 judgment, at trial, and on any post-trial appeal. By way of example, in order for the Plaintiffs to prevail,
17 they would first have to establish that Defendants made an actionable materially false or misleading
18 statement or omitted material information. At trial, Defendants undoubtedly would have argued that
19 Plaintiffs could not demonstrate that any of the challenged statements were fraudulent, maintaining as
20 they have throughout the action that nothing they said was false, deceptive, or misleading when these
21 statements were made. Plaintiffs also would have faced significant risk in satisfying their evidentiary
22 and persuasive burden on the elements of scienter and loss causation.

23 58. Plaintiffs and Plaintiffs’ Counsel carefully considered such risks throughout the
24 settlement discussions with Defendants and Mr. Murphy. The Settlement eliminates these and other
25 risks, enabling the Class to recover a substantial sum of money, while avoiding continued litigation
26 and the unpredictability of a jury trial.

27 59. Barring the Settlement, this case would require the expenditure of substantial additional
28 sums of time and money to complete expert discovery, pursue additional discovery from Volkswagen

1 in Germany, brief summary judgment, trial and beyond, with no guarantee that any additional benefit
2 would be provided to the Class.

3 **C. The Proposed Plan of Allocation Merits Approval**

4 60. The plan of allocation proposed by Plaintiffs (the “POA”) is set forth at pp. 13-21 of
5 the proposed Notice.

6 61. Plaintiffs’ Counsel developed the POA in consultation with Plaintiffs’ consulting
7 damages expert, Adam Werner, Ph.D.—an economist with over 16 years of experience in advising on
8 (among other things) damages, loss causation and plan of allocation issues in federal securities cases.
9 Plaintiffs’ Counsel also relied on the analysis by Dr. Cain as presented in his initial damages’ expert
10 report. In short, the POA proposes that the Net Settlement Fund be allocated to Authorized Claimants
11 (*i.e.*, those who submit a completed Claim Form to the Claims Administrator that is later approved for
12 payment from the Net Settlement Fund) on a *pro rata* basis based on the relative size of their
13 Recognized Claims, where their Recognized Claims are in turn based on that portion of the losses on
14 their Class Period purchases of QuantumScape shares that can be fairly attributed to the Settling
15 Defendants’ alleged misconduct as alleged in the Complaint. In addition, in our experience, the type
16 of allocation formula (as customized to the facts of this case by Plaintiffs’ expert), as well as the manner
17 of presentation of the POA in the Notice, are fully consistent with customary practice in other securities
18 class action settlements. Accordingly, the POA is fair and reasonable, and also merits submission to
19 the Class in anticipation of later final approval proceedings.

20 **D. Plaintiffs’ Proposed Forms of Notice and Proposed Notice Plan Should be Approved**

21 62. Attached hereto as Exhibit 5 is a compliance “checklist” that identifies (a) relevant
22 criteria under the Northern District of California Procedural Guidance for Class Action Settlements
23 (the “N.D. Cal. Class Action Guidelines”), and (b) the relevant sections of the Notice or other
24 preliminary approval submissions where the relevant information can be found.

25 63. Additional details about the nature and scope of the proposed Notice Plan are set forth
26 in the separately filed Declaration of Adam Walter, dated June 11, 2024.

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E. The Settlement Administrator

64. Plaintiffs’ Counsel requests that the Court approve its choice of A.B. Data to serve as the Claims Administrator. Plaintiffs’ Counsel selected A.B. Data following a competitive process involving requests for proposal (“RFP”) for notice and claims administration services in this matter sent to three experienced claims administration firms with whom Plaintiffs’ Counsel had prior satisfactory claims notice and administration experience. A.B. Data presented an estimate containing the lowest cost per claim. As such, A.B. Data currently estimates that its fees and expenses related to the Notice Plan and subsequent distribution process, including the anticipated Class Distribution Order, will be \$350,000 to be paid from the Settlement Fund. This estimate is based on the costs of the detailed activities to be undertaken while serving as the Claims Administrator and the activities A.B. Data will undertake if the Settlement Agreement receives final approval and the distribution of mailed settlement checks to Authorized Claimants is undertaken, including the activities related thereto. In A.B. Data’s experience, these estimated fees and expenses are reasonable in relation to the \$47.5 million Settlement Fund herein. Given A.B. Data’s outstanding reputation, expertise, and experience (see Walter Declaration), and its competitive cost estimate, Plaintiffs’ Counsel believes A.B. Data’s bid is reasonable and will ultimately benefit the Class.

65. Pursuant to the N.D. Cal. Class Action Guidelines, in the last two years, A.B. Data has administered or is currently administering, the following settlements in which Class Counsel served as Lead Counsel or Co-Lead Counsel: *Christakis Vrakas, et al. v. United States Steel Corporation, et al.*, Civil Action No. 17-579 (W.D. Pa.); *In re Restoration Robotics, Inc. Securities Litigation*, Case No. 5:18-cv-03712-EJD (N.D. Cal. – San Jose Division); *In re Aqua Metals, Inc. Securities Litigation*, Case No. 4:17-cv-07142 (N.D. Cal.); *Pope v. Navient Corporation, et al.*, Case No. 17-8373-RBK (D.N.J.); *Kohl v. Loma Negra Copania Industrial Argentina Sociedad Anonima, et al.*, No. 653114-2018 (N.Y. Sup. Ct.); *Ferraro Family Foundation, et al. v. Corcept Therapeutics, Inc., et al.*, Case No. 19-cv-01372-LHK (N.D. Cal. – San Jose Division); *Poirier v. Bakkt Holdings, Inc. f/k/a VIH Impact Acquisition Holdings, et al.*, No. 1:22-cv-02283-EK-PK (E.D.N.Y.); and *In re Humanigen, Inc. Securities Litigation*, No. 2:22-cv-05258-WJM (D.N.J.). Walter Decl., ¶2.

66. At this time, only a rough estimate of the total Notice and Administration Expenses can

1 be provided, as the costs are highly dependent on how many notices are ultimately mailed, how many
2 claims are ultimately received, and the amount of work necessary to fully and accurately process those
3 claims. *Id.* at ¶13. A.B. Data estimates that the total Notice and Administration Expenses for the
4 Litigation may be approximately \$350,000. *Id.*

5 67. Plaintiffs’ Counsel Levi & Korsinsky further provides the following information
6 concerning a distribution in a recent comparable case, *In re U.S. Steel Consolidated Cases*, Case No.
7 2:17-cv-579 (W.D.P.A), in which it was Plaintiffs’ Counsel, where the disbursement motion was
8 granted on March 14, 2024:

- 9 • Settlement Amount: \$40,000,000
- 10 • Total Notices Mailed: 315,798
- 11 • Notice Method: Postcard Notice and Publication
- 12 • % of those sent Notices who submitted claims: 21% (65,081 filed claims)
- 13 • Average payment per eligible claim: \$2,429
- 14 • Total admin costs: \$759,596.88 (1.9%)

15 **F. Lodestar and Hours Incurred**

16 68. Based on information collected by Plaintiffs’ Counsel, the lodestar that Plaintiffs’
17 Counsel Levi & Korsinsky has incurred from inception to June 10, 2024 in this matter—which
18 includes, among other activities, time spent on pre-discovery factual investigation; preparing the initial
19 consolidated and subsequent amended complaints; briefing the motions to dismiss; multiple court
20 appearances and related preparation; drafting discovery requests and negotiating related objections and
21 search terms with Defendants and various third parties; reviewing documents produced to date;
22 collecting and producing client documents in response to Defendants’ requests; briefing and preparing
23 oral arguments for the class certification motion; and participating in the mediation process and
24 negotiating the settlement documents—is approximately 16,000 hours and \$9.6 million.

25 69. As stated in the proposed Notice, Plaintiffs’ Counsel plans to seek an award of
26 attorneys’ fees of up to 33% of the Gross Settlement Fund—that is, not more than roughly \$15,833,333.
27 If a 33% fee were requested and then granted in full, such an award would result in a “lodestar
28 multiplier” of approximately 1.65 on all lodestar time billed to date on this case. Importantly, while

1 Plaintiffs' Counsel seeks to provide notice that it may seek fees up to 33% of the Gross Settlement
2 Fund, the actual amount may be lower.

3 70. Plaintiffs' Counsel will also seek reimbursement of up to \$2,200,000 for their
4 reasonable litigation expenses incurred in prosecuting the Action to date. Such expenses, which will
5 be further detailed in counsel's Fee and Expense Application (which Plaintiffs' Counsel will also post
6 on the dedicated settlement website promptly after they file it with the Court), include court filing fees,
7 legal research fees, document review expenses, expert fees, mediator fees, document database costs
8 and related document production and management costs, and other customarily reimbursed expenses.
9 In addition, as noted above, the Fee and Expense Application will also include a request for 15 U.S.C.
10 §78u-4(a)(4) awards totaling no more than \$40,000 to the Plaintiffs.

11 **G. Proposed Escrow Agent**

12 71. Plaintiffs' Counsel proposes using Esquire Bank as Escrow Agent. Esquire has
13 extensive experience acting as escrow agent in class action settlements, and both the claims
14 administrator and our firm have had very good relationships with its professional staff. Esquire has
15 also agreed not to charge the Class any fees in connection with its investment of Settlement Fund
16 assets.

17 I declare, under penalty of perjury that the foregoing is true and correct.

18 Dated: June 11, 2024

Respectfully submitted,

19
20 /s/ Nicholas I. Porritt DocuSigned by:
Nicholas Porritt
21 _____ Nicholas I. Porritt 7731A747FF74405...

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23
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EXHIBIT 1

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

In re QuantumScape Securities Class Action
Litigation

Case No 3:21-cv-00058-WHO

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement is entered into by and among (a) Lead Plaintiff, Frank Fish, and additional plaintiffs, Mary Cranny and Kathy Stark, on behalf of themselves and the Class¹; and (b) Defendants QuantumScape Corporation, Jagdeep Singh, Kevin Hettrich, and Timothy Holme, by and through the Parties' respective counsel. The Stipulation is intended by the Parties to fully, finally and forever resolve, discharge, release and settle the Released Claims upon and subject to the terms and conditions hereof, and to be submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure for approval by the Court.

WHEREAS, on January 5, 2021, *Malriat v. QuantumScape Corporation f/k/a Kensington Capital Acquisition Corp., et al.*, Case No. 21-cv-00058-WHO, was filed in the the Court, naming QuantumScape Corporation and Jagdeep Singh as defendants;

WHEREAS, on January 6, 2021, a related securities class action lawsuit was also filed in the Court: *Gowda v. QuantumScape Corporation et al.*, Case No. 4:21-cv-00070-JST, naming Fritz Prinz, Timothy Holme, Kevin Hettrich, and Volkswagen Group of America Investments, LLC as additional defendants;

WHEREAS, on January 8, 2021, an additional related securities class action was filed in this Court: *Leo v. QuantumScape Corporation f/k/a Kensington Capital Acquisition Corp. et al.*, 3:21-cv-00150-VC, naming QuantumScape Corporation and Jagdeep Singh as defendants;

WHEREAS, following the filing of various competing motions to appoint lead plaintiffs and lead counsel, on April 20, 2021, the Court appointed Frank Fish as Lead Plaintiff, approved Levi & Korsinsky, LLP as lead counsel, and consolidated the cases, captioning them as "*In re QuantumScape Securities Class Action Litigation*," Case No. 3:21-cv-00058-WHO;

¹ All capitalized words and terms that are not otherwise defined in text have the meaning ascribed to them below in the section entitled "Definitions."

WHEREAS, on May 4, 2021, an additional related securities class action was filed in the Court: *Mullur v. QuantumScape Corporation f/k/a Kensington Capital Acquisition Corp. et al.*, 3:21-cv-03309, naming QuantumScape Corporation, Jagdeep Singh, Fritz Prinz, Timothy Holme, and Kevin Hettrich as defendants;

WHEREAS, on May 5, 2021, Plaintiff Mullur filed a motion requesting that the Court revisit the lead plaintiff appointment process;

WHEREAS, on May 18, 2021, the Court denied Plaintiff Muller's motion to revisit the lead plaintiff appointment and the Mullur action was deemed related and consolidated with the existing consolidated case, *In re QuantumScape Securities Class Action Litigation*, Case No. 3:21-cv-00058-WHO;

WHEREAS, on June 21, 2021, Lead Plaintiff filed the Consolidated Class Action Complaint;

WHEREAS, on July 13, 2021, Lead Plaintiff and the Defendants stipulated voluntarily to dismiss Fritz Prinz and Volkswagen Group of America Investments, LLC as defendants;

WHEREAS, on January 14, 2022, and after full briefing and oral argument, Judge William H. Orrick III granted in part and denied in part Defendants' motion to dismiss the Consolidated Class Action Complaint;

WHEREAS, on February 25, 2022, Defendants filed their Answer to the Plaintiffs' Consolidated Class Action Complaint;

WHEREAS, on July 14, 2022, Lead Plaintiff and additional plaintiffs Mary Cranny and Kathy Stark, filed the Second Amended Consolidated Complaint and Defendants filed their Answer to the Second Amended Complaint on August 4, 2022;

WHEREAS, on December 19, 2022, and after a full briefing on the motion for Class Certification, Judge Orrick certified a class of “[a]ll persons or entities that purchased or otherwise acquired QuantumScope securities between November 27, 2020 and April 14, 2021, inclusive, and were damaged thereby,” with certain exclusions that are noted in the definition of “Class” below;

WHEREAS, the Parties have engaged in extensive written and deposition discovery;

WHEREAS, on October 24, 2023, after exchanging mediation briefs detailing their respective theories of alleged liability, defenses, and damages, the Parties attended a full-day mediation in New York, New York with Phillips ADR mediator David Murphy, Esq. The Parties did not reach a settlement at that time;

WHEREAS, on March 26, 2024, after continuing to engage in fact and expert discovery, the Parties exchanged supplemental mediation briefs and attended a second full-day mediation in New York, New York with Mr. Murphy. The Parties still did not reach a settlement at that time;

WHEREAS, after March 26, 2024, the Parties continued post-mediation discussions with Mr. Murphy;

WHEREAS, on April 5, 2024, Mr. Murphy made a mediator’s recommendation, which the Parties accepted in principle on April 8, 2024;

WHEREAS, the mediator’s recommendation was for a settlement, under which Plaintiffs and the Class would settle, compromise and release all Released Claims against the Defendants for the payment of \$47,500,000 in cash;

WHEREAS, after taking into account the uncertainties, risks and likely costs and expenses of further litigation in this complex securities action, Plaintiffs believe that the Settlement set forth herein is fair, reasonable, and in the best interests of Class Members; and

WHEREAS, the Defendants have denied and continue to deny each and all of the claims alleged by Plaintiffs, including all allegations of wrongdoing, fault, damages or liability whatsoever arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in this Action, but also after taking into account the potential costs, uncertainties, and risks of further litigation, have therefore determined to fully and finally settle and resolve the claims asserted against them in the manner and upon the terms and conditions set forth herein;

NOW, THEREFORE, without any admission or concession whatsoever on the part of any Plaintiff of any lack of merit of any claims in the Action, and without any admission or concession whatsoever on the part of the Defendants of any liability, wrongdoing, fault, or lack of merit in the defenses they have asserted in the Action, the Parties hereby STIPULATE AND AGREE, by and through their respective undersigned attorneys, and subject to judicial approval as further set forth herein, in consideration of the benefits flowing to the Parties hereto from the Settlement, that all Released Claims as against the Released Defendant Persons and all Released Defendants' Claims as against the Released Plaintiff Persons shall be compromised, resolved, settled, released, and discharged, upon and subject to the following terms and conditions, as set forth below:

1. DEFINITIONS

As used in this Stipulation, the following terms have the meanings specified below:

- 1.1 "Action" means *In re QuantumScape Securities Class Action Litigation*, No. 3:21-cv-00058-WHO, pending in the Court.
- 1.2 "Additional Plaintiffs" means plaintiffs Mary Cranny and Kathy Stark.
- 1.3 "Alternative Judgment" means a form of judgment with terms materially different from those set forth in the form of judgment that is attached hereto as Exhibit B.

1.4 “Attorneys’ Fees and Expenses” means the portion of the Gross Settlement Fund approved by the Court for payment to counsel who have represented Plaintiffs, including such counsel’s attorneys’ fees, costs, litigation expenses, and fees and expenses of experts (excluding Notice and Administration Expenses).

1.5 “Authorized Claimant(s)” means Class Member(s) who submit a timely and valid Proof of Claim to the Claims Administrator.

1.6 “Award to Plaintiffs” means any portion of the Gross Settlement Fund approved by the Court for payment to Plaintiffs for their service to the Class in this Action, and of reasonable costs and expenses incurred by Plaintiffs directly relating to the representation of the Class pursuant to 15 U.S.C. § 78u-4(a)(4).

1.7 “Bar Order” means the language set forth at ¶12 of the proposed Judgment attached hereto at Exhibit B.

1.8 “CAFA” means the Class Action Fairness Act, 28 U.S.C. § 1715 et seq.

1.9 “Claimant” refers to a putative Class Member who submits a Proof of Claim.

1.10 “Claims Administrator” means the claims administration firm that may be appointed by the Court to administer the Settlement and disseminate notice to the Class.

1.11 “Class” means all Persons who 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 Individual 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 will be those Persons who file a valid and timely Request for Exclusion in accordance with the Court’s Preliminary Approval Order.

1.12 “Class Member(s)” means any Person who falls within the definition of the Class, except that Class Member(s) does not include any Person who timely and validly sought exclusion from the Class.

1.13 “Class Period” means the period between November 27, 2020 through April 14, 2021, inclusive.

1.14 “Court” means the United States District Court for the Northern District of California.

1.15 “Controlling Interest” means having a majority ownership interest or ownership of the majority of voting stock of the entity.

1.16 “D&O Insurers” means, collectively, Endurance American Insurance Company, Ascot Insurance Company, XL Specialty Insurance Company, Fair American Select Insurance Company, and RSUI Indemnity Company.

1.17 “Defendants” means QuantumScape, Jagdeep Singh, Kevin Hettrich, and Timothy Holme.

1.18 “Defendants’ Counsel” means the law firm of Wilson Sonsini Goodrich & Rosati P.C.

1.19 “Effective Date” means the date on which all the conditions set forth below in ¶9.1 shall have been satisfied.

1.20 “Escrow Account” means the segregated and separate interest-bearing escrow account to be established with the Escrow Agent (subject to judicial oversight) into which the Settlement Amount will be deposited for the benefit of the Class, and which will thereafter hold the assets of the Settlement Fund (subject to the making of such awards, payments, and distributions as authorized herein).

1.21 “Escrow Agent” means Esquire Bank or its duly appointed successor, or such other bank as may be proposed by Plaintiffs’ Counsel and approved by the Court.

1.22 “Fairness Hearing” means the hearing scheduled by the Court to determine whether (i) the Settlement is fair, reasonable, and adequate, (ii) the Plan of Allocation is fair, reasonable and adequate; and (iii) Plaintiffs’ Counsel’s Fee and Expense Application is reasonable.

1.23 “Fee and Expense Application” means the application submitted by Plaintiffs’ Counsel for an award of Attorneys’ Fees and Expenses, including for (i) attorneys’ fees and

payment of litigation costs and expenses incurred in connection with the prosecution of the Action, plus interest on such amounts awarded at the same rate as earned on the Settlement Fund until paid; and (ii) one or more Awards to Plaintiffs.

1.24 “Final” shall mean, with respect to a Judgment or order of the Court, a Judgment or order as to which there is no pending stay, motion for reconsideration, motion for rehearing, motion to vacate, appeal, petition for writ of certiorari or similar request for relief; and

- a) if no appeal or review is filed, the time to appeal or petition for review has expired; or
- b) if there is an appeal or review, such Judgment or order has been affirmed or the appeal or review is dismissed or denied, and such Judgment or order is no longer subject to further judicial review, including upon appeal or review by writ of certiorari.

However, any appeal or proceeding seeking subsequent judicial review pertaining solely to the Plan of Allocation, Award to Plaintiffs, or to any award of Attorneys’ Fees and Expenses, shall not in any way delay or affect the time set forth above for the Judgment to become Final or otherwise preclude the Judgment from becoming Final.

1.25 “Gross Settlement Fund” means the Settlement Amount plus all interest earned thereon.

1.26 “Individual Defendants” refers to Jagdeep Singh, Kevin Hettrich, and Timothy Holme.

1.27 “Judgment” means either: (i) a judgment that is entered approving the Settlement, substantially in the form of the proposed Judgment attached hereto as Exhibit B; or (ii) an Alternative Judgment, if expressly agreed in writing by all the Parties.

1.28 “Lead Plaintiff” means plaintiff Frank Fish.

1.29 “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 this 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.

1.30 “Notice” means the 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, substantially in the form attached hereto as Exhibit A-1, which is to be sent to potential members of the Class.

1.31 “Notice and Administration Expenses” means the reasonable costs and expenses incurred in connection with locating Class Members; preparing, printing, mailing, and publishing the Notice and the Summary Notice; soliciting the submission of Proof(s) of Claim(s); assisting with the submission of Proof(s) of Claim(s); processing Proof of Claim forms; administering and distributing the Net Settlement Fund to Authorized Claimants; tax preparation expenses; and paying escrow fees and costs (if any).

1.32 “Objections” means any written objection by a Class Member to the proposed Settlement, Plan of Allocation and/or the Fee and Expense Application.

1.33 “Opt-Out Agreement” means the separate supplemental agreement providing QuantumScape, in its sole discretion, with an option to terminate this Stipulation and Settlement in the event that Requests for Exclusion are received in an aggregate amount equal to or greater than the amount specified in such supplemental agreement.

1.34 “Parties” refers collectively to the Plaintiffs and Defendants, and each, individually is referred to as a “Party.”

1.35 “Payment Date” refers to the date that Defendants shall pay or cause to be paid the Settlement Amount, which will occur within 30 (thirty) calendar days of the later of (a) entry of a Preliminary Approval Order or (b) receipt of complete payment instructions from Plaintiffs’ Counsel, including an IRS Form W-9 for the Escrow Account, complete check payment, wire, and ACH instructions (account information, bank name and address), and contact information to enable verbal confirmation of the payment instructions, which shall be recorded if requested by any entity making payment.

1.36 “Person(s)” means any individual, 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, any representative, and, as applicable, his, her or its respective spouses, heirs, predecessors, successors-in-interest, representatives, and assigns.

1.37 “Plaintiffs” refers collectively to Lead Plaintiff and the Additional Plaintiffs.

1.38 “Plaintiffs’ Counsel” means the law firm of Levi & Korsinsky, LLP.

1.39 “Plan of Allocation” means the plan for allocating the Net Settlement Fund described in the Notice, or any alternate plan of allocation approved by the Court, whereby the Net Settlement Fund shall be distributed to Authorized Claimants.

1.40 “Postcard Notice” means the notice sent to class members via postcard, substantially in the form attached hereto as Exhibit A-4.

1.41 “Preliminary Approval Order” means an order preliminarily approving the Settlement and directing notice thereof to the Class, substantially in the form of the proposed order attached hereto as Exhibit A.

1.42 “Proof of Claim” means a Proof of Claim and Release Form, substantially in the form attached hereto as Exhibit A-2, submitted on paper or electronically to the Claims Administrator.

1.43 “QuantumScape” means QuantumScape Corporation.

1.44 “Recognized Claim” means the sum of each Claimant’s Recognized Loss Amounts.

1.45 “Recognized Loss Amount” means the loss, if any, suffered by a Claimant on the purchase of QuantumScape publicly traded securities purchased or otherwise acquired during the Class Period as defined in and calculated in accordance with the formula set forth in the Plan of Allocation.

1.46 “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 this Stipulation and Agreement of Settlement, the Individual Defendants and QuantumScape are also each other's Related Persons.

1.47 "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 this Stipulation or any claims brought in any derivative action based on allegations similar to the allegations in this Action.

1.48 "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 this Stipulation.

1.49 “Released Defendant Persons” means QuantumScape, Jagdeep Singh, Kevin Hettrich, Timothy Holme, and their Related Persons.

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

1.51 “Request for Exclusion” means a written request for exclusion from the Class submitted by any Class Member.

1.52 “Settlement” means the settlement of the Action on the terms set forth in this Stipulation.

1.53 “Settlement Amount” means the sum of US \$47,500,000.00 (Forty-Seven million, five hundred thousand U.S. dollars) in cash, to be deposited into the Escrow Account pursuant to ¶2.1.

1.54 “Settlement Class Distribution Order” means the order to be entered by the Court (a) to authorize the payment from the Settlement Fund any as yet unpaid Notice and Administration Expenses; (b) to resolve (if it has not previously done so or been asked to do so) any objections with respect to any rejected or disallowed claims; and (c) approve the distribution of the Net Settlement Fund to the Authorized Claimants upon final resolution of any rejected or disallowed claims.

1.55 “Settlement Fund” means the moneys held in the Escrow Account and any interest earned thereon.

1.56 “Stipulation” means this Stipulation and Agreement of Settlement.

1.57 “Summary Notice” means 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, substantially in the form attached hereto as Exhibit A-3.

1.58 “Taxes” means all taxes (including any estimated taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any taxes or tax detriments that may be imposed upon the Released Defendant Persons with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a qualified settlement Fund for Federal or state income tax purposes.

1.59 “Tax Expenses” means expenses and costs incurred in connection with the operation and implementation of ¶¶2.8-2.10 (including, without limitation, expenses of tax attorneys and/or accountants, and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in ¶¶2.8-2.10).

1.60 “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. 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.

2. THE SETTLEMENT CONSIDERATION; ESTABLISHMENT OF ESCROW ACCOUNT; TAXES; NOTICE AND ADMINISTRATION EXPENSES

a. The Settlement Fund

2.1. QuantumScape shall pay in cash, and shall cause its D&O Insurers to pay in cash, their respective contributions towards the Settlement Amount to settle and release the Released Claims. The respective contributions of QuantumScape and the D&O Insurers are to be paid by check, ACH, or wire transfer directly into the Escrow Account (to be established for the benefit of the Class) within 30 (thirty) calendar days of the later of (a) entry of a Preliminary Approval Order or (b) receipt of payment instructions from Plaintiffs' Counsel; *provided that, however*, Plaintiffs' Counsel shall also provide to Defendants' Counsel check, wire, and ACH payment instructions for

the Escrow Account, (including account information, bank name and address and contact information to enable recorded verbal verification of the wire and ACH instructions), and an IRS Form W-9 for the Settlement Fund, within five (5) business days of the entry of the Preliminary Approval Order. Other than payment of the Settlement Amount into the Escrow Account set forth herein, Defendants and the D&O Insurers shall have no responsibility to make any payments pursuant to this Stipulation.

2.2. The Settlement Fund shall be used to pay: (i) Taxes and any Tax Expenses, (ii) the Notice and Administration Expenses as authorized by this Stipulation; (iii) Attorneys' Fees and Expenses authorized by the Court; (iv) any Award to Plaintiffs authorized by the Court; and (v) other fees and expenses, if any, authorized by the Court. The balance of the Settlement Fund remaining after the above payments shall constitute the Net Settlement Fund, which shall be distributed to the Authorized Claimants in accordance with this Stipulation.

2.3. The Settlement is non-recapture, *i.e.* it is not a claims-made settlement. Upon the occurrence of the Effective Date, no Defendant, no Released Defendant Persons, or any other Person or entity who or which paid any portion of the Settlement Amount, including, without limitation, Defendants' insurance carriers, shall have any right to the return of the Settlement Fund or any portion thereof for any reason whatsoever.

2.4. If the entire Settlement Amount is not deposited into the Escrow Account by the Payment Date, Plaintiffs' Counsel may terminate the Settlement, but only if: (i) Defendants have received from Plaintiffs' Counsel written notice of Plaintiffs' Counsel's intention to terminate the Settlement; and (ii) the entire Settlement Amount is not transferred to the Escrow Account within fifteen (15) calendar days after Plaintiffs' Counsel has provided such written notice.

2.5. Neither the Parties nor their respective counsel shall be liable for the loss of any portion of the Settlement Fund, nor have any liability, obligation, or responsibility for (a) the payment of claims, taxes, legal fees, or any other expenses payable from the Settlement Fund; (b) the investment of any Settlement Fund assets; or (c) any act, omission, or determination of the Escrow Agent.

b. The Escrow Agent

2.6. Any sums required to be held in escrow hereunder shall be held by the Escrow Agent, which shall be controlled by Plaintiffs' Counsel (subject to the supervision of the Court) for the benefit of the Class until the Effective Date. To the extent that money is not paid out from the Settlement Fund as authorized by this Stipulation or as otherwise ordered by the Court, all assets held by the Escrow Agent in the Settlement Fund shall be deemed to be held in *custodia legis* and shall remain subject to the jurisdiction of the Court until such time as they shall be distributed or returned pursuant to this Stipulation and/or further order of the Court. Other than amounts disbursed for Notice and Administration Expenses, Taxes and Tax Expenses, Attorneys' Fees and Expenses, and an Award to Plaintiffs, the remainder of the Settlement Fund shall not be distributed before the Effective Date occurs. The Escrow Agent shall not disburse the Settlement Fund, or any portion thereof, except as provided in this Stipulation, or upon order of the Court. The Escrow Agent shall bear all risks related to the holding of the Settlement Fund in the Escrow Account.

2.7. The Escrow Agent, at the direction of Plaintiffs' Counsel, shall invest all funds exclusively in eligible investments, meaning obligations issued or guaranteed by the United States Government or any agency or instrumentality thereof, backed by the full faith and credit of the United States, or fully insured by the United States Government or an agency thereof, and the Escrow Agent (unless otherwise instructed by Plaintiffs' Counsel) shall reinvest the proceeds of these obligations or instruments as they mature in similar instruments at their then-current market rates. Interest earned on the money deposited into the Escrow Account shall be part of the Settlement Fund.

c. Taxes

2.8. The Parties agree to treat the Settlement Fund as being at all times a "Qualified Settlement Fund" within the meaning of Treasury Regulation §1.468B-1. In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions of this section, including the "relation-back election" (as defined in Treasury Regulation §1.468B-1) back

to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

2.9. For purposes of §1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. The Escrow Agent shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treasury Regulation §1.468B-2(k)). Such returns (as well as the elections described in ¶2.8 hereof) shall be consistent with this ¶2.9 and in all events shall reflect that all Taxes (including any estimated taxes, interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶2.10 hereof.

2.10. All (i) Taxes (including any estimated taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Released Defendant Persons with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “Qualified Settlement Fund” for federal or state income tax purposes; and (ii) Tax Expenses, including expenses and costs incurred in connection with the operation and implementation of this ¶¶2.8-2.10 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in ¶¶2.8-10), shall be paid out of the Settlement Fund. In all events, the Released Defendant Persons shall have no liability or responsibility for the Taxes or the Tax Expenses. Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court, and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as

well as any amounts that may be required to be withheld under Treasury Regulation §1.468B-2(1)(2)); the Released Defendant Persons are not responsible, nor shall they have any liability, therefor. The Parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of ¶¶2.8-2.10.

d. Notice and Administration Expenses

2.11. Notwithstanding that the Effective Date of the Settlement has not yet occurred, up to \$350,000 of the Settlement Fund may be used by Plaintiffs' Counsel to pay reasonable costs and expenses actually incurred in connection with providing notice to the Class, locating Class Members, soliciting claims, assisting with the submission of claims, processing Proofs of Claim, administering and preparing for distributing the Net Settlement Fund to Authorized Claimants, and paying escrow fees and costs, if any. For the avoidance of doubt, the Notice and Administration Expenses are part of the Settlement Amount. In the event that the Settlement is not consummated, money actually paid or incurred for this purpose, including any related fees, up to \$350,000, shall not be repaid or returned pursuant to ¶ 9.8. Following the Effective Date, Plaintiffs' Counsel may pay from the Escrow Account, without further approval from Defendants or further order of the Court, all Notice and Administration Expenses.

3. SCOPE AND EFFECT OF SETTLEMENT

3.1. The obligations incurred pursuant to this Stipulation shall be in full and final disposition of: (i) the Action as against the Defendants; (ii) any and all Released Claims as against the Released Defendant Persons; and (iii) any and all Released Defendants' Claims as against the Released Plaintiff Persons, as more fully set forth herein.

3.2. Upon the Effective Date, Plaintiffs and each of the Class Members, on behalf of themselves and their Related Persons, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, waived, relinquished and discharged, and shall

forever be enjoined from prosecuting, all Released Claims against each of the Released Defendant Persons, whether or not such Plaintiff or Class Member executes and delivers a Proof of Claim.

3.3. Upon the Effective Date, Defendants and each of the Released Defendant Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, waived, relinquished and discharged, and shall forever be enjoined from prosecuting, each and every one of the Released Defendants' Claims against the Released Plaintiff Persons.

3.4. Upon the Effective Date, no Person may bring or pursue any Released Claim against any Released Defendant Persons.

3.5. The releases provided in this Stipulation shall become effective immediately upon the occurrence of the Effective Date without the need for any further action, notice, condition, or event.

3.6. With respect to any and all Released Claims and Released Defendants' Claims, the Parties stipulate and agree that upon the Effective Date, the Parties shall expressly waive, and each of the Class Members shall be deemed to have waived and by operation of the Judgment shall have waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law that is similar, comparable, or equivalent to Cal. Civ. 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 releasing party.

The Plaintiffs acknowledge, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the inclusion of "Unknown Claims" in the definitions of Released Claims and Released Defendants' Claims was separately bargained for and a key element of the Settlement of which this release is a part.

4. ISSUANCE OF NOTICE; ADMINISTRATION AND CALCULATION OF CLAIMS, FINAL AWARDS, AND DISTRIBUTION OF NET SETTLEMENT FUND

4.1. The Claims Administrator shall (a) administer the issuance of notice to the Class in accordance with the terms of the Preliminary Approval Order and any other orders of the Court, (b) determine the validity of the Proofs of Claim submitted and calculate the Recognized Loss Amounts of Authorized Claimants that shall be allowed, (c) administer the distribution of the Net Settlement Fund to Authorized Claimants; and (d) otherwise provide such claims administration services as are customary in settlements of this type, subject to such supervision of Plaintiffs' Counsel and (as appropriate or as circumstances may require) the Court. The Claims Administrator shall be retained subject to the condition that it agrees to be subject to the jurisdiction of the Court.

4.2. Notice and Administration Expenses shall be paid from the Settlement Fund. Notwithstanding that the Effective Date has not yet occurred, Plaintiffs' Counsel may pay (or cause to be paid) from the Escrow Account the actual costs of notice and related administrative expenses without further court order, up to \$350,000. In no event shall the Plaintiffs or Plaintiffs' Counsel be responsible to pay any amount for Notice and Administration Expenses. Nor shall the Defendants be responsible to pay for any amount for Notice and Administrative Expenses except as provided in paragraph 4.3.

4.3. QuantumScape will cooperate in good faith in the class notice process and, for purposes of identifying and giving notice to the Class, shall use reasonable efforts to provide to the Claims Administrator (at no cost to the Class and within twenty (20) calendar days of the execution of this Stipulation) the last known names and addresses of all Persons who, based on the records of QuantumScape or its transfer agent, are likely Class Members or nominees of Class Members. In addition, no later than ten (10) calendar days following the filing of this Stipulation with the Court, QuantumScape shall serve the notice required under CAFA on behalf of all Defendants. QuantumScape shall be solely responsible for the costs of the CAFA notice and administering the CAFA notice.

4.4. The Released Defendant Persons shall have no role in, or any liability, obligation, or responsibility for, the dissemination of the Notice (other than as provided in above), the administration of the Settlement, or the distribution of the Settlement Fund, including with respect to: (i) any act, omission, or determination by Plaintiffs' Counsel or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the determination, administration, calculation, or payment of any claims asserted against the Settlement Fund; or (iii) the payment or withholding of any taxes, expenses, and/or costs incurred with the taxation of the Settlement Fund or the filing of any federal, state, or local returns. It shall be solely Plaintiffs' Counsel's responsibility to disseminate notices in accordance with this Stipulation and as ordered by the Court. Class Members shall have no recourse as to the Released Defendant Persons with respect to any claims they may have that arise from any failure of the notice process.

4.5. Each Class Member wishing to participate in the Settlement shall be required to submit to the Claims Administrator a Proof of Claim, substantially in the form set forth in Exhibit A-2 hereto and as approved by the Court, which, *inter alia*, will also provide for the release of all Released Claims as against all Released Defendant Persons. Each Proof of Claim must be signed under penalty of perjury by the beneficial owner(s) of the QuantumScape securities that are the subject of the Proof of Claim, or by someone with documented authority to sign for the beneficial owner(s) and must be supported by such documents as specified in the instructions contained in the Proof of Claim form.

4.6. All Proofs of Claim must be postmarked or received within the time prescribed in the Preliminary Approval Order unless otherwise ordered by the Court. Any Class Member who fails to submit a properly completed Proof of Claim within such period as shall be authorized by the Court shall be forever barred from receiving any payments pursuant to this Stipulation or from the Net Settlement Fund (unless Plaintiffs' Counsel in its discretion deems such late submission to be a formal or technical defect and waives the lateness of the submission in the interest of achieving substantial justice, or unless by order the Court approves that Class Member's untimely

submitted Proof of Claim), but will in all other respects be subject to the provisions of this Stipulation and the Judgment (or any Alternative Judgment), including, without limitation, the release of the Released Claims and dismissal of the Action. Provided that it is received before the motion for approval of the Settlement Class Distribution Order is filed, a Proof of Claim shall be deemed to have been submitted when posted if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

4.7. Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator who shall determine, under the supervision of Plaintiffs' Counsel, in accordance with this Stipulation and any applicable orders of the Court, the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to ¶4.11 below.

4.8. Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejecting a Proof of Claim, the Claims Administrator shall communicate with the Claimant to give the Claimant the opportunity to remedy any curable deficiencies in the Proof of Claim submitted. The Claims Administrator, under the supervision of Plaintiffs' Counsel, shall notify in a timely fashion and in writing, all Claimants whose Proofs of Claim they propose to reject in whole or in part, setting forth the reasons thereof, and shall indicate in such deficiency notice that the Claimant whose claims are to be rejected has the right to review by the Court if the Claimant so desires and complies with the requirement of ¶4.9 below.

4.9. If any Claimant whose claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) calendar days after the date of mailing of the notice required by ¶4.8 above, serve upon the Claims Administrator a written statement of reasons indicating the Claimant's ground for contesting the rejection along with copies of any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Plaintiffs' Counsel shall thereafter present the request for review to the Court.

4.10. The administrative determination of the Claims Administrator accepting and rejecting claims shall be presented by Plaintiffs to the Court in a motion for distribution of the Net Settlement Fund in accordance with ¶4.14.

4.11. Without regard to whether a Proof of Claim is allowed, each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to such Claimant's claim, and such Claimant's claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that Claimant's status as a Class Member and the validity and amount of the Claimant's claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proofs of Claim.

4.12. Payment pursuant to this Stipulation shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but shall otherwise be bound by all of the terms of the Judgment (or Alternative Judgment) to be entered in the Action and the releases provided for in this Stipulation, and will be barred from bringing any action against the Released Defendant Persons arising out of or relating to the Released Claims.

4.13. All proceedings with respect to the administration, processing, and determination of claims described in this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court.

4.14. After the Claims Administrator calculates the Recognized Loss Amount of each Authorized Claimant, Plaintiffs' Counsel shall file a motion for distribution of the Net Settlement Fund with the Court, requesting the Court (a) to authorize the payment from the Settlement Fund any as yet unpaid Notice and Administration Expenses; (b) to resolve (if it has not previously done so or been asked to do so) any objections with respect to any rejected or disallowed claims; and (c) approve the distribution of the Net Settlement Fund to the Authorized Claimants upon final resolution of any rejected or disallowed claims. Such motion shall not be filed until after all of the

following conditions have been met: (i) the Effective Date has occurred; (ii) all claims have been processed, and all Claimants whose claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard by the Claims Administrator concerning such rejection or disallowance; and (iii) all matters with respect to the Fee and Expense Application have been resolved by the Court, and any appeals therefrom have been resolved or the time therefor has expired.

4.15. If any balance remains in the Net Settlement Fund six (6) months after the date of the initial distribution of the Net Settlement Fund (by reason of tax refunds, uncashed checks or otherwise), Plaintiffs' Counsel shall request the Claims Administrator, if economically feasible and reasonable, to reallocate such balance among those Authorized Claimants who have cashed their checks in an equitable fashion, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution. If any balance shall still remain in the Net Settlement Fund six (6) months after such re-distribution, then such balance shall be contributed to a non-sectarian, non-profit Section 501(c)(3) organization as may be deemed appropriate by the Court.

4.16. The Released Defendant Persons shall have no responsibility for, interest in, or liability whatsoever with respect to the processing, review, determination, or calculation of any Proof of Claims, or the distribution of the Net Settlement Fund.

4.17. No Person shall have any claim against any Released Defendant Persons (including any Defendants' Counsel), any Released Plaintiff Persons (including any Plaintiffs' Counsel), or the Claims Administrator, based on determinations or distributions made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or any orders of the Court.

5. ALLOCATION OF NET SETTLEMENT FUND

5.1. 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.

5.2. The Plan of Allocation set forth in the Notice is not a necessary term of this Stipulation and it is not a condition of this Stipulation that any particular Plan of Allocation be approved. The Plan of Allocation shall be prepared and proposed (subject to judicial approval) solely by Plaintiffs' Counsel. Defendants will have no involvement in or responsibility for preparing the Plan of Allocation and will take no position with respect to the proposed Plan of Allocation or such Plan of Allocation as may be approved by the Court. The Plan of Allocation, and any changes thereto, is a matter separate and apart from the Settlement between the Parties, and any decision by the Court concerning the Plan of Allocation, or any changes thereto, and any appeal of any order relating thereto or reversal or modification thereof, shall not operate to, or be grounds to, terminate, modify or cancel, or affect the enforceability of, this Stipulation, or affect or delay the validity or finality of the Judgment (or Alternative Judgment) approving the Settlement. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her or its Recognized Claim compared to the total Recognized Claims of all accepted claimants.

5.3. Defendants shall have no involvement in the solicitation or review of Proofs of Claim and shall have no involvement in the administration process itself, which shall be conducted by the Claims Administrator in accordance with this Stipulation, the Plan of Allocation, and any orders that may be entered by the Court. Any Plan of Allocation is not part of the Stipulation, and the Released Defendant Persons shall have no liability with respect thereto. No Claimant or Authorized Claimant shall have any claim against any Released Defendant Persons or Defendants' Counsel based on, or in any way relating to, the distributions from the Settlement Fund.

5.4. No Authorized Claimant shall have any claim against Plaintiffs' Counsel or the Claims Administrator based on, or in any way relating to, the distributions from the Net Settlement Fund that have been made substantially in accordance with this Stipulation and any applicable orders of the Court.

6. THE FEE AND EXPENSE APPLICATION

6.1. Plaintiffs' Counsel will submit the Fee and Expense Application to the Court.

6.2. Any Attorneys' Fees and Expenses awarded by the Court shall be payable from the Gross Settlement Fund within five business days of entry by the Court of an order awarding such amounts, notwithstanding the existence of any timely filed objections thereto, or potential for appeal or collateral attack on the Settlement or any part thereof. However, if and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, any Attorneys' Fees and Expenses award is overturned or reduced, or if the Settlement is terminated or is not approved by the Court, or if there is an appeal and any order approving the Settlement does not become final and binding upon the Class, then, within fifteen (15) business days after receiving notice from any Defendants' Counsel or such an order from a court of appropriate jurisdiction, Plaintiffs' Counsel shall refund to the Settlement Fund such Attorneys' Fees and Expenses previously paid to them, plus interest thereon at the same rate as earned on the Settlement Fund, in an amount consistent with such reversal or reduction.

6.3. Any Awards to Plaintiffs shall be paid from the Settlement Fund ten (10) calendar days following the Judgment becoming Final.

6.4. The Released Defendant Persons shall have no responsibility for or liability with respect to any payment or allocation of any award of Attorneys' Fees and Expenses from the Settlement Fund. Defendants will take no position with respect to the Fee and Expense Application.

6.5. It is agreed that the procedure for and the allowance or disallowance by the Court of any Fee and Expense Application shall be considered by the Court separate and apart from its consideration of the fairness, reasonableness, and adequacy of the Settlement, and any order or proceeding relating to the Fee and Expense Application, and any appeal of any order relating thereto or reversal or modification thereof, shall not operate to, or be grounds to, terminate, modify, or cancel this Stipulation or affect or delay its finality, and shall have no effect on the terms of this Stipulation or on the validity or enforceability of this Settlement. The approval, finality and effectiveness of the Settlement shall not be contingent on an award of Attorneys' Fees and Expenses, or on any Award to Plaintiffs.

7. THE PRELIMINARY APPROVAL ORDER AND SETTLEMENT HEARING

7.1. Promptly after execution of this Stipulation, Plaintiffs shall submit the Stipulation together with its exhibits to the Court and shall apply for entry of a Preliminary Approval Order in connection with settlement proceedings substantially in the form attached hereto as Exhibit A, providing for, among other things: (a) preliminary approval of the Settlement as set forth in this Stipulation; (b) the setting of deadlines for the mailing of the Notice and dissemination of the Summary Notice; (c) the setting of deadlines for Class Members to submit Proofs of Claim, Requests for Exclusion, or Objections; (d) the setting of the time, date and location for the Fairness Hearing; (e) approval of Plaintiffs' Counsel's recommended Claims Administrator; and (f) approval of the form and content of the Notice, the Proof of Claim, and the Summary Notice, respectively, substantially in the forms of Exhibits A-1, A-2 and A-3 attached hereto.

7.2. Any Class Member who wishes to opt out of the Settlement must submit a timely Request for Exclusion (including any required documentation) on or before the deadline for doing so set by the Court, in accordance with the Preliminary Approval Order and the Notice. Requests for Exclusion on behalf of groups, including "mass" or "class" opt-outs, will not be permitted. Any Class Member who does not submit a timely and valid written Request for Exclusion will be bound by all Court proceedings, orders, and judgments, whether or not he, she, or it timely submits a Proof of Claim.

7.3. Any Class Member who wishes to object to the fairness, reasonableness, or adequacy of this Settlement or to any aspect of the Plan of Allocation or the Fee and Expense Application must do so in the manner specified and within the deadlines specified in the Preliminary Approval Order and the Notice.

7.4. As part of the motion or application for entry of the Preliminary Approval Order, the Parties, unless they otherwise agree in writing, shall request that the Court hold the Fairness Hearing, on a date to occur at least twenty-one (21) calendar days after the deadline(s) referenced in ¶¶7.1-7.3 above for Class Members to submit any Requests for Exclusion or Objections.

7.5. The Parties shall request that the postmark deadline for objecting to and/or submitting Requests for Exclusion from this Settlement be set at least sixty (60) calendar days after the date for the initial mailing of the Notice as set forth in the Preliminary Approval Order. The Claims Administrator shall promptly notify Plaintiffs' Counsel and Defendants' Counsel upon receipt of any Requests for Exclusion.

8. THE JUDGMENT

8.1. Following the issuance of the Notice, Plaintiffs shall file with the Court a motion for final approval of the Settlement and entry of a Judgment substantially in the form of Exhibit B hereto. Should Plaintiffs so request, the Defendants shall, unless there is a good faith basis for denying the request, join in seeking final approval of the Settlement and entry of a Judgment substantially in the form of Exhibit B hereto.

8.2. The Parties understand and agree that the entry of the Bar Order is integral to and an essential term of the Settlement and, as such, the Judgment will contain the Bar Order as specified in paragraph 12 of Exhibit B hereto.

9. EFFECTIVE DATE OF SETTLEMENT; TERMINATION

9.1. The Effective Date of the Settlement shall be the date on which all of the following events have occurred:

- (a) the Court has entered the Preliminary Approval Order in all material respects;
- (b) the full amount of the Settlement Amount has been paid into the Escrow Account pursuant to ¶2.1 above;
- (c) QuantumScape has not exercised its right (if applicable) to terminate the Settlement pursuant to ¶9.4 below or to the Opt-Out Agreement pursuant to ¶9.5 below, and its options (if applicable) to do so have expired in accordance with the terms of the Stipulation and/or the Opt-Out Agreement;
- (d) Lead Plaintiff has not exercised his right (if applicable) to terminate the Settlement pursuant to ¶9.4, and his option (if applicable) to do so has expired in accordance with the terms of the Stipulation; and

(e) the Court has entered the Judgment (or Alternative Judgment) following issuance of Notice to the Class that approves the Settlement, and such Judgment has become Final.

9.2. Upon the occurrence of all of the events referenced in ¶9.1 above, Plaintiffs shall have, and each Class Member shall hereby be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, waived, settled, and discharged, the Released Defendant Persons from and with respect to the Released Claims, whether or not such Class Members have executed a Proof of Claim.

9.3. Upon the occurrence of all of the events referenced in ¶9.1 above, any obligation (if otherwise applicable) of the Escrow Agent to return any funds from the Settlement Fund to QuantumScape pursuant to ¶9.8 or any other provision of this Stipulation shall be absolutely and forever extinguished.

9.4. Defendants, or Lead Plaintiff, through their respective counsel, shall each, in their respective discretions, but in all events subject to ¶9.5 herein, have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so to all other counsel for the Parties within thirty (30) calendar days of:

a. the Court's Final non-appealable refusal to enter the Preliminary Approval Order in any material respect;

b. the Court's Final non-appealable refusal to approve this Stipulation or any material part of it (except with respect to any decision by the Court concerning the Fee and Expense Application or Plan of Allocation);

c. the Court's Final non-appealable refusal to enter the Judgment (or an Alternative Judgment) in any material respect; or

d. the date on which the Judgment (or an Alternative Judgment) is modified or reversed in any material respect by a Court of Appeals or the United States Supreme Court and such modification or reversal has become Final.

9.5. If, prior to the Fairness Hearing, Persons who otherwise would be Class Members have timely submitted a valid Request for Exclusion from the Class in accordance with the

provisions of the Preliminary Approval Order and the Notice issued pursuant thereto, and who have not retracted their Request for Exclusion before the Fairness Hearing, and such Persons in the aggregate purchased QuantumScape securities during the Class Period in an amount equal to or greater than the amount specified in the “Opt-Out Agreement,” then QuantumScape, in its sole discretion, shall have the option to terminate this Stipulation and Settlement in accordance with the requirements and procedures set forth in the Opt-Out Agreement. Any Class Member seeking to exclude himself, herself, or itself from the Class must timely submit records of all of his, her, or its transactions in QuantumScape securities during the Class Period sufficient to calculate the number of QuantumScape securities purchased or acquired during the Class Period and the amount of his, her, or its Recognized Claim. Plaintiffs’ Counsel shall, however, have the opportunity to seek retraction of any Request for Exclusion prior to the Fairness Hearing. The Opt-Out Agreement, which is being executed concurrently herewith, shall not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein and in the Notice, to the extent necessary, or as otherwise provided in the Opt-Out Agreement) unless and until the Court otherwise directs or a dispute arises between Plaintiffs and Defendants concerning its interpretation or application. If submission of the Opt-Out Agreement is ordered by the Court, the Parties agree to file it under seal and to jointly request that the Court afford it confidential treatment in accordance with the practices of the Court so as to preserve the confidentiality of the Opt-Out Agreement.

9.6. If QuantumScape (or its successor) does not pay or cause to be paid the Settlement Amount in full within the time period specified in ¶2.1 of this Stipulation, then Plaintiffs’ Counsel, in their sole discretion, may, at any time prior to the Court entering the Judgment (or an Alternative Judgment): (i) terminate the Settlement by providing written notice to counsel for the Parties; (ii) seek to enforce the terms of the Settlement and this Stipulation and seek entry of a judgment and/or order effecting and enforcing the terms of this Stipulation; and/or (iii) pursue such other rights as Plaintiffs and the Class may have arising out of the failure to timely pay the Settlement Amount in full into the Escrow Account.

9.7. Except as otherwise provided herein, in the event the Settlement is terminated in accordance with its terms, the Judgment is vacated, or the Effective Date fails to occur, then the Parties shall be deemed to have reverted to their respective statuses and positions in the Action as of the date of this Stipulation, and the fact and terms of the Settlement shall not be admissible in any trial of the Action and, except as otherwise expressly provided, the Parties shall proceed in all respects as if this Stipulation and any related orders had not been entered. Notwithstanding anything to the contrary herein, however, the provisions of ¶¶ 1.1-1.60, 2.5, 2.6, 2.8-2.11, 4.2, 4.4, 7.2, 10.5, 10.7, 10.8, and 10.20 shall survive termination.

9.8. Unless otherwise ordered by the Court, in the event the Stipulation shall terminate, or be canceled, or shall not become effective for any reason, within thirty (30) calendar days after written notification of such event is sent by Defendants' Counsel to the Escrow Agent, the Settlement Fund (including accrued interest), less expenses which have either been incurred or disbursed pursuant to ¶¶ 2.8-2.10 or 2.11 hereof, shall be refunded pursuant to written instructions from Defendants' Counsel. At the request of Defendants' Counsel, the Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Fund and pay the proceeds, after deduction of any expenses incurred in connection with such application(s) for refund, at the written direction of Defendants' Counsel to the party, parties or the D&O Insurers that paid the Settlement Amount.

9.9. Defendants warrant and represent that, as of the time this Stipulation is executed and as of the time the Settlement Amount is actually transferred or made as reflected in this Stipulation, they are not "insolvent" within the meaning of 11 U.S.C. §101(32). If, before the Settlement becomes Final, any Defendant files for protection under the Bankruptcy Code, or any similar law, or a trustee, receiver, conservator, or other fiduciary is appointed under bankruptcy, or any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money or any portion thereof to the Escrow Agent by or on behalf of any Defendant to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited with the

Escrow Agent by others, then, at the election of Plaintiffs, the Parties shall jointly move the Court to vacate and set aside the release given and the Judgment entered in favor of Defendants and that Defendants and Plaintiffs and the members of the Class shall be restored to their litigation positions as of the date of this Stipulation.

9.10. No order of the Court or modification or reversal of any order of the Court concerning the Plan of Allocation or the amount of any attorneys' fees, costs, and expenses awarded by the Court shall constitute grounds for termination of the Stipulation.

10. MISCELLANEOUS PROVISIONS

10.1. The Parties: (i) acknowledge that it is their intent to consummate this Stipulation; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation expeditiously.

10.2. The Parties shall use their best efforts and take all necessary steps to consummate the Settlement contemplated herein, and the Parties and their respective counsel agree to cooperate reasonably with one another in seeking judicial approval of the Preliminary Approval Order, the Stipulation and the Settlement, and the entry of the Judgment (or an Alternative Judgment), and to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final judicial approval of the Settlement and to effectuate and implement all terms and conditions of this Stipulation.

10.3. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall also retain jurisdiction for purposes of, *inter alia*, entering orders relating to the Fee and Expense Application, the Plan of Allocation, and the enforcement of the terms of this Stipulation.

10.4. The Parties agree that the Settlement Amount, and the other terms of the Settlement, were negotiated at arm's length and in good faith by the Parties, and that the Settlement was reached voluntarily and only after negotiations conducted under the auspices of David Murphy, a

highly experienced mediator, during which all Parties were represented by experienced and competent legal counsel.

10.5. By executing this Stipulation, each of the Parties represents that they have the right, legal capacity, power and authority to enter into this Stipulation and to perform their obligations hereunder, without requiring additional consent, approval, or authorization of any other person, board, entity, tribunal, or other regulatory or governmental authority.

10.6. By executing this Stipulation, each of the Parties represents that the execution and delivery of this Stipulation and the performance of each and every obligation in this Stipulation does not and will not result in a breach of or constitute a default under, or require any consent under, any duty, relationship, contract, agreement, covenant, promise, guarantee, obligation or instrument to which the executing Party is a party or by which the executing Party is bound or affected.

10.7. Each Party agrees that no representations, warranties, inducements, covenants, or promises of any kind or character have been made by any other Party, Released Defendant Persons or Released Plaintiff Persons, or anyone else to induce the execution of this Stipulation except as expressly provided in this Stipulation, and that this Stipulation and its exhibits, together with the Opt-Out Agreement, constitutes the entire agreement between the Parties.

10.8. Each Party represents and warrants that they have had the opportunity to be represented by counsel of their choice throughout the negotiations which preceded the execution of this Stipulation and in connection with the preparation and execution of this Stipulation, and that they have been afforded sufficient time and opportunity to review this Stipulation with counsel of their choice.

10.9. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth in this Stipulation.

10.10. No amendment or modification of this Stipulation shall be effective unless in writing and signed by, or on behalf of, all of the Parties.

10.11. Whenever this Stipulation requires or contemplates that a Defendant shall or may give notice to Plaintiffs (or Plaintiffs' Counsel), or that Plaintiffs shall or may give notice to Defendants (or Defendants' Counsel), unless otherwise specified such notice shall be provided by email and next business day express delivery service, as set forth below, to the below-listed counsel:

If to Plaintiffs or Plaintiffs' Counsel:

LEVI & KORSINSKY, LLP
c/o Nicholas I. Porritt
33 Whitehall Street, 17th Floor
New York, NY 10006
Tel: (212) 363-7500
Email: nporritt@zlk.com

If to Defendants or Defendants' Counsel:

WILSON SONSINI GOODRICH & ROSATI P.C.
c/o
Ignacio Salceda
Rebecca Epstein
650 Page Mill Road
Palo Alto, CA 94034
Tel: (650) 493-9300
Email: isalceda@wsgr.com
Email: bepstein@wsgr.com

10.12. Except as otherwise provided herein, each Party shall bear its own costs. The Attorneys' Fees and Expenses, subject to Court approval, shall be paid only out of the Settlement Fund, and the Released Defendant Persons shall have no obligation with respect to the payment of said Attorneys' Fees and Expenses.

10.13. Plaintiffs' Counsel, on behalf of the Class, are expressly authorized to take all appropriate action required or permitted to be taken by the Class pursuant to this Stipulation to effectuate its terms, and to enter into any written modifications or amendments to this Stipulation on behalf of the Class.

10.14. This Stipulation shall be binding upon, and inure to the benefit of, the successors, assigns, executors, administrators, heirs, and representatives of the Parties. No assignment shall relieve any Party hereto of any obligations hereunder.

10.15. This Stipulation and all exhibits hereto shall be governed by, construed, performed, and enforced in accordance with the laws of the State of California without regard to its rules of conflicts of law, except to the extent that federal law requires that federal law governs.

10.16. The Plaintiffs, on behalf of themselves and each member of the Class, and the other Parties hereby irrevocably submit to the jurisdiction of the Court for any suit, action, proceeding, or dispute arising out of or relating to this Stipulation, the applicability of this Stipulation, or the enforcement of this Stipulation. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of Attorneys' Fees and Expenses to Plaintiffs' Counsel, any Award to Plaintiffs, and enforcing the terms of this Stipulation.

10.17. The Parties acknowledge that each Party has participated jointly and equally in the negotiation and preparation of this Stipulation. In the event an ambiguity or question of intent or interpretation arises, such ambiguity or question shall not be construed against any Party, and no presumption or burden of proof shall arise from favoring or disfavoring any Party solely by virtue of the authorship of any of the provisions of this Stipulation, and instead this Stipulation shall be construed as if all Parties participated equally in the drafting of all such provisions.

10.18. Neither this Stipulation, nor the fact of the Settlement, is an admission or concession by Released Defendant Persons of any liability or wrongdoing whatsoever. This Stipulation shall not constitute a finding of the validity or invalidity of any factual allegation or any claims in the Action or of any liability or wrongdoing by any of the Released Defendant Persons. This Stipulation, the fact of settlement, the settlement proceedings, the settlement negotiations, and any related documents, shall not be used or construed as an admission of any factual allegation, fault, liability, or wrongdoing by any person or entity, and shall in no event be

offered or received in evidence as an admission, concession, presumption, or inference against any party in any action or proceeding of any nature, or otherwise referred to or used in any manner in or before any court or other tribunal, except in such proceeding as may be necessary to enforce this Stipulation.

10.19. The Parties agree not to assert in any forum that the Action was brought by Plaintiffs or defended by Defendants in bad faith or without a reasonable basis, and further agree not to assert in any forum that any Party violated any provision of Rule 11 of the Federal Rules of Civil Procedure, the Private Securities Litigation Reform Act of 1995, or any other similar statute, rule, or law, relating to the commencement, prosecution, maintenance, defense, litigation or settlement of the Action.

10.20. All agreements made and orders entered during the course of this Action relating to the confidentiality of information shall survive this Settlement.

10.21. The headings in this Stipulation are used for purposes of convenience and ease of reference only and are not meant to have legal effect.

10.22. The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver by any other Party of such breach, nor shall it be deemed a waiver of any other breach of this Stipulation, including any prior or subsequent breach of this Stipulation. The provisions of this Stipulation may not be waived except by a writing signed by the affected Party or counsel for that Party. No failure or delay on the part of any Party in exercising any right, remedy, power, or privilege under this Stipulation shall operate as a waiver thereof or of any other right, remedy, power, or privilege of such Party under this Stipulation; nor shall any single or partial exercise of any right, remedy, power, or privilege under this Stipulation on the part of any Party operate as a waiver thereof or of any other right, remedy, power, or privilege of such Party under this Stipulation, or preclude further exercise thereof or the exercise of any other right, remedy, power, or privilege.

10.23. The Parties agree that nothing contained in this Stipulation shall cause any Party to be the agent or legal representative of another Party for any purpose whatsoever, nor shall this

Stipulation be deemed to create any form of business organization between the Parties, nor is any Party granted any right or authority to assume or create any obligation or responsibility on behalf of any other Party, nor shall any Party be in any way liable for any debt of another Party as a result of this Stipulation except as explicitly set forth in this Stipulation.

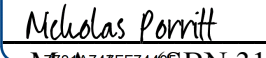
10.24. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related settlement documents, warrant and represent that they have full authority to do so on behalf of their respective clients, and that they similarly have the authority to take all appropriate actions required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

10.25. This Stipulation may be executed in one or more original, photocopied, PDF copies or facsimile counterparts, and facsimile or scanned signatures shall have the same force and effect as original signatures, and the exchange of fully executed copies of this Stipulation may similarly be effectuated by pdf/email to the email addresses shown below for the Parties' respective counsel. All executed counterparts and each of them shall be deemed to be one and the same instrument. A copy of the complete set of executed counterparts of this Stipulation shall be electronically filed with the Court.

IN WITNESS WHEREOF, the Parties, intending to be legally bound by this Stipulation, have caused this Stipulation to be executed, by their duly authorized attorneys, as of June 11, 2024.

LEVI & KORSINSKY, LLP

DocuSigned by:

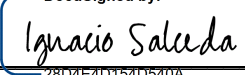
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EXHIBIT A

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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] ORDER PRELIMINARILY
APPROVING SETTLEMENT AND
PROVIDING FOR NOTICE**

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

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

11 WHEREAS, by Order dated December 19, 2022, ECF No. 183, the Court certified, pursuant
12 to Rule 23(b)(3) of the Federal Rules of Civil Procedure, a class consisting of all persons or entities
13 that purchased or otherwise acquired QuantumScape securities between November 27, 2020 and
14 April 14, 2021, inclusive (“Class Period”), and were damaged thereby (the “Class”). Excluded from
15 the Class are QuantumScape and its subsidiaries and affiliates, the Individual Defendants, and any
16 of the Defendants’ or QuantumScape’s respective officers and directors at all relevant times, and
17 any of their immediate families, legal representatives, heirs, successors, or assigns, and any entity
18 in which Defendants have or had a controlling interest. Also excluded from the Class will be those
19 Persons who file valid and timely requests for exclusion in accordance with this Preliminary
20 Approval Order.

21 WHEREAS, Plaintiffs have made an application, pursuant to Rule 23(e) of the Federal Rules
22 of Civil Procedure, for an order preliminarily approving the Settlement in accordance with the
23 Stipulation and allowing notice to Class Members as more fully described herein;

24 WHEREAS, the Court has read and considered: (a) Plaintiffs’ motion for preliminary
25 approval of the Settlement, and the papers filed in connection therewith; and (b) the Stipulation and
26 the exhibits attached thereto; and
27

1 WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall
2 have the same meanings as they have in the Stipulation;

3 **NOW THEREFORE, IT IS HEREBY ORDERED:**

4 1. **Preliminary Approval of the Settlement** – After a preliminary review, the
5 Settlement appears to be fair, reasonable, and adequate. The Settlement: (i) resulted from arm’s-
6 length negotiations overseen by an experienced mediator; (ii) eliminates the risks to the Parties of
7 continued litigation; (iii) does not provide undue preferential treatment to Plaintiffs or to segments
8 of the Class; (iv) does not provide excessive compensation to counsel for the Class; and (v) appears
9 to fall within the range of possible approval and is therefore sufficiently fair, reasonable, and
10 adequate to warrant providing notice of the Settlement to the Class. Accordingly, the Court does
11 hereby preliminarily approve the Stipulation and the Settlement set forth therein, subject to further
12 consideration at the Fairness Hearing described below.

13 2. **Fairness Hearing** – The Court will hold a Fairness Hearing (the “Fairness Hearing”)
14 on _____, 2024, at __: __.m. in Courtroom 2, 17th Floor of the United States Courthouse,
15 450 Golden Gate Avenue, San Francisco, CA 94102 or via Zoom (in the discretion of the Court),
16 for the following purposes: (a) to determine whether the proposed Settlement on the terms and
17 conditions provided for in the Stipulation is fair, reasonable and adequate to the Class, and should
18 be approved by the Court; (b) to determine whether a Judgment substantially in the form attached
19 as Exhibit B to the Stipulation should be entered dismissing the Action with prejudice against
20 Defendants; (c) to determine whether the proposed Plan of Allocation for the proceeds of the
21 Settlement is fair, reasonable, and adequate and should be approved; (d) to determine whether the
22 Fee and Expense Application by Plaintiffs’ Counsel should be granted; and (e) to consider any other
23 matters that may properly be brought before the Court in connection with the Settlement. Notice of
24 the Settlement and the Fairness Hearing shall be given to Class Members as set forth in paragraph
25 4 of this Order.

26 3. The Court may adjourn the Fairness Hearing without further notice to the Class, and
27 may approve the proposed Settlement with such modifications as the Parties may agree to, if
28 appropriate, without further notice to the Class. The Court reserves the right to hold the Fairness

1 Hearing telephonically or by other virtual means without further mailed notice to the Class. If the
2 Court orders that the Fairness Hearing be conducted telephonically or by video conference,
3 Plaintiffs' Counsel shall cause that decision to be posted on the website for the Settlement, as
4 referenced in paragraph 4(c) of this Order. Any Class Member (or their counsel) who wishes to
5 appear at the Fairness Hearing should consult the Court's docket and/or the Settlement website for
6 any change in date, time, or format of the hearing. The Court further reserves the right to enter its
7 Judgment approving the Settlement and dismissing the Action, and with prejudice, regardless of
8 whether it has approved the Plan of Allocation or awarded attorneys' fees and expense.

9 4. **Retention of Claims Administrator and Manner of Giving Notice** – Plaintiffs'
10 Counsel is hereby authorized to retain A.B. Data, Ltd. (the "Claims Administrator") to supervise
11 and administer the notice procedure in connection with the proposed Settlement as well as the
12 processing of the claims of any Authorized Claimant (hereinafter "Claim(s)") as more fully set forth
13 below. Notice of the Settlement and the Fairness Hearing shall be given by Plaintiffs' Counsel as
14 follows:

15 (a) within ten (10) business days of the date of entry of this Order, QuantumScape shall
16 provide or cause to be provided to the Claims Administrator in electronic format (at no
17 cost to the Settlement Fund, Plaintiffs' Counsel or the Claims Administrator) its
18 stockholder of record lists (consisting of names and addresses) for the QuantumScape
19 common shares, warrants, and publicly traded call options and/or put options during the
20 relevant time period;

21 (b) not later than twenty (20) business days after the date of entry of this Order (the
22 "Notice Date"), Plaintiffs' Counsel, through the Claims Administrator, shall cause a copy
23 of the Postcard Notice, substantially in the form attached hereto as Exhibit A-4, to be
24 mailed by first-class mail to potential Class Members at the addresses set forth in the
25 records provided by QuantumScape or in the records which QuantumScape caused to be
26 provided, or who otherwise may be identified through further reasonable effort;

27 (c) contemporaneously with the mailing of the Postcard Notice, the Claims
28 Administrator shall cause copies of the Notice and the Proof of Claim (also referred to as

1 the “Claim Form”) to be posted on a website to be developed for the Settlement, from
2 which copies of the Notice and Claim Form can be downloaded;

3 (d) not later than ten (10) business days after the Notice Date, the Claims Administrator
4 shall cause the Summary Notice, substantially in the form attached hereto as Exhibit A-
5 3, to be published once in Investor’s Business Daily and to be transmitted once over the
6 PR Newswire; and

7 (e) not later than seven (7) calendar days prior to the Fairness Hearing, Plaintiffs’
8 Counsel shall serve on Defendants’ Counsel and file with the Court proof, by affidavit or
9 declaration, of such mailing and publication.

10 5. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and
11 content, the Notice, the Claim Form, the Summary Notice, and the Postcard Notice attached hereto
12 as Exhibits A-1, A-2, A-3, and A-4, respectively, and (b) finds that the mailing and distribution of
13 the Postcard Notice, the posting of the Notice and Claim Form online, and the publication of the
14 Summary Notice in the manner and form set forth in this Order (i) is the best notice practicable
15 under the circumstances; (ii) constitutes notice that is reasonably calculated, under the
16 circumstances, to apprise Class Members of the pendency of the Action, of the effect of the proposed
17 Settlement (including the releases to be provided thereunder), of Plaintiffs’ Counsel’s motion for
18 Attorneys’ Fees and Expenses and an Award to Plaintiffs, of their right to object to the Settlement,
19 the Plan of Allocation and/or Plaintiffs’ Counsel’s Fee and Expenses Application, of their right to
20 exclude themselves from the Class, and of their right to appear at the Fairness Hearing; (iii)
21 constitutes due, adequate and sufficient notice to all persons and entities entitled to receive notice
22 of the proposed Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of
23 Civil Procedure, the United States Constitution (including the Due Process Clause), the Private
24 Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable
25 law and rules. The date and time of the Fairness Hearing shall be included in the Postcard Notice,
26 Notice, and Summary Notice before they are mailed, posted online, and published, respectively.

27 6. **Nominee Procedures** – Brokers and other nominees who purchased or otherwise
28 acquired QuantumScape securities for the benefit of another person or entity, from November 27,

1 2020 and April 14, 2021, inclusive, shall (a) within ten (10) calendar days of receipt of the Postcard
2 Notice, request from the Claims Administrator sufficient copies of the Postcard Notice to forward
3 to all beneficial owners of such shares and within ten (10) calendar days of receipt of those Postcard
4 Notices forward them to all such beneficial owners; or (b) within ten (10) calendar days of receipt
5 of the Postcard Notice, send a list of the names and addresses of all such beneficial owners to the
6 Claims Administrator in which event the Claims Administrator shall promptly mail the Postcard
7 Notice to such beneficial owners. Upon full compliance with this Order, such nominees may seek
8 reimbursement of their reasonable expenses actually incurred in complying with this Order, up to a
9 maximum of \$0.04 per notice, by providing the Claims Administrator with proper documentation
10 supporting the expenses for which reimbursement is sought. Such properly documented expenses
11 incurred by nominees in compliance with the terms of this Order shall be paid from the Settlement
12 Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to
13 review by the Court.

14 7. **Participation in the Settlement** – Class Members who wish to participate in the
15 Settlement and to be eligible to receive a distribution from the Net Settlement Fund must complete
16 and submit a Claim Form in accordance with the instructions contained therein. Unless the Court
17 orders otherwise, all Claim Forms must be postmarked no later than one hundred twenty (120)
18 calendar days after the Notice Date. Notwithstanding the foregoing, Plaintiffs' Counsel may, at its
19 discretion, accept for the processing of late Claims provided such acceptance does not delay the
20 distribution of the Net Settlement Fund to the Class. By submitting a Claim, a person or entity shall
21 be deemed to have submitted to the jurisdiction of the Court with respect to their Claim and the
22 subject matter of the Settlement.

23 8. Each Claim Form submitted must satisfy the following conditions: (a) it must be
24 properly completed, signed and submitted in a timely manner in accordance with the provisions of
25 the preceding paragraph; (b) it must be accompanied by adequate supporting documentation for the
26 transactions and holdings reported therein, in the form of broker confirmation slips, broker account
27 statements, an authorized statement from the broker containing the transactional and holding
28 information found in a broker confirmation slip or account statement, or such other documentation

1 as is deemed adequate by Plaintiffs' Counsel or the Claims Administrator; (c) if the person executing
2 the Claim Form is acting in a representative capacity, a certification of their current authority to act
3 on behalf of the Class Member must be included in the Claim Form to the satisfaction of Plaintiffs'
4 Counsel or the Claims Administrator; and (d) the Claim Form must be complete and contain no
5 material deletions or modifications of any of the printed matter contained therein and must be signed
6 under penalty of perjury. Once the Claims Administrator has considered a timely submitted Proof
7 of Claim, it shall determine whether such claim is valid, deficient, or rejected. For each Claim
8 determined to be either deficient or rejected, the Claims Administrator shall send a deficiency letter
9 or rejection letter as appropriate, describing the basis on which the Claim was so determined.
10 Persons who timely submit a Proof of Claim that is deficient or otherwise rejected shall be afforded
11 a reasonable time (at least twenty (20) calendar days) to cure such deficiency if it shall appear that
12 such deficiency may be cured.

13 9. Any Class Member that does not timely and validly submit a Claim Form or whose
14 Claim is not otherwise approved by the Court: (a) shall be deemed to have waived their right to
15 share in the Net Settlement Fund; (b) shall be forever barred from participating in any distributions
16 therefrom; (c) shall be bound by the provisions of the Stipulation and the Settlement and all
17 proceedings, determinations, orders and judgments in the Action relating thereto, including, without
18 limitation, the Judgment or Alternative Judgment, if applicable, and the releases provided for
19 therein, whether favorable or unfavorable to the Class; and (d) will be barred from commencing,
20 maintaining or prosecuting any of the Released Claims against each and all of the Released
21 Defendant Persons, as more fully described in the Stipulation and Notice. Notwithstanding the
22 foregoing, late Claim Forms may be accepted for processing as set forth in paragraphs 7 and 8 above.

23 10. **Exclusion From the Class** – Any Class Member who wishes to exclude themselves
24 from the Class must request exclusion in writing within the time and in the manner set forth in the
25 Notice, which shall provide that: (a) any such request for exclusion from the Class must be mailed
26 or delivered such that it is received no later than thirty-five (35) calendar days prior to the Fairness
27 Hearing, to QuantumScape Settlement, c/o A.B. Data, P.O. Box 173001, Milwaukee, WI 53217 and
28 (b) each request for exclusion must (i) state the name, address, and telephone number of the person

1 or entity requesting exclusion, and in the case of entities, the name and telephone number of the
2 appropriate contact person; (ii) state that such person or entity “requests exclusion from the Class
3 in *In re QuantumScape Securities Class Action Litigation.*, Case No. 3:21-cv-00058-WHO”; (iii)
4 state the number of QuantumScape securities that the person or entity requesting exclusion (A)
5 owned as of the opening of trading on November 27, 2020 and (B) purchased/acquired and/or sold
6 during the Class Period, as well as the dates, number, and prices of each such purchase/acquisition
7 and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized
8 representative. A request for exclusion shall not be effective unless it provides all the required
9 information and is received within the time stated above or is otherwise accepted by the Court.

10 11. Any person or entity who or which timely and validly requests exclusion in
11 compliance with the terms stated in this Order and is excluded from the Class shall not be a Class
12 Member, shall not be bound by the terms of the Settlement or any orders or judgments in the Action
13 and shall not receive any payment out of the Net Settlement Fund.

14 12. Any Class Member who or which does not timely and validly request exclusion from
15 the Class in the manner stated in this Order: (a) shall be deemed to have waived their right to be
16 excluded from the Class; (b) shall be forever barred from requesting exclusion from the Class in this
17 or any other proceeding; (c) shall be bound by the provisions of the Stipulation and Settlement and
18 all proceedings, determinations, orders and judgments in the Action, including, but not limited to,
19 the Judgment or Alternative Judgment, if applicable, and the releases provided for therein, whether
20 favorable or unfavorable to the Class; and (d) will be barred from commencing, maintaining or
21 prosecuting any of the Released Claims against any of the Released Defendant Persons, as more
22 fully described in the Stipulation and Notice.

23 13. **Appearance and Objections at Fairness Hearing** – Any Class Member who does
24 not request exclusion from the Class may enter an appearance in the Action, at their own expense,
25 individually or through counsel of their own choice, by filing with the Clerk of Court and delivering
26 a notice of appearance to both Plaintiffs’ Counsel and Defendants’ Counsel, at the addresses set
27 forth in paragraph 14 below, such that it is received no later than twenty-one (21) calendar days
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1 prior to the Fairness Hearing, or as the Court may otherwise direct. Any Class Member who does
2 not enter an appearance will be represented by Plaintiffs' Counsel.

3 14. Any Class Member that does not request exclusion from the Class may file a written
4 objection to the proposed Settlement, the proposed Plan of Allocation, Plaintiffs' Counsel's motion
5 for Attorneys' Fees and Expenses or an Award to Plaintiffs, and appear and show cause, if they have
6 any cause, why the proposed Settlement, the proposed Plan of Allocation, Plaintiffs' Counsel's
7 Attorneys' Fees and Expenses, and Award to Plaintiffs should not be approved; *provided, however,*
8 that no Class Member shall be heard or entitled to contest the approval of the terms and conditions
9 of the proposed Settlement, the proposed Plan of Allocation and/or the Attorneys' Fees and
10 Expenses or an Award to Plaintiffs unless that person or entity has filed a written objection with the
11 Court and served copies of such objection on Plaintiffs' Counsel and Defendants' Counsel at the
12 addresses set forth below such that they are received no later than twenty-one (21) calendar days
13 prior to the Fairness Hearing.

14 **Plaintiffs' Counsel**

15 **Levi & Korsinsky, LLP**
16 Nicholas Porritt, Esq.
17 33 Whitehall Street, 17th Floor
18 New York, NY 10004

14 **Defendants' Counsel**

15 **Wilson Sonsini Goodrich & Rosati P.C.**
16 Ignacio Salceda
17 Rebecca Epstein
18 650 Page Mill Road
19 Palo Alto, CA 94034

20 15. Any objections, filings and other submissions by the objecting Class Member: (a)
21 must state the name, address, and telephone number of the person or entity objecting and must be
22 signed by the objector; (b) must contain a statement of the Class Member's objection or objections,
23 and the specific reasons for each objection, including any legal and evidentiary support the Class
24 Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove
25 membership in the Class, including the number of common shares of QuantumScape that the
26 objecting Class Member purchased/acquired during the Class Period. Objectors who enter an
27 appearance and desire to present evidence at the Fairness Hearing in support of their objection must
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1 include in their written objection or notice of appearance the identity of any witnesses they may call
2 to testify and any exhibits they intend to introduce into evidence at the hearing.

3 16. Any Class Member who or which does not make their objection in the manner
4 provided herein shall be deemed to have waived their right to object to any aspect of the proposed
5 Settlement, the proposed Plan of Allocation, the requested Attorneys' Fees and Expenses, and the
6 requested Award to Plaintiffs and shall be forever barred and foreclosed from objecting to the
7 fairness, reasonableness or adequacy of the Settlement, the Plan of Allocation, the requested
8 Attorneys' Fees and Expenses, or the requested Award to Plaintiffs, or from otherwise being heard
9 concerning the Settlement, the Plan of Allocation, the requested Attorneys' Fees and Expenses, or
10 the requested Award to Plaintiffs in this or any other proceeding.

11 17. **Stay and Temporary Injunction** – Until otherwise ordered by the Court, the Court
12 stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms
13 and conditions of the Stipulation. Pending final determination of whether the Settlement should be
14 approved, the Court bars and enjoins Plaintiffs and all other members of the Class from prosecuting
15 any of the Released Claims against any of the Released Defendant Persons.

16 18. **Settlement Administration Fees and Expenses** – All reasonable costs incurred in
17 identifying Class Members and notifying them of the Settlement as well as in administering the
18 Settlement shall be paid as set forth in the Stipulation without further order of the Court.

19 19. **Settlement Fund** – The contents of the Settlement Fund held by Esquire Bank
20 (which the Court approves as the Escrow Agent), shall be deemed and considered to be in *custodia*
21 *legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as they
22 shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

23 20. **Taxes** – Plaintiffs' Counsel, through the Claims Administrator, is authorized and
24 directed to prepare any tax returns and any other tax reporting form for or in respect to the Settlement
25 Fund, to pay from the Settlement Fund any Taxes owed with respect to the Settlement Fund, and to
26 otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof
27 without further order of the Court in a manner consistent with the provisions of the Stipulation.

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1 21. **Termination of Settlement** – If the Settlement is terminated as provided in the
2 Stipulation, the Settlement is not approved, or the Effective Date of the Settlement otherwise fails
3 to occur, this Order shall be vacated, rendered null and void and be of no further force and effect,
4 except as otherwise provided by the Stipulation, and this Order shall be without prejudice to the
5 rights of Plaintiffs, the other Class Members, and Defendants, and the Parties shall revert to their
6 respective positions in the Action as provided in the Stipulation.

7 22. **Use of this Order** – Neither this Order, the Stipulation (whether or not
8 consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any
9 other plan of allocation that may be approved by the Court), the negotiations leading to the execution
10 of the Stipulation, nor any proceedings taken pursuant to or in connection with the Stipulation and/or
11 approval of the Settlement (including any arguments proffered in connection therewith): (a) shall
12 be offered against any of the Released Defendant Persons as evidence of, or construed as, or deemed
13 to be evidence of any presumption, concession, or admission by any of the Released Defendant
14 Persons with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that
15 was or could have been asserted or the deficiency of any defense that has been or could have been
16 asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other
17 wrongdoing of any kind of any of the Released Defendant Persons or in any way referred to for any
18 other reason as against any of the Released Defendant Persons, in any civil, criminal or
19 administrative action or proceeding, other than such proceedings as may be necessary to effectuate
20 the provisions of the Stipulation; (b) shall be offered against any of the Released Plaintiff Persons,
21 as evidence of, or construed as, or deemed to be evidence of any presumption, concession or
22 admission by any of the Released Plaintiff Persons that any of their claims are without merit, that
23 any of the Released Defendant Persons had meritorious defenses, or that damages recoverable in
24 the Action would not have exceeded the Settlement Amount or with respect to any liability,
25 negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against
26 any of the Released Plaintiff Persons, in any civil, criminal or administrative action or proceeding,
27 other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; or
28 (c) shall be construed against any of the Released Defendant Persons or Released Plaintiff Persons

1 as an admission, concession, or presumption that the consideration to be given under the Settlement
2 represents the amount which could be or would have been recovered after trial; provided, however,
3 that if the Stipulation is approved by the Court, the Parties, the Released Defendant Persons, the
4 Released Plaintiff Persons, and their respective counsel may refer to it to effectuate the protections
5 from liability granted thereunder or otherwise to enforce the terms of the Settlement.

6 23. **Supporting Papers** – Plaintiffs’ Counsel shall file and serve the opening papers in
7 support of the proposed Settlement, the Plan of Allocation, and the Fee and Expense Application,
8 no later than thirty-five (35) calendar days prior to the Fairness Hearing; and reply papers, if any,
9 shall be filed and served no later than seven (7) calendar days prior to the Fairness Hearing.

10 24. The Released Defendant Persons shall have no responsibility, interest in, or liability
11 whatsoever for the Plan of Allocation or the Fee and Expense Application, and such matters will be
12 considered separately from the fairness, reasonableness, and adequacy of the Settlement. Any order
13 or proceeding relating to the Plan of Allocation or Fee and Expense Application, or any appeal from
14 any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel
15 the Stipulation, or affect or delay the finality of the Judgment approving the Stipulation and the
16 settlement of the Action.

17 25. The Court’s orders entered during this Action relating to the confidentiality of
18 information shall survive this Settlement.

19 26. The Court retains jurisdiction to consider all further applications arising out of or
20 connected with the proposed Settlement.

21

22 **SO ORDERED** this _____ day of _____, 2024.

23

24

The Honorable William H. Orrick III
United States District Judge

25

26

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28

Exhibit A-1

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”).¹

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 ¶ 87 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

¹ 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.

“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 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 13-21 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 13-21 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.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM ONLINE OR POSTMARKED NO LATER THAN _____, 2024.	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.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN _____, 2024.	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.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN _____, 2024.	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.
GO TO A HEARING ON _____, 2024 AT _____:____.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN _____, 2024.	Filing a written objection and notice of intention to appear by _____, 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.
DO NOTHING.	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

Why Did I Get The Postcard Notice? Page 5

What Is This Case About? What Has Happened So Far? Page 6

How Do I Know If I Am Affected By The Settlement? Who Is Included In The Class? Page 8

What Are Plaintiffs’ Reasons For The Settlement? Page 8

What Might Happen If There Were No Settlement? Page 9

How Are Class Members Affected By The Action And The Settlement? Page 9

How Do I Participate In The Settlement? What Do I Need To Do? Page 11

How Much Will My Payment Be? Page 12
 What Payment Are The Attorneys For The Class Seeking?
 How Will The Lawyers Be Paid? Page 21
 What If I Do Not Want To Be A Member Of The Class?
 How Do I Exclude Myself? Page 22
 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? Page 22
 What If I Bought Shares On Someone Else's Behalf? Page 24
 Can I See The Court File? Whom Should I Contact If I Have Questions? Page 24

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 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 _____, 2024, at _____ .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, __ 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.

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 _____, 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 22 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 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 _____, 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 22 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 22 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 22 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 _____, 2024**. A

Claim Form is available on the website maintained by the Claims Administrator for the Settlement, 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 and 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 _____, 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.

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;²

(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

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

² 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.

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 exercise 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;³

(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.

³ The mean (average) price for QuantumScape warrants at the end of the 90-day look-back period was \$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		

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,⁴ the Recognized Loss Amount per option shall be calculated as follows:

⁴With 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.

- 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) \$38.85⁵ *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,⁶ the Recognized Loss Amount per option shall be calculated as follows:

- A. For each put option not option (*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

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

⁶As 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.

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.

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 Amount⁷ and (ii) the sum of the Total Sales Proceeds⁸ and the Total Holding Value.⁹ 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 between (i) the sum of the Total Purchase

⁷ 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.

⁸ 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."

⁹ 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."

Amount¹⁰ and the Total Holding Value;¹¹ and (ii) the Total Sales Proceeds.¹² 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

¹⁰ 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."

¹¹ For each QuantumScape put options 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."

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

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, P.O. Box 173001 Milwaukee, WI 53217. The exclusion request must be *received* no later than _____, 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.

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 _____, 2024, at __:__.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 _____, 2024. You must also serve the papers on Plaintiffs' Counsel and on Defendants' Counsel at the addresses set forth below so that the papers are *received on or before* _____, 2024.

<u>Clerk's Office</u>	<u>Plaintiffs' Counsel</u>	<u>Defendants' Counsel</u>
United States District Court Northern District of California Office of the Clerk 450 Golden Gate Avenue San Francisco, CA 94102	Levi & Korsinsky, LLP Nicholas Porritt 33 Whitehall Street Floor 17 New York, NY 10004	Wilson Sonsini Goodrich & Rosati, P.C. Ignacio Salceda Rebecca Epstein 650 Page Mill Road Palo Alto, CA 94304

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; (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; and (c) must include documents sufficient to prove membership in the Class, including the number of QuantumScope securities that the objecting Class Member purchased/acquired during the Class Period. 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. You may not, however, appear at the Fairness Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

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 must also file a notice of appearance with the Clerk's Office and serve it on Plaintiffs' Counsel and Defendants' Counsel at the addresses set forth above so that it is *received on or before* _____, 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 addresses set forth in ¶ 79 above so that the notice is *received on or before* _____, 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.

85. Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, Plaintiffs' Counsel's Fee and Expense Application, or the Award to Plaintiffs. Class Members do not need to appear at the Fairness Hearing or take any other action to indicate their approval.

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

86. 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 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, 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?

87. 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, 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:

Adam Walter
A.B. DATA
P.O. Box 173131
Milwaukee, WI 52317
866-778-9623
info@quantumscapesettlement.com
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

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

Dated: _____, 2024

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

QuantumScape Corporation Settlement
P.O. Box 173131
Milwaukee, WI 53217
Email: info@QuantumScapeSettlement.com
Settlement Website: www.QuantumScapeSettlement.com

PROOF OF CLAIM AND RELEASE FORM

To be eligible to receive a share of the Net Settlement Fund in connection with the Settlement of this Action, you must complete and sign this Proof of Claim and Release Form (“Claim Form”) and mail it by first-class mail to the above address, **postmarked no later than _____, 2024, or submit it online at www.QuantumScapeSettlement.com by _____, 2024.**

Failure to submit your Claim Form by the date specified will subject your claim to rejection and may preclude you from being eligible to receive any money in connection with the Settlement.

Do not mail or deliver your Claim Form to the Court, the parties to the Action, or their counsel. Submit your Claim Form only to the Claims Administrator at the address set forth above.

TABLE OF CONTENTS

PAGE #

PART I – INSTRUCTIONS

2

PART II – CLAIMANT INFORMATION

7

**PART III – SCHEDULE OF TRANSACTIONS IN QUANTUMSCAPE
COMMON STOCK, WARRANTS, AND/OR
PUBLICLY TRADED QUANTUMSCAPE CALL OR PUT OPTIONS**

8

**PART IV – SUBMISSION TO JURISDICTION OF COURT
AND ACKNOWLEDGEMENTS**

12

PART V – RELEASE OF CLAIMS AND SIGNATURE

13

PART I – INSTRUCTIONS

A. GENERAL INSTRUCTIONS

1. To recover as a member of the Class based on your claims in the Action entitled *In re QuantumScape Securities Class Action Litigation*, No. 3:21-cv-00058-WHO (N.D. Cal.) (the “Action”), you must complete and, on page 14 hereof, sign this Claim Form. If you fail to file a properly addressed (as set forth in paragraph 3 below) Claim Form, your claim may be rejected, and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed settlement of the Action. The Class in the Action consists of all Persons who purchased or otherwise acquired QuantumScape common stock or warrants from November 27, 2020 to April 14, 2021, inclusive (the “Class Period”); and/or (ii) transacted in publicly traded call options and/or put options of QuantumScape during the Class Period.

2. Submission of this Claim Form, however, does not assure that you will share in the proceeds of Net Settlement Fund in the Action.

3. YOU MUST MAIL OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED CLAIM FORM ON OR BEFORE _____, 2024, ADDRESSED AS FOLLOWS:

QuantumScape Securities Settlement
c/o A.B. Data
P.O. Box 173131
Milwaukee, WI 53217
www.QuantumScapeSettlement.com

If you are NOT a member of the Class, as defined above and in the 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”), DO NOT submit a Claim Form as you may not, directly or indirectly, participate in the Settlement.

4. If you are a member of the Class and you do not timely and validly request exclusion from the Class, you are bound by the terms of any judgment entered in the Action, including the releases provided therein, WHETHER OR NOT YOU SUBMIT A CLAIM FORM.

5. It is important that you completely read and understand the Notice that accompanies this Claim Form, including the Plan of Allocation of the Net Settlement Fund set forth in the Notice. The Notice describes the proposed Settlement, how Class Members are affected by the Settlement, and the manner in which the Net

Settlement Fund will be distributed if the Settlement and Plan of Allocation are approved by the Court. The Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, you will be certifying that you have read and that you understand the Notice, including the terms of the releases described therein and provided for herein.

B. CLAIMANT IDENTIFICATION

1. If you purchased or acquired QuantumScape common stock or warrants, and/or transacted publicly traded QuantumScape call options and/or put options and held the certificate(s) in your name, you are the beneficial purchaser or acquirer as well as the record purchaser or acquirer. If, however, the certificate(s) were registered in the name of a third-party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third-party is the record purchaser.

2. Use Part II of this form entitled “Claimant Information” to identify the beneficial owner(s) of QuantumScape common stock, warrants, and/or publicly traded QuantumScape call or put options. The complete name(s) of the beneficial owner(s) must be entered. If you held the eligible QuantumScape securities in your own name, you are the beneficial owner as well as the record owner. If, however, your eligible QuantumScape securities were registered in the name of a third-party, such as a nominee or brokerage firm, you are the beneficial owner of these shares, but the third-party is the record owner. **THIS CLAIM MUST BE FILED AND SIGNED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIRER(S) OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OR ACQUIRER(S) OF THE QUANTUMSCAPE SECURITIES UPON WHICH THIS CLAIM IS BASED.**

3. All joint purchasers must sign this Claim Form and be identified in Part II. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

4. **One Claim should be submitted for each separate legal entity.** Separate Claim Forms should be submitted for each separate legal entity (*e.g.*, a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made solely in the individual’s name). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity on one Claim Form, no matter how many separate

accounts that entity has (*e.g.*, a corporation with multiple brokerage accounts should include all transactions made in all accounts on one Claim Form).

5. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:

(a) expressly state the capacity in which they are acting;

(b) identify the name, account number, Social Security Number (or taxpayer identification number), address, and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the QuantumScape securities and/or publicly traded QuantumScape call or put options; and

(c) furnish herewith evidence of their authority to bind to the Claim Form the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade securities in another person's accounts.)

6. By submitting a signed Claim Form, you will be swearing that you:

(a) own or owned the QuantumScape securities and/or the publicly traded QuantumScape call or put options you have listed in the Claim Form; or

(b) are expressly authorized to act on behalf of the owner thereof.

C. CLAIM FORM

1. Use Part III of this form entitled "Schedule of Transactions in QuantumScape Common Stock, Warrants, and/or Publicly Traded QuantumScape Call or Put Options" to supply all required details of your transaction(s) in QuantumScape securities. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

2. On the schedules, provide all of the requested information with respect to all of your purchases, acquisitions, transactions, and sales of QuantumScape securities and/or publicly traded QuantumScape call or put options that took place at any time on or between and including November 27, 2020 and April 14, 2021. Failure to report all such transactions may result in the rejection of your claim. Also, list the number of QuantumScape

shares, warrants, and/or publicly traded QuantumScape call or put options held at the close of trading on July 13, 2021.

3. List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

4. You are required to submit genuine and sufficient documentation for all of your transactions in and holdings of QuantumScape securities and/or publicly traded QuantumScape call or put options set forth in the Claim Form. Documentation may consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from your broker containing the transactional and holding information found in a broker confirmation slip or account statement. The parties and the Claims Administrator do not independently have information about your investments in QuantumScape securities and/or publicly traded QuantumScape call or put options. **IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OF THE DOCUMENTS OR EQUIVALENT DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN THE REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. Please keep a copy of all documents that you send to the Claims Administrator. Also, do not highlight any portion of the Claim Form or any supporting documents.**

5. The above requests are designed to provide the minimum amount of information necessary to process the simplest claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your losses. In the event the Claims Administrator cannot perform the calculation accurately or at a reasonable cost to the Class with the information provided, the Claims Administrator may condition acceptance of the claim upon the production of additional information and/or the Claimant's responsibility for any increased costs due to the nature and/or scope of the claim.

6. If the Court approves the Settlement, payments to eligible Authorized Claimants pursuant to the Plan of Allocation (or such other plan of allocation as the Court approves) will be made after any appeals are resolved, and after the completion of all claims processing. The claims process will take substantial time to complete fully and fairly. Please be patient.

7. **PLEASE NOTE:** As set forth in the Plan of Allocation, each Authorized Claimant shall receive their, his, her, or its *pro rata* share of the Net Settlement Fund. If the prorated payment to any claimant calculates to less than \$10.00, no payment shall be made to that claimant.

8. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or the Notice, you may contact the Claims Administrator, A.B. Data, at the address on the first page of the Claim Form, by email at info@QuantumScapeSecuritiesSettlement.com, or by toll-free phone at 866-778-9623, or you can visit the website, www.QuantumScapeSettlement.com, where copies of the Claim Form and Notice are available for downloading.

9. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. To obtain the *mandatory* electronic filing requirements and file layout, you may visit the Settlement website at www.QuantumScapeSettlement.com or you may email the Claims Administrator's electronic filing department at info@QuantumScapeSettlement.com. **Any file not in accordance with the required electronic filing format will be subject to rejection.** Only one claim should be submitted for each separate legal entity (*see* ¶B.4 above) and the *complete* name of the beneficial owner(s) of the securities must be entered where called for (*see* ¶B.2 above). No electronic files will be considered to have been submitted unless the Claims Administrator issues an email to that effect. **Do not assume that your file has been received until you receive this email.**

IMPORTANT: PLEASE NOTE

YOUR CLAIM IS NOT DEEMED FILED UNTIL YOU RECEIVE AN ACKNOWLEDGMENT POSTCARD OR EMAIL. THE CLAIMS ADMINISTRATOR WILL ACKNOWLEDGE RECEIPT OF YOUR CLAIM FORM BY MAIL, WITHIN 60 DAYS, OR BY EMAIL WITHIN 10 DAYS. IF YOU DO NOT RECEIVE AN ACKNOWLEDGMENT POSTCARD WITHIN 60 DAYS, PLEASE CALL THE CLAIMS ADMINISTRATOR TOLL FREE AT 866-778-9623 OR AT INFO@QUANTUMSCAPESETTLEMENT.COM TO INQUIRE ABOUT YOUR CLAIM AND CONFIRM IT WAS RECEIVED.

PART II – CLAIMANT INFORMATION

The Claims Administrator will use this information for all communications regarding this Claim Form. If this information changes, you **MUST** notify the Claims Administrator in writing at the address above.

Claimant Name(s) (as the name(s) should appear on the check, if eligible for payment; if the shares are jointly owned, the names of all beneficial owners must be provided):

Name of Person the Claims Administrator Should Contact Regarding this Claim Form (Must Be Provided):

Mailing Address – Line 1: Street Address/P.O. Box:

Mailing Address – Line 2 (If Applicable): Apartment/Suite/Floor Number:

City:

State/Province:

Zip Code:

Country:

Last 4 digits of Claimant Social Security/Taxpayer Identification Number:¹

Daytime Telephone Number:

Evening Telephone Number:

Email address (E-mail address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.):

¹ The last four digits of the taxpayer identification number (TIN), consisting of a valid Social Security Number (SSN) for individuals or Employer Identification Number (EIN) for business entities, trusts, estates, etc., and the telephone number of the beneficial owner(s) may be used in verifying this claim.

PART III: – SCHEDULE OF TRANSACTIONS IN QUANTUMSCAPE COMMON STOCK, WARRANTS, AND/OR PUBLICLY TRADED QUANTUMSCAPE CALL OR PUT OPTIONS

Please be sure to include proper documentation with your Claim Form as described in detail in Part I.C. – Claim Form, Paragraph 4, above. Do not include information regarding securities other than QuantumScape Corporation common stock, warrants, and/or publicly traded call or put options.

COMMON STOCK:

1. Number of shares of QuantumScape common stock held at the opening of trading on November 27, 2020. (Must be documented.) If none, write “zero” or “0”: _____
2. Purchases or acquisitions of QuantumScape common stock from November 27, 2020, through April 14, 2021, inclusive. (Must be documented.):

Date of Purchase/ Acquisition (Trade Date) Mo. / Day / Year	Number of Shares Purchased or Acquired	Purchase / Acquisition Price Per Share	Total Purchase or Acquisition Price (excluding any taxes, commissions, and fees)
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$

3. Purchases/Acquisitions during the 90-day lookback period: Number of shares of QuantumScape common stock purchased/acquired (including free receipts) from after the opening of trading on April 15, 2021, through and including the close of trading on July 13, 2021.² If none, write “zero” or “0” _____.
4. Sales of QuantumScape common stock from November 27, 2020, through July 13, 2021, inclusive. (Must be documented.):

Date of Sale (Trade Date) Mo. / Day / Year	Number of Shares Sold	Sale Price Per Share	Total Sales Price (not deducting any taxes, commissions, and fees)
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$

² Information requested in this Claim Form with respect to your transactions on April 15, 2021 through and including the close of trading on July 13, 2021, is needed only in order for the Claims Administrator to confirm that you have reported all relevant transactions. Purchases during this period, however, are not eligible for a recovery because these purchases are outside the Class Period and will not be used for purposes of calculating your Recognized Claim pursuant to the Plan of Allocation.

5. Number of shares of QuantumScape common stock held at the close of trading on July 13, 2021. (Must be documented.) If none, write “zero” or “0”: _____.

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

WARRANTS:

1. State the total number of QuantumScape warrants held at the opening trading on November 27, 2020. (Must be documented.) If none, write “zero” or “0”: _____
2. Separately list each and every purchase of QuantumScape warrants during the period from November 27, 2020 through April 14, 2021, inclusive. (Must be documented.):

Date of Purchase/ Acquisition (Trade Date) Mo. / Day / Year	Number of Warrants Purchased	Price Per Warrant (excluding commissions, taxes, and other fees)	Total Purchase Price (excluding commissions, taxes, and other fees)	Exercised? (Y/N)	Exercise Date (MM/DD/YY)
/ /		\$	\$		/ /
/ /		\$	\$		/ /
/ /		\$	\$		/ /
/ /		\$	\$		/ /

3. Purchases/Acquisitions during the 90-day lookback period: Number of QuantumScape warrants purchased/acquired (including free receipts) from after the opening of trading on April 15, 2021, through and including the close of trading on July 13, 2021.³ If none, write “zero” or “0” _____.
4. Separately list each and every sale of QuantumScape warrants during the period from November 27, 2020 through July 13, 2021, inclusive. (Must be documented.):

Date of Sale (Trade Date) Mo. / Day / Year	Number of Warrants Sold	Price Per Warrant (excluding commissions, taxes, and other fees)	Total Sale Price (excluding commissions, taxes, and other fees)
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$

³ Information requested in this Claim Form with respect to your transactions on April 15, 2021 through and including the close of trading on July 13, 2021, is needed only in order for the Claims Administrator to confirm that you have reported all relevant transactions. Purchases during this period, however, are not eligible for a recovery because these purchases are outside the Class Period and will not be used for purposes of calculating your Recognized Claim pursuant to the Plan of Allocation.

5. State the total number of QuantumScope warrants held at the close of trading on July 13, 2021. (Must be documented.) If none, write “zero” or “0”: _____.

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

CALL OPTIONS:

1. Separately list all positions in QuantumScope call option contracts in which you had an open interest as of the opening of trading on November 27, 2020. (Must be documented.)

Strike Price of Call Option Contract	Expiration Date of Call Option Contract (Month/Day/Year)	Option Class Symbol	Number of Call Option Contracts in Which You Had an Open Interest
\$	/ /		
\$	/ /		
\$	/ /		
\$	/ /		

2. Separately list each and every purchase/acquisition (including free receipts) of QuantumScope call option contracts from after the opening of trading on November 27, 2020, through and including the close of trading on April 14, 2021. (Must be documented.)

Date of Purchase (List Chronologically) (Month/Day/Year)	Strike Price of Call Option Contract	Expiration Date of Call Option Contract (Month/Day/Year)	Option Class Symbol	Number of Call Option Contracts Acquired	Purchase Price Per Call Option Contract	Total Purchase Price (excluding taxes, commissions, and fees)	Insert an “E” if Exercised Insert an “A” if Assigned Insert an “X” if Expired	Exercise Date (Month/Day/Year)
/ /	\$	/ /			\$	\$		/ /
/ /	\$	/ /			\$	\$		/ /
/ /	\$	/ /			\$	\$		/ /
/ /	\$	/ /			\$	\$		/ /

3. Separately list each and every sale/disposition (including free deliveries) of QuantumScape call option contracts from after the opening of trading on November 27, 2020, through and including the close of trading on April 14, 2021. (Must be documented.)

Date of Sale (List Chronologically) (Month/Day/Year)	Strike Price of Call Option Contract	Expiration Date of Call Option Contract (Month/Day/Year)	Option Class Symbol	Number of Call Option Contracts Sold	Sale Price Per Call Option Contract	Total Sale Price (excluding taxes, commissions, and fees)
/ /	\$	/ /			\$	\$
/ /	\$	/ /			\$	\$
/ /	\$	/ /			\$	\$

4. Separately list all positions in QuantumScape call option contracts in which you had an open interest as of the close of trading on April 14, 2021. (Must be documented.)

Strike Price of Call Option Contract	Expiration Date of Call Option Contract (Month/Day/Year)	Option Class Symbol	Number of Call Option Contracts in Which You Had an Open Interest
\$	/ /		
\$	/ /		
\$	/ /		

PUT OPTIONS:

1. Separately list all positions in QuantumScape put option contracts in which you had an open interest as of the opening of trading on November 27, 2020. (Must be documented.)

Strike Price of Put Option Contract	Expiration Date of Put Option Contract (Month/Day/Year)	Option Class Symbol	Number of Put Option Contracts in Which You Had an Open Interest
\$	/ /		
\$	/ /		
\$	/ /		
\$	/ /		

2. Separately list each and every sale (writing) (including free deliveries) of QuantumScape put option contracts from after the opening of trading on November 27, 2020, through and including the close of trading on April 14, 2021. (Must be documented.)

Date of Sale (Writing) (List Chronologically) (Month/Day/Year)	Strike Price of Put Option Contract	Expiration Date of Put Option Contract (Month/Day/ Year)	Option Class Symbol	Number of Put Option Contracts Sold (Written)	Sale Price Per Put Option Contract	Total Sale Price (excluding taxes, commissions, and fees)	Insert an "A" if Assigned Insert an "E" if Exercised Insert an "X" if Expired	Exercise Date (Month/ Day/ Year)
/ /	\$	/ /				\$		/ /
/ /	\$	/ /				\$		/ /

/ /	\$	/ /				\$		/ /
/ /	\$	/ /				\$		/ /

3. Separately list each and every purchase/acquisition (including free receipts) of QuantumScape put option contracts from after the opening of trading on November 27, 2020, through and including the close of trading on April 14, 2021. (Must be documented.)

Date of Purchase (List Chronologically) (Month/Day/Year)	Strike Price of Put Option Contract	Expiration Date of Put Option Contract (Month/Day/Year)	Option Class Symbol	Number of Put Option Contracts Purchased	Purchase Price Per Put Option Contract	Total Purchase Price (excluding taxes, commissions, and fees)
/ /	\$	/ /				\$
/ /	\$	/ /				\$
/ /	\$	/ /				\$
/ /	\$	/ /				\$

4. Separately list all positions in QuantumScape put option contracts in which you had an open interest as of the close of trading on April 14, 2021. (Must be documented.)

Strike Price of Put Option Contract	Expiration Date of Put Option Contract (Month/Day/Year)	Option Class Symbol	Number of Put Option Contracts in Which You Had an Open Interest
\$	/ /		
\$	/ /		
\$	/ /		
\$	/ /		

PART IV – SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Claim Form under the terms of the Stipulation and Agreement of Settlement dated June 11, 2024 (“Stipulation”) described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Northern District of California with respect to my (our) claim as a Class Member (as defined in the Stipulation) and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Action. I (We) agree

to furnish additional information to Plaintiffs' Counsel and/or the Claims Administrator to support this claim if required to do so. I (We) have not submitted any other claim covering the same purchases, acquisitions, transactions, or sales of QuantumScape securities and/or publicly traded QuantumScape call or put options during the Class Period and know of no other Person having done so on my (our) behalf.

PART V – RELEASE OF CLAIMS AND SIGNATURE

YOU MUST READ AND SIGN THE RELEASE AT PAGES 13-15. FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release, relinquish and discharge all of the Released Claims (including Unknown Claims) against each and all of the Released Defendant Persons, all as defined herein and in the Notice and Stipulation.

2. 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. With respect to any and all Released Claims and Released Defendants' Claims, I (We) stipulate and agree that, upon the Effective Date, I (We) 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.

3. This release shall be of no force or effect unless and until the Court approves the Stipulation and it becomes effective on the Effective Date.

4. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof and have not submitted any other claim covering the same purchases of QuantumScape common

stock, warrants, and/or transactions of publicly traded QuantumScape call or put options, and know of no other person having done so on my (our) behalf.

5. I (We) hereby warrant and represent that I (we) have included all requested information about all of my (our) purchases or acquisitions of QuantumScape common stock, warrants, and/or transactions of publicly traded QuantumScape call or put options during the Class Period, as well as the number of securities held at the close of trading on July 13, 2021.

6. The number(s) shown on this form is (are) the correct SSN/TIN(s).

7. I (We) waive the right to trial by jury, to the extent it exists, and agree to the determination by the Court of the validity or amount of this claim and waive any right of appeal or review with respect to such determination.

8. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (a) the Claimant(s) is (are) exempt from backup withholding or (b) the Claimant(s) has (have) not been notified by the IRS that he/she/it is (they are) subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified the Claimant(s) that he/she/it is (they are) no longer subject to backup withholding. **If the IRS has notified the Claimant(s) that he/she/it is (they are) subject to backup withholding, please strike out the language in the preceding sentence indicating that the Claim is not subject to backup withholding in the certification above.**

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS CLAIM FORM IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HEREWITH ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

Signature of Claimant

Date

Print your name here

Signature of joint Claimant, if any

Date

Print your name here

If the Claimant is other than an individual, or is not the person completing this form, the following also must be provided:

Signature of person signing on behalf of Claimant

Date

Print your name here

Capacity of person signing on behalf of Claimant, if other than an individual, *e.g.*, executor, president, trustee, custodian, etc. (Must provide evidence of authority to act on behalf of Claimant – see paragraph 5 on page 4 of this Claim Form.)

ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Please sign the above release and acknowledgment.
2. Remember to attach copies of supporting documentation, if available.
3. Do not send original stock certificates. Attach only *copies* of acceptable supporting documentation

as these documents will not be returned to you.

4. Keep a copy of your Claim Form and all supporting documentation for your records.
5. If you move, please send us your new address.
6. If you have any questions or concerns regarding your claim, contact the Claims Administrator at

QuantumScape Securities Settlement, c/o A.B. Data, by email at info@QuantumScapeSettlement.com, or by toll-free phone 866-778-9623, or you may visit www.QuantumScapeSettlement.com. DO NOT call QuantumScape, the other Defendants, or their counsel with questions regarding your claim.

THIS CLAIM FORM MUST BE MAILED TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTMARKED NO LATER THAN _____, 2024, ADDRESSED AS FOLLOWS:

QuantumScape Settlement
P.O. Box 173131
Milwaukee, WI 53217

OR SUBMITTED ONLINE AT www.QuantumScapeSettlement.com BY _____, 2024.

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if a postmark date on or before _____, 2024, is indicated on the envelope and it is mailed First Class and addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

IMPORTANT: PLEASE NOTE

YOUR CLAIM IS NOT DEEMED FILED UNTIL YOU RECEIVE AN ACKNOWLEDGMENT POSTCARD OR EMAIL. THE CLAIMS ADMINISTRATOR WILL ACKNOWLEDGE RECEIPT OF YOUR CLAIM FORM BY MAIL, WITHIN 60 DAYS, OR BY EMAIL WITHIN 10 DAYS. IF YOU DO NOT RECEIVE AN ACKNOWLEDGMENT POSTCARD WITHIN 60 DAYS, PLEASE CALL THE CLAIMS ADMINISTRATOR TOLL FREE AT 866-778-9623 OR AT INFO@QUANTUMSCAPESETTLEMENT.COM TO INQUIRE ABOUT YOUR CLAIM AND CONFIRM IT WAS RECEIVED.

You should be aware that it will take a significant amount of time to fully process all of the Claim Forms. Please be patient and notify the Claims Administrator of any change of address.

Exhibit A-3

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 _____, 2024, at __: __ .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 __, 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. 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, 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 _____, 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 _____, 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 and delivered to Plaintiffs’ Counsel and Defendants’ Counsel such that they are *received* no later than _____, 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
17th 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
P.O. Box 173131
Milwaukee, WI 53217
www.QuantumScapeSettlement.com

By Order of the Court

<p>QuantumScape Settlement c/o A.B. Data P.O. Box 173131 Milwaukee, WI 53217</p> <p><i>COURT-ORDERED LEGAL NOTICE</i></p> <p>Important Notice about a Securities Class Action Settlement.</p> <p>You may be entitled to a CASH payment. This Notice may affect your legal rights. Please read it carefully.</p> <p>In re QuantumScape Securities Class Action Litigation Case No. 3:21-cv-00058-WHO (N.D. Cal.)</p>	<p>[Postage Prepaid]</p> <p>Name Address City, State Zip</p>
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***THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE SETTLEMENT.
PLEASE VISIT 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.**

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 or will be mailed to you upon request to the Claims Administrator (866-778-9623). **Claim Forms must be submitted online or postmarked by _____.** If you do not want to be legally bound by the Settlement, you must exclude yourself by _____, 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 _____. 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 _____, 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 and read the detailed Notice.

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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**

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

21
22 WHEREAS, by Order, dated _____, 2024 (the “Preliminary Approval Order”), this Court:
23 (a) preliminarily approved the Settlement; (b) ordered that notice of the proposed Settlement be
24 provided to potential Class Members; (c) provided Class Members with the opportunity either to
25 exclude themselves from the Class or to object to the proposed Settlement; and (d) scheduled a
26 hearing regarding final approval of the Settlement;

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

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

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

8 IT IS HEREBY ORDERED:

9
10 1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Action, and
11 all matters relating to the Settlement, as well as personal jurisdiction for the Action over all of the
12 Parties and each of the Class Members.

13
14 2. **Incorporation of Settlement Documents** – This Order incorporates and makes a
15 part hereof: (a) the Stipulation filed with the Court on June 11, 2024; and (b) the Notice, the
16 Summary Notice, Proof of Claim (also referred to as the “Claim Form”), and the Postcard Notice,
17 all of which were filed with the Court on June 11, 2024.

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

25
26 4. **Notice** – The Court finds that the dissemination of the Postcard Notice, the online
27 posting of the Notice, and the publication of the Summary Notice: (a) were implemented in
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1 accordance with the Preliminary Approval Order; (b) constituted the best notice practicable under
2 the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances,
3 to apprise Class Members of (i) the pendency of the Action; (ii) the effect of the proposed Settlement
4 (including the releases to be provided thereunder); (iii) Plaintiffs' Counsel's Fee and Expense
5 Application, and for Plaintiffs' award; (iv) their right to object to any aspect of the Settlement, the
6 Plan of Allocation and/or Plaintiffs' Counsel's motion for Attorneys' Fees and Expenses and for an
7 Award to Plaintiffs; (v) their right to exclude themselves from the Class; and (vi) their right to appear
8 at the Fairness Hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities
9 entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23
10 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process
11 Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and
12 all other applicable law and rules.

13
14
15 5. **CAFA** – The Court finds that the notice requirements set forth in the Class Action
16 Fairness Act of 2005, 28 U.S.C. § 1715, to the extent applicable to the Action, have been satisfied.

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

20
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
27 Plaintiffs' Counsel have adequately represented the Class; (b) the Settlement was negotiated by the
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1 Parties at arm's length; (c) the relief provided for the Class under the Settlement is fair, reasonable,
2 and adequate taking into account the costs, risks, and delay of trial and appeal, the proposed means
3 of distributing the Settlement Fund to the Class, and the proposed attorneys' fee award; and (d) the
4 Settlement treats members of the Class equitably relative to each other. The Parties are directed to
5 implement, perform, and consummate the Settlement in accordance with the terms and provisions
6 contained in the Stipulation.
7

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

12 9. **Binding Effect** – The terms of the Stipulation and of this Order shall be forever
13 binding on Defendants, Plaintiffs and all other Class Members (regardless of whether or not any
14 individual Class Member submits a Claim Form or seeks or obtains a distribution from the Net
15 Settlement Fund), as well as their respective successors and assigns. [The persons and entities listed
16 on Exhibit 1 hereto are excluded from the Class pursuant to request and are not bound by the terms
17 of the Stipulation or this Judgment.]
18

19 10. **Releases** – The releases set forth in paragraphs 3.1 to 3.6 of the Stipulation, together
20 with the definitions contained in paragraphs 1.1 to 1.60 of the Stipulation relating thereto, are
21 expressly incorporated herein in all respects. The releases are effective as of the Effective Date.
22 Accordingly, this Court orders that:
23

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

10 (b) Without further action by anyone, and subject to paragraph 12 below, upon
11 the Effective Date of the Settlement, Defendants and their Related Persons, on behalf of themselves,
12 and their respective heirs, executors, administrators, predecessors, successors, and assigns in their
13 capacities as such, shall be deemed to have, and by operation of law and of this Order shall have,
14 fully, finally and forever compromised, settled, released, resolved, relinquished, waived, and
15 discharged each and every Released Defendants' Claim against Plaintiffs and the other Released
16 Plaintiff Persons, and shall forever be barred, enjoined, and estopped from prosecuting any or all of
17 the Released Defendants' Claims against any of the Released Plaintiff Persons.

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

23 12. **Bar Order** – Upon the Effective Date, Plaintiffs, all Class Members and anyone
24 claiming through or on behalf of any of them are forever barred and enjoined from commencing,
25 instituting, maintaining, enforcing, asserting, or continuing to prosecute any action or proceeding in
26 any court of law or equity, arbitration tribunal, administration forum or other forum of any kind any
27 of the Released Claims (including without limitation, Unknown Claims) against any of the Released
28

1 Defendant Persons.

2 13. **Rule 11 Findings** – The Court finds and concludes that the Parties and their
3 respective counsel have complied in all respects with the requirements of Rule 11 of the Federal
4 Rules of Civil Procedure in connection with the institution, prosecution, defense, and settlement of
5 the Action.

6
7 14. **No Admissions** – Neither this Judgment, the Stipulation (whether or not
8 consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any
9 other plan of allocation that may be approved by the Court), the negotiations leading to the execution
10 of the Stipulation, nor any proceedings taken pursuant to or in connection with the Stipulation and/or
11 approval of the Settlement (including any arguments proffered in connection therewith):

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

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23
24 (b) shall be offered against any of the Released Plaintiff Persons, as evidence of,
25 or construed as, or deemed to be evidence of any presumption, concession or admission by any of
26 the Released Plaintiff Persons that any of their claims are without merit, that any of the Released
27 Defendant Persons had meritorious defenses, or that damages recoverable in the Action would not
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1 have exceeded the Settlement Amount or with respect to any liability, negligence, fault or
2 wrongdoing of any kind, or in any way referred to for any other reason as against any of the Released
3 Plaintiff Persons, in any civil, criminal or administrative action or proceeding, other than such
4 proceedings as may be necessary to effectuate the provisions of the Stipulation; or
5

6 (c) shall be construed against any of the Released Defendant Persons or Released
7 Plaintiff Persons as an admission, concession, or presumption that the consideration to be given
8 under the Settlement represents the amount which could be or would have been recovered after trial;
9 provided, however, that the Parties, the Released Defendant Persons, the Released Plaintiff Persons,
10 and their respective counsel may refer to this Order and the Stipulation to effectuate the protections
11 from liability granted hereunder and thereunder or otherwise to enforce the terms of the Settlement.
12

13 15. The Released Defendant Persons and Released Plaintiff Persons may file the
14 Stipulation and/or this Order in any other action that may be brought against them in order to support
15 a defense or counterclaim based on principles of *res judicata*, collateral estoppel, full faith and
16 credit, release, good faith settlement, judgment bar or reduction or any other theory of claim
17 preclusion or issue preclusion or similar defense or counterclaim. The Parties may file the
18 Stipulation and/or this Order in any proceedings that may be necessary to consummate or enforce
19 the Stipulation, the Settlement, or this Order.
20

21 16. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any
22 way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of
23 the administration, interpretation, implementation, and enforcement of the Settlement; (b) the
24 disposition of the Settlement Fund; (c) any motion for an award of attorneys’ fees and/or expenses
25 by Plaintiffs’ Counsel in the Action that will be paid from the Settlement Fund, and an Award to
26 Plaintiffs; (d) any motion to approve the Plan of Allocation; (e) any motion to approve the
27 Settlement Class Distribution Order; and (f) the Class Members for all matters relating to the Action.
28

1 17. Separate orders shall be entered regarding approval of a Plan of Allocation and the
2 motion of Plaintiffs' Counsel for an award of Attorneys' Fees and Expenses and an Award to
3 Plaintiffs. Such orders shall in no way affect or delay the finality of this Order and shall not affect
4 or delay the Effective Date of the Settlement.

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

13 19. **Termination of Settlement** – If the Settlement is terminated as provided in the
14 Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be
15 vacated, rendered null and void and be of no further force and effect, except as otherwise provided
16 by the Stipulation, and this Order shall be without prejudice to the rights of Plaintiffs, the other Class
17 Members and the Defendants, and the Parties shall revert to their respective positions in the Action
18 as provided in the Stipulation.
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20 20. **Entry of Final Judgment** – There is no reason to delay the entry of final judgment
21 in this Action. Accordingly, the Clerk of the Court is expressly directed to immediately enter this
22 final judgment in this Action.
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21. **Confidentiality Orders** – The Court’s orders entered during this Action related to the confidentiality of information shall survive this Judgment.

SO ORDERED this _____ day of _____, 2024.

The Honorable William H. Orrick III
United States District Judge

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Exhibit 1

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

EXHIBIT 2



Levi
& Korsinsky

Firm Resume

**Representation.
Where & When you need it.**

New York

33 Whitehall Street
17th Floor
New York, NY 10004
Tel : 212-363-7500
Fax : 212-363-7171

Washington, D.C.

1101 Vermont Ave., NW
Suite 700
Washington, DC 20005
Tel: 202-524-4290
Fax: 202-333-2121

Connecticut

1111 Summer Street,
Suite 403
Stamford, CT 06905
Tel : 203-992-4523

Los Angeles

445 South Figueroa Street
31st Floor
Los Angeles, CA 90071
Tel: 213-985-7290

San Francisco

1160 Battery Street East,
Suite 100 - #3425
San Francisco, CA 94111
Tel: 415-373-1671
Fax: 415-484-1294

 Levi & Korsinsky, LLP

 Merger Alerts

 www.ZLK.com

About the Firm

Practice Areas

Securities Fraud Class Actions

Derivative, Corporate Governance &
Executive Compensation

Mergers & Acquisitions

Consumer Litigation

Our Attorneys

Managing Partners

- EDUARD KORSINSKY
 - JOSEPH E. LEVI
-

Partners

- ADAM M. APTON
- DONALD J. ENRIGHT
- SHANNON L. HOPKINS
- GREGORY M. NESPOLE
- NICHOLAS I. PORRITT
- GREGORY M. POTREPKA
- MARK S. REICH
- DANIEL TEPPER
- ELIZABETH K. TRIPODI

Counsel

- ANDREW E. LENCYK
 - COURTNEY E. MACCARONE
 - BRIAN STEWART
-

Senior Associates

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 - MORGAN EMBLETON
 - DAVID C. JAYNES
 - CORREY A. SUK
-

Associates

- RACHEL BERGER
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 - AMANDA FOLEY
 - NOAH GEMMA
 - DEVYN R. GLASS
 - GARY ISHIMOTO
 - SIDHARTH KAKKAR
 - ALEXANDER KROT
 - MELISSA MEYER
 - CINAR ONEY
 - COLE VON RICHTHOFEN
 - MAX WEISS
-

Staff Attorneys

- KATHY AMES-VALDIVIESO
- KAROLINA CAMPBELL
- LEAH FARRAR
- CHRISTINA FUHRMAN
- RUBEN MARQUEZ

About the Firm

Levi & Korsinsky, LLP is a national law firm with decades of combined experience litigating complex securities, class, and consumer actions in state and federal courts throughout the country. Our main office is located in New York City and we also maintain offices in Connecticut, California, and Washington, D.C.

We represent the interests of aggrieved shareholders in class action and derivative litigation through the vigorous prosecution of corporations that have committed securities fraud and boards of directors who have breached their fiduciary duties. We have served as Lead and Co-Lead Counsel in many precedent-setting litigations, recovered hundreds of millions of dollars for shareholders via securities fraud lawsuits, and obtained fair value, multi-billion dollar settlements in merger transactions.

We also represent clients in high-stakes consumer class actions against some of the largest corporations in America. Our legal team has a long and successful track record of litigating high-stakes, resource-intensive cases and consistently achieving results for our clients.

Our attorneys are highly skilled and experienced in the field of securities class action litigation. They bring a vast breadth of knowledge and skill to the table and, as a result, are frequently appointed Lead Counsel in complex shareholder and consumer litigations in various jurisdictions. We are able to allocate substantial resources to each case, reviewing public documents, interviewing witnesses, and consulting with experts concerning issues particular to each case. Our attorneys are supported by exceptionally qualified professionals including financial experts, investigators, and administrative staff, as well as cutting-edge technology and e-discovery systems. Consequently, we are able to quickly mobilize and produce excellent litigation results. Our ability to try cases, and win them, results in substantially better recoveries than our peers.

We do not shy away from uphill battles – indeed, we routinely take on complex and challenging cases, and we prosecute them with integrity, determination, and professionalism.



Practice Areas

- Securities Fraud Class Actions
- Derivative, Corporate Governance & Executive Compensation
- Mergers & Acquisitions
- Consumer Litigation



Securities Class Action

Over the last four years, Levi & Korsinsky has been lead, or co-lead counsel in over 50 securities class actions that have resulted in nearly \$200 million in recoveries for investors. The Firm is currently actively litigating as either sole or co-lead counsel securities class actions claiming billions of dollars in damages suffered by injured investors. Since 2020, Levi & Korsinsky has consistently ranked in the Top 10 in terms of number of settlements achieved for shareholders each year, according to reports published by ISS. In Lex Machina's Securities Litigation Report, Levi & Korsinsky ranked as one of the Top 5 Securities Firms for the period from 2018 to 2020. Law360 dubbed the Firm one of the "busiest securities firms" in what is "on track to be one of the busiest years for federal securities litigation" in 2018. Since 2019, Lawdragon Magazine has ranked multiple members of Levi & Korsinsky among the 500 Leading Plaintiff Financial Lawyers in America.

Some of the Firm's recent settlements include:

In **In re U.S. Steel Consolidated Cases**, No. 2:17-579-CB (W.D. Pa.), the Firm obtained a recovery of \$40 million on behalf of a certified class of U.S. Steel investors who sustained damages in connection with false and materially misleading statements about its Carnegie Way initiative. The settlement followed years of hard-fought discovery and class certification litigation.

In two related actions, **In re Nutanix, Inc. Securities Litigation**, No. 3:19-cv-01651-WHO (N.D. Cal.) and **John P. Norton, on Behalf of the Norton Family Living Trust UAD 11/15/2002 v. Nutanix, Inc., et. al.**, No. 3:21-cv-04080-WHO (N.D. Cal.), the Firm achieved a settlement providing for the payment of \$71 million to eligible class members. The case was based on false and misleading misstatements that allegedly concealed from shareholders Nutanix's rapidly declining sales pipeline, revenue, and billings.

As Lead Counsel in **In re Avon Products Inc. Securities Litigation**, No. 1:19-cv-1420-MKV (S.D.N.Y.), the Firm achieved a \$14.5 million cash settlement to successfully resolve claims alleged by a class of investors that the beauty company loosened its recruiting standards in its critical market in Brazil, eventually causing its stock price to crater. The case raised important issues concerning the use of confidential witnesses located abroad in support of scienter allegations and the scope of the attorney work product doctrine with respect to what discovery could be sought of confidential sources who are located in foreign countries.



Securities Class Action

In **Rougier v. Applied Optoelectronics, Inc.**, No. 4:17-cv-2399-GHC-CAB (S.D. Tex.), the Firm served as sole Lead Counsel, prevailed against Defendants' Motion to Dismiss, and achieved class certification before the Parties reached a settlement. The Court granted final approval of a \$15.5 million settlement on November 24, 2020.

In **Martin v. Altisource Residential Corp.**, No. 15-cv-00024 (AET) (GWC) (D.V.I.) the Firm acted as sole Lead Counsel and successfully defeated multiple motions to dismiss directed at the amended class complaints alleging that defendants misrepresented aspects of its relationship with mortgage servicer Ocwen Financial Corp. After engaging in substantial discovery, the Firm obtained a \$15.5 million recovery for the class of investors in Altisource Residential.

In **In re Illumina Inc. Securities Litigation**, No. 3:16-cv-3044-L-MSB (S.D. Cal.) the Firm acted as sole Lead Counsel and obtained a recovery of \$13.85 million for a class of Illumina investors who were misled by false and misleading statements concerning sales of its "Hiseq" sequencing instrument. Settlement followed successfully defeating Defendants' motion to dismiss and extensive discovery.

“Plaintiffs' selected Class Counsel, the law firm of Levi & Korsinsky, LLP, has demonstrated the zeal and competence required to adequately represent the interests of the Class. The attorneys at Levi & Korsinsky have experience in securities and class actions issues and have been appointed lead counsel in a significant number of securities class actions

The Honorable Christina Bryan in *Rougier v. Applied Optoelectronics, Inc.*, No. 4:17-cv-02399-GHC-CAB (S.D. Tex. Nov. 13, 2019)

In **In Re Helios and Matheson Analytics, Inc. Sec. Litig.**, No. 1:18-cv-6965-JGK (S.D.N.Y.), the Firm served as sole Lead Counsel. Although the company had filed a voluntary Bankruptcy petition for liquidation and had numerous creditors (including private parties and various state and federal regulatory agencies), the Firm was able to reach a settlement. The settlement was obtained at a time when a motion to dismiss filed by the defendants was still pending and a risk to the Class. In its role as Lead Counsel, the Firm achieved a settlement of \$8.25 million on behalf of the class. The Court granted final approval of the settlement on May 13, 2021.



Securities Class Action

In **In re Navient Corp. Securities Litigation**, No. 17-cv-8373 (RBK/AMD) (D.N.J.), the Firm represented Navient investors misled about its loan servicing practices and compliance with regulatory requirements designed to protect customers with student loans. After obtaining class certification and moving for summary judgment against defendants, the Firm obtained a \$7.5 million recovery for the class.

In **Kirkland, et al. v. WideOpenWest, Inc.**, et al., Index No. 653248/2018 (N.Y. Sup.) the Firm was Co-Lead Counsel and achieved a settlement of \$7,025,000 for shareholders.



“I find the firm to be well-qualified to serve as Lead Counsel.”

The Honorable Andrew L. Carter, Jr. In *Snyder v. Baozun Inc.*, No. 1:19-cv-11290-ALC-KNF (S.D.N.Y. Sept. 8, 2020)



Securities Class Action

Levi & Korsinsky has been appointed lead or co-lead counsel in the following securities actions:

- **Lucid Alternative Fund, LP v. Innoviz Technologies Ltd., et al.,**

1:24-cv-01971-AT (S.D.N.Y. June 4, 2024)

- **Ventrillo et al v. Paycom Software Inc et al,**

No. 5:23-cv-01019 (W.D. Okla. April 23, 2024)

- **Shih v. Amylyx Pharmaceuticals, Inc. et al,**

No. 1:24-cv-00988-AS (S.D.N.Y. April 17, 2024)

- **Olmstead v. Biovie, Inc. et al,**

No. 3:24-cv-00035-LRH-CSD (D. Nev. April 15, 2024)

- **Wilhite v. Expensify, Inc., et al.,**

No. 3:23-cv-01784-JR (D. Or. February 29, 2024)

- **Walling v. Generac Holdings, Inc., et al.,**

No. 3:23-cv-0808 (W.D. Wis. February 7, 2024)

- **Hubacek v. ON Semiconductor Corporation et al.,**

No. 1:23-cv-01429-GBW (D. Del. February 29, 2024)

- **Ragan v. Farfetch Limited, et al.,**

No. 8:23-cv-2857-MJM (D. Md. January 19, 2024)

- **Gurevitch v. KeyCorp et al.,**

No. 1:23-cv-01520-DCN (N.D. Ohio December 26, 2023)

- **Lowe v. Tandem Diabetes Care, Inc. et al.,**

No. 3:23-cv-01657-H-BLM (S.D. Cal. December 5, 2023)

- **Perez v. Target Corporation et al.,**

No. 0:23-cv-00769-PJS-TNL (D. Minn. November 13, 2023)



In appointing the Firm Lead Counsel, the Honorable Analisa Torres noted our “extensive experience” in securities litigation.

White Pine Invs. v. CVR Ref., LP, No. 1:20-CV-2863-AT (S.D.N.Y. Jan. 5, 2021)

- **Thant v. Rain Oncology Inc. et al.,**

No. 5:23-cv-03518-EJD (N.D. Cal. November 1, 2023)

- **Villanueva v. Proterra Inc. et al.,**

No. 5:23-cv-03519-BLF (N.D. Cal. October 23, 2023)

- **Martin v. BioXcel Therapeutics, Inc. et al.,**

No. 3:23-cv-00915-SVN (D. Conn. October 4, 2023)

- **Scott Petersen v. Stem, Inc., et al.,**

No. 3:23-cv-02329-MMC (N.D. Cal. August 22, 2023)

- **Solomon v. Peloton Interactive, Inc. et al.,**

No. 1:23-cv-04279-MKB-JRC (E.D.N.Y. September 7, 2023)

- **Thant v. Veru, Inc., et al.,**

No. 1:22-cv-23960-KMW (S.D. Fla. July 27, 2023)

- **Zhang V. Gaotu Techedu Inc., et al.,**

No. 1:22-cv-07966-PKC-CLP (E.D.N.Y. July 16, 2023)

- **Jaramillo v. Dish Network Corporation, et al.,**

No. 1:23-cv-00734-GPG-SKC (D. Colo. July 16, 2023)

- **Howard M. Rensin, Trustee Of The Rensin Joint Trust v. United States Cellular Corporation, et al.,**

No. 1:23-cv-02764-MMR (N.D. Ill. July 11, 2023)

- **Holland v. Rite Aid Corporation, et al.,**

No. 1:23-cv-00589-JG (N.D. Ohio June 22, 2023)



Securities Class Action

- **Baylor v. Honda Motor Co., Ltd., et al.,**
No. 2:23-cv-00794-GW-AGR (C.D. Cal. May 8, 2023)
- **Olsson v. PLDT Inc. et al.,**
No. 2:23-cv-00885-CJC-MAA (C.D. Cal. April 26, 2023)
- **Ryan v. FIGS, Inc. et al.,**
No. 2:22-cv-07939-ODW (C.D. Cal. February 14, 2023)
- **Schoen v. Eiger Biopharmaceuticals, Inc., et al.,**
No. 3:22-cv-6985-RS (N.D. Cal. February 3, 2023)
- **Fernandes v. Centessa Pharmaceuticals plc, et al.,**
No. 1:22-cv-08805-GHW-SLC (S.D.N.Y. December 12, 2022)
- **Gilbert v. Azure Power Global Limited, et al.,**
No. 1:22-cv-07432-GHW (S.D.N.Y. December 8, 2022)
- **Pugley v. Fulgent Genetics, Inc. et al.,**
No. 2:22-cv-06764-CAS-KLS (C.D. Cal. November 30, 2022)
- **Michalski v. Weber Inc., et al.,**
No. 1:22-cv-03966-EEB (N.D. Ill. November 29, 2022)
- **Edge v. Tupperware Brands Corporation, et al.,**
No. 6:22-cv-1518-RBD-LHP (M.D. Fla. September 16, 2022)
- **Carpenter v. Oscar Health, Inc., et al.,**
No. 1:22-cv-03885-VSB-VF (S.D.N.Y. September 27, 2022)
- **In re Nano-X Imaging Ltd. Securities Litigation,**
No. 1:20-cv-04355-WFK-MMH (E.D.N.Y. August 30, 2022)



“I find the firm to be well-qualified to serve as Lead Counsel.”

The Honorable Andrew L. Carter, Jr. In *Snyder v. Baozun Inc.*, No. 1:19-CV-11290 (S.D.N.Y. Sept. 8, 2020)

- **Patterson v. Cabaletto Bio, Inc., et al.,**
No. 2:22-cv-00737-JMY (E.D. Pa. August 10, 2022)
- **Rose v. Butterfly Network, Inc., et al.,**
No. 2:22-cv-00854-MEF-JBC (D.N.J. August 8, 2022)
- **Winter v. Stronghold Digital Mining, Inc., et al.,**
No. 1:22-cv-03088-RA (S.D.N.Y. August 4, 2022)
- **Poirer v. Bakkt Holdings, Inc.,**
No. 1:22-cv-02283-EK-PK (E.D.N.Y. August 3, 2022)
- **In re Meta Materials Inc. Securities Litigation,**
No. 1:21-cv-07203-CBA-JRC (E.D.N.Y. July 15, 2022)
- **Deputy v. Akebia Therapeutics, Inc. et al.,**
No. 1:22-cv-01411-AMD-VMS (E.D.N.Y. June 28, 2022)
- **In re Grab Holdings Limited Securities Litigation,**
No. 1:22-cv-02189-JLR (S.D.N.Y. June 7, 2022)
- **In re AppHarvest Securities Litigation,**
No. 1:21-cv-07985-LJL (S.D.N.Y. December 13, 2021)
- **In re Coinbase Global, Inc. Securities Litigation,**
No. 3:21-cv-05634-TLT (N.D. Cal. November 5, 2021)
- **Miller v. Rekor Systems, Inc. et al.,**
No. 1:21-cv-01604-GLR (D. Md. September 16, 2021)
- **Zaker v. Ebang International Holdings Inc. et al.,**
No. 1:21-cv-03060-KPF (S.D.N.Y. July 21, 2021)
- **Valdes v. Kandi Technologies Group, Inc. et al.,**
No. 2:20-cv-06042-LDH-AYS (E.D.N.Y. April 20, 2021)



Securities Class Action

- **John P. Norton, On Behalf Of The Norton Family Living Trust UAD 11/15/2002 V. Nutanix, Inc. Et Al,**
No. 3:21-cv-04080-WHO (N.D. Cal. September 8, 2021)
- **The Daniels Family 2001 Revocable Trust v. Las Vegas Sands Corp., et al.,**
No. 1:20-cv-08062-JMF (D. Nev. Jan. 5, 2021)
- **In re QuantumScape Securities Class Action Litigation,**
No. 3:21-cv-00058-WHO (N.D. Cal. April 20, 2021)
- **In re Minerva Neurosciences, Inc. Sec. Litig.,**
No. 1:20-cv-12176-GAO (D. Mass. March 5, 2021)
- **White Pine Investments v. CVR Refining, LP, et al.,**
No. 1:20-cv-02863-AT (S.D.N.Y. Jan. 5, 2021)
- **Yaroni v. Pintec Technology Holdings Limited, et al.,**
No. 1:20-cv-08062-JMF (S.D.N.Y. Dec. 15, 2020)
- **Nickerson v. American Electric Power Company, Inc., et al.,**
No. 2:20-cv-04243-SDM-EPD (S.D. Ohio Nov. 24, 2020)
- **Ellison v. Tufin Software Technologies Ltd., et al.,**
No. 1:20-cv-05646-GHW (S.D.N.Y. Oct. 19, 2020)
- **Hartel v. The GEO Group, Inc., et al.,**
No. 9:20-cv-81063-RS-SMM (S.D. Fla. Oct. 1, 2020)
- **Posey v. Brookdale Senior Living, Inc., et al.,**
No. 3:20-cv-00543-AAT (M.D. Tenn. Sept. 14, 2020)



“Class Counsel have demonstrated that they are skilled in this area of the law and therefore adequate to represent the Settlement Class as

The Honorable Barry Ted Moskowitz in *In re Regulus Therapeutics Inc. Sec. Litig.*, No. 3:17-CV-182-BTM-RBB (S.D. Cal. Oct. 30, 2020)

- **Snyder v. Baozun Inc.,**
No. 1:19-cv-11290-ALC-KNF (S.D.N.Y. Sept. 8, 2020)
- **In re Dropbox Sec. Litig.,**
No. 5:19-cv-06348-BLF-SVK (N.D. Cal. Jan. 16, 2020)
- **Zhang v. Valaris plc,**
No. 1:19-cv-7816-NRB (S.D.N.Y. Dec. 23, 2019)
- **In re Sundial Growers Inc. Sec. Litig.,**
No. 1:19-cv-08913-ALC-SN (S.D.N.Y. Dec. 20, 2019)
- **Ferraro Family Foundation, Inc. v. Corcept Therapeutics Incorporated,**
No. 5:19-cv-1372-LHK-SVK (N.D. Cal. Oct. 7, 2019)
- **Roberts v. Bloom Energy Corp.,**
No. 4:19-cv-02935-HSG (N.D. Cal. Sept. 3, 2019)
- **Luo v. Sogou Inc.,**
No. 1:19-cv-00230-LJL (S.D.N.Y. Apr. 2, 2019)
- **In re Aphria Inc. Sec. Litig.,**
No. 1:18-cv-11376-GBD-JEW (S.D.N.Y. Mar. 27, 2019)
- **Chew v. MoneyGram International, Inc.,**
No. 1:18-cv-07537-MMP (N.D. Ill. Feb. 12, 2019)



Securities Class Action

- **Tung v. Dycorn Industries, Inc.,**
No. 9:18-cv-81448-RS-WM (S.D. Fla. Jan. 11, 2019)
- **Guyer v. MGT Capital Investments, Inc.,**
No. 1:18-cv-09228-ER (S.D.N.Y. Jan. 9, 2019)
- **In re Adient plc Sec. Litig.,**
No. 1:18-cv-09116-RA (S.D.N.Y. Dec. 21, 2018)
- **In re Prothena Corp. plc Sec. Litig.,**
No. 1:18-cv-06425-ALC (S.D.N.Y. Oct. 31, 2018)
- **Pierrelouis v. Gogo Inc.,**
No. 1:18-cv-04473-JLA (N.D. Ill. Oct. 10, 2018)
- **Balestra v. Cloud With Me Ltd.,**
No. 2:18-cv-00804-MRH-LPL (W.D. Pa. Oct. 18, 2018)
- **Balestra v. Giga Watt, Inc.,**
No. 2:18-cv-00103-MKD (E.D. Wash. June 28, 2018)
- **Chandler v. Ulta Beauty, Inc.,**
No. 1:18-cv-01577-MMP (N.D. Ill. June 26, 2018)
- **In re Longfin Corp. Sec. Litig.,**
No. 1:18-cv-2933-DLC (S.D.N.Y. June 25, 2018)
- **Chahal v. Credit Suisse Group AG,**
No. 1:18-cv-02268-AT-SN (S.D.N.Y. June 21, 2018)
- **In re Bitconnect Sec. Litig.,**
No. 9:18-cv-80086-DMM-DLB (S.D. Fla. June 19, 2018)
- **In re Aqua Metals Sec. Litig.,**
No. 4:17-cv-07142-HSG (N.D. Cal. May 23, 2018)
- **Davy v. Paragon Coin, Inc.,**
No. 4:18-cv-00671-JSW (N.D. Cal. May 10, 2018)
- **Rensel v. Centra Tech, Inc.,**
No. 1:17-cv-24500-RNS-JB (S.D. Fla. Apr. 11, 2018)
- **Cullinan v. Cemtrex, Inc.,**
No. 2:17-cv-01067-SJF-AYS (E.D.N.Y. Mar. 3, 2018)
- **In re Navient Corporation Sec. Litig.,**
No. 1:17-cv-08373-RBK-AMD (D.N.J. Feb. 2, 2018)
- **Huang v. Depomed, Inc.,**
No. 3:17-cv-04830-JST (N.D. Cal. Dec. 8, 2017)
- **In re Regulus Therapeutics Inc. Sec. Litig.,**
No. 3:17-cv-00182-BTM-RBB (S.D. Cal. Oct. 26, 2017)
- **Murphy III v. JBS S.A.,**
No. 1:17-cv-03084-ILG-RER (E.D.N.Y. Oct. 10, 2017)
- **Ohren v. Amyris, Inc.,**
No. 3:17-cv-002210-WHO (N.D. Cal. Aug. 8, 2017)
- **Beezley v. Fenix Parts, Inc.,**
No. 2:17-cv-00233-SRC-CLW (D.N.J. June 28, 2017)
- **M & M Hart Living Trust v. Global Eagle Entertainment, Inc.,**
No. 2:17-cv-01479-PA-MRW (C.D. Cal. June 26, 2017)
- **In re Insys Therapeutics, Inc.,**
No. 1:17-cv-1954-PAC (S.D.N.Y. May 31, 2017)
- **Clevlen v. Anthera Pharmaceuticals, Inc.,**
No. 3:17-cv-00715-RS (N.D. Cal. May 18, 2017)
- **In re Agile Therapeutics, Inc. Sec. Litig.,**
No. 3:17-cv-00119-AET-LHG (D.N.J. May 15, 2017)
- **Roper v. SITO Mobile Ltd.,**
No. 2:17-cv-01106-ES-MAH (D.N.J. May 8, 2017)
- **In re Illumina, Inc. Sec. Litig.,**
No. 3:16-cv-03044-JL-MSB (S.D. Cal. Mar. 30, 2017)



Securities Class Action

- **In re PTC Therapeutics, Inc.,**
No. 2:16-cv-01224-KM-MAH (D.N.J. Nov. 14, 2016)
- **The TransEnterix Investor Group v. TransEnterix, Inc.,**
No. 5:16-cv-00313-JCD (E.D.N.C. Aug. 30, 2016)
- **Gormley v. magicJack Vocaltec Ltd.,**
No. 1:16-cv-01869-VM (S.D.N.Y. July 12, 2016)
- **Azar v. Blount Int'l Inc.,**
No. 3:16-cv-00483-MHS (D. Or. July 1, 2016)
- **Plumley v. Sempra Energy,**
No. 3:16-cv-00512-RTB-AGS (S.D. Cal. June 6, 2016)
- **Francisco v. Abengoa, S.A.,**
No. 1:15-cv-06279-ER (S.D.N.Y. May 24, 2016)
- **De Vito v. Liquid Holdings Group, Inc.,**
No. 2:15-cv-06969-KM-JBC (D.N.J. Apr. 7, 2016)
- **Ford v. Natural Health Trends Corp.,**
No. 2:16-cv-00255-TJH-AFM (C.D. Cal. Mar. 29, 2016)
- **Levin v. Resource Capital Corp.,**
No. 1:15-cv-07081-LLS (S.D.N.Y. Nov. 24, 2015)
- **Martin v. Altisource Residential Corp.,**
No. 1:15-cv-00024-AET-GWC (D.V.I. Oct. 7, 2015)
- **Paggos v. Resonant, Inc.,**
No. 2:15-cv-01970-SJO-MRW (C.D. Cal. Aug. 7, 2015)
- **Fragala v. 500.com Ltd.,**
No. 2:15-cv-01463-JFW-CFE (C.D. Cal. July 7, 2015)
- **Stevens v. Quiksilver Inc.,**
No. 8:15-cv-00516-JVS-JCG (C.D. Cal. June 26, 2015)

- **In re Ocean Power Technologies, Inc. Sec. Litig.,**
No. 3:14-cv-3799-FLW-LHG (D.N.J. Mar. 17, 2015)
- **In re Energy Recovery Inc. Sec. Litig.,**
No. 3:15-cv-00265-EMC-LB (N.D. Cal. Jan. 20, 2015)
- **Ford v. TD Ameritrade Holding Corporation, et al.,**
No. 8:14-cv-00396-JFB-SMB (D. Neb. Dec. 2, 2014)
- **In re China Commercial Credit Sec. Litig.,**
No. 1:15-cv-00557-ALC (D.N.J. Oct. 31, 2014)
- **In re Violin Memory, Inc. Sec. Litig.,**
No. 4:13 cv-05486-YGR (N.D. Cal. Feb. 26, 2014)
- **Berry v. KiOR, Inc.,**
No. 4:13-cv-02443-LHR (S.D. Tex. Nov. 25, 2013)
- **In re OCZ Technology Group, Inc. Sec. Litig.,**
No. 3:12-cv-05265-RS (N.D. Cal. Jan. 4, 2013)
- **In re Digital Domain Media Group, Inc. Sec. Litig.,**
No. 2:12-cv-14333-JEM-FJL (S.D. Fla. Sept. 20, 2012)

“ The Court of Chancery approved the settlement on April 4, 2024, and remarked that it was “strong” and a “great settlement.”

Vice Chancellor Lori W. Will in *Karsan Value Fund v. Kostecki Brokerage Pty, Ltd. et al.*, Case No. C.A. No. 2021-0899-LWW (Delaware Chancery)



Derivative, Corporate Governance & Executive Compensation

As a leader in achieving important corporate governance reforms for the benefit of shareholders, the Firm protects shareholders by enforcing the obligations of corporate fiduciaries. Our efforts include the prosecution of derivative actions in courts around the country, making pre-litigation demands on corporate boards to investigate misconduct, and taking remedial action for the benefit of shareholders. In situations where a company's board responds to a demand by commencing its own investigation, we frequently work with the board's counsel to assist with and monitor the investigation, ensuring that the investigation is thorough and conducted in an appropriate manner.

We have also successfully prosecuted derivative and class action cases to hold corporate executives and board members accountable for various abuses and to help preserve corporate assets through longlasting and meaningful corporate governance changes, thus ensuring that prior misconduct does not reoccur. We have extensive experience challenging executive compensation and recapturing assets for the benefit of companies and their shareholders. We have secured corporate governance changes to ensure that executive compensation is consistent with shareholder-

approved compensation plans, company performance, and federal securities laws.

In **Franchi v. Barabe**, No. 2020-0648-KSJM (Del. Ch.), the Firm secured \$6.7 million in economic benefits for Selecta Biosciences, Inc. in connection with insiders' participation in a private placement while in possession of material non-public information as well as the adoption of significant governance reforms designed to prevent a recurrence of the alleged misconduct.

The Firm was lead counsel in the derivative action styled **Police & Retirement System of the City of Detroit et al. v. Robert Greenberg et al., C.A No. 2019-0578-MTZ** (Del. Ch.). The action resulted in a settlement where Skechers Inc. cancelled approximately \$20 million in equity awards issued to Skechers' founder Robert Greenberg and two top officers in 2019 and 2020. Also, under the settlement, Skechers' board of directors must retain a consultant to advise on compensation decisions going forward.



Derivative, Corporate Governance & Executive Compensation

In **In re Google Inc. Class C Shareholder Litigation**, C.A. No. 7469-CS (Del. Ch.), we challenged a stock recapitalization transaction to create a new class of nonvoting shares and strengthen the corporate control of the Google founders. We helped achieve an agreement that provided an adjustment payment to existing shareholders harmed by the transaction as well as providing enhanced board scrutiny of the Google founders' ability to transfer stock. Ultimately, Google's shareholders received payments of \$522 million.

In **In re Activision, Inc. Shareholder Derivative Litigation**, No. 06-cv-04771-MRP-JTL (C.D. Cal.), we were Co-Lead Counsel and challenged executive compensation related to the dating of options. This effort resulted in the recovery of more than \$24 million in excessive compensation and expenses, as well as the implementation of substantial corporate governance changes.

“...a model for how [the] great legal profession should conduct itself.”

Justice Timothy S. Driscoll in *Grossman v. State Bancorp, Inc.*, Index No. 600469/2011 (N.Y. Sup. Ct. Nassau Cnty. Nov. 29, 2011)

In **Pfeiffer v. Toll** (Toll Brothers Derivative Litigation), No. 4140-VCL (Del. Ch.), we prevailed in defeating defendants' motion to dismiss in a case seeking disgorgement of profits that company insiders reaped through a pattern of insider-trading. After extensive discovery, we secured a settlement returning \$16.25 million in cash to the company, including a significant contribution from the individuals who traded on inside information.

In **Rux v. Meyer**, No. 11577-CB (Del. Ch.), we challenged the re-purchase by Sirius XM of its stock from its controlling stockholder, Liberty Media, at an inflated, above-market price. After defeating a motion to dismiss and discovery, we obtained a settlement where SiriusXM recovered \$8.25 million, a substantial percentage of its over-payment.

In **In re EZCorp Inc. Consulting Agreement Derivative Litig.**, C.A. No. 9962-VCL (Del. Ch.), we challenged lucrative consulting agreements between EZCorp and its controlling stockholders. After surviving multiple motions to dismiss. We obtained a settlement where EZCorp was repaid \$6.45 million it had paid in consulting fees, or approximately 33% of the total at issue and the consulting agreements were discontinued.



Derivative, Corporate Governance & Executive Compensation

In **Scherer v. Lu** (Diodes Incorporated), No. 13-358-GMS (D. Del.), we secured the cancellation of \$4.9 million worth of stock options granted to the company's CEO in violation of a shareholder-approved plan, and obtained additional disclosures to enable shareholders to cast a fullyinformed vote on the adoption of a new compensation plan at the company's annual meeting.

In **MacCormack v. Groupon, Inc.**, No. 13-940-GMS (D. Del.), we caused the cancellation of \$2.3 million worth of restricted stock units granted to a company executive in violation of a shareholder-approved plan, as well as the adoption of enhanced corporate governance procedures designed to ensure that the board of directors complies with the terms of the plan; we also obtained additional material disclosures to shareholders in connection with a shareholder vote on amendments to the plan.

In **Edwards v. Benson** (Headwaters Incorporated), No. 13-cv-330 (D. Utah), we caused the cancellation of \$3.2 million worth of stock appreciation rights granted to the company's CEO in violation of a shareholder-approved plan and the adoption of enhanced corporate governance procedures designed to ensure that the board of directors complies with the terms of the plan.

In **Pfeiffer v. Begley** (DeVry, Inc.), No. 12-CH-5105 (Ill. Cir. Ct. DuPage Cty.), we secured the cancellation of \$2.1 million worth of stock options granted to the company's CEO in 2008-2012 in violation of a shareholder-approved incentive plan.

In **Basch v. Healy** (EnerNOC), No. 13-cv-766 (D. Del.), we obtained a cash payment to the company to compensate for equity awards issued to officers in violation of the company's compensation plan and caused significant changes in the company's compensation policies and procedures designed to ensure that future compensation decisions are made consistent with the company's plans, charters and policies. We also impacted the board's creation of a new compensation plan and obtained additional disclosures to stockholders concerning the board's administration of the company's plan and the excess compensation.

In **Kleba v. Dees**, No. 3-1-13 (Tenn. Cir. Ct. Knox Cty.), we recovered approximately \$9 million in excess compensation given to insiders and the cancellation of millions of shares of stock options issued in violation of a shareholder-approved compensation plan. In addition, we obtained the adoption of formal corporate governance procedures designed to ensure that future compensation decisions are made independently and consistent with the plan.



Derivative, Corporate Governance & Executive Compensation

In **Lopez v. Nudelman** (CTI BioPharma Corp.), No. 14-2-18941-9 SEA (Wash. Super. Ct. King Cty.), we recovered approximately \$3.5 million in excess compensation given to directors and obtained the adoption of a cap on director compensation, as well as other formal corporate governance procedures designed to implement best practices with regard to director and executive compensation.

In **In re Corinthian Colleges, Inc. Shareholder Derivative Litigation**, No. 06-cv-777-AHS (C.D. Cal.), we were Co-Lead Counsel and achieved a \$2 million benefit for the company, resulting in the re-pricing of executive stock options and the establishment of extensive corporate governance changes.

In **In re Corinthian Colleges, Inc. Shareholder Derivative Litigation**, No. 06-cv-777-AHS (C.D. Cal.), we were Co-Lead Counsel and achieved a \$2 million benefit for the company, resulting in the re-pricing of executive stock options and the establishment of extensive corporate governance changes.

In **Pfeiffer v. Alpert (Beazer Homes Derivative Litigation)**, No. 10-cv-1063-PD (D. Del.), we successfully challenged certain aspects of the company's executive compensation structure, ultimately forcing the company to improve its compensation practices.

In **In re Cincinnati Bell, Inc., Derivative Litigation**, No. A1105305 (Ohio, Hamilton Cty. C.P.), we achieved significant corporate governance changes and enhancements related to the company's compensation policies and practices in order to better align executive compensation with company performance. Reforms included the formation of an entirely independent compensation committee with staggered terms and term limits for service.

In **Woodford v. Mizel** (M.D.C. Holdings, Inc.), No. 1:11-cv-879 (D. Del.), we challenged excessive executive compensation, ultimately obtaining millions of dollars in reductions of that compensation, as well as corporate governance enhancements designed to implement best practices with regard to executive compensation and increased shareholder input.



Mergers & Acquisitions

Levi & Korsinsky has achieved an impressive record in obtaining injunctive relief for shareholders, and we are one of the premier law firms engaged in mergers & acquisitions and takeover litigation, consistently striving to maximize shareholder value. In these cases, we regularly fight to obtain settlements that enable the submission of competing buyout bid proposals, thereby increasing consideration for shareholders.

We have litigated landmark cases that have altered the landscape of mergers & acquisitions law and resulted in multi-million dollar awards to aggrieved shareholders.

In **In re Schuff International, Inc. Stockholders Litigation**, No. 10323-VCZ (Del. Ch.), we served as Co-Lead Counsel for the plaintiff class in achieving the largest recovery as a percentage of the underlying transaction consideration in Delaware Chancery Court merger class action history, obtaining an aggregate recovery of more than \$22 million -- a gross increase from \$31.50 to \$67.45 in total consideration per share (a 114% increase) for tendering stockholders.

“ Vice Chancellor Sam Glasscock, III said “it’s always a pleasure to have counsel who are articulate and exuberant...” and referred to our approach to merger litigation as “wholesome” and “a model of... plaintiffs’ litigation in the merger arena.”

Ocieczanek v. Thomas Properties Group, C.A. No. 9029-VCG (Del. Ch. May 15, 2014)

In **In re Bluegreen Corp. Shareholder Litigation**, No. 502011CA018111 (Cir. Ct. for Palm Beach Cty., FL), as Co-Lead Counsel, we achieved a common fund recovery of \$36.5 million for minority shareholders in connection with a management-led buyout, increasing gross consideration to shareholders in connection with the transaction by 25% after three years of intense litigation.

In **In re CNX Gas Corp. Shareholder Litigation**, No. 5377-VCL (Del. Ch.), as Plaintiffs’ Executive Committee Counsel, we obtained a landmark ruling from the Delaware Chancery Court that set forth a unified standard for assessing the rights of shareholders in the context of freeze-out transactions and ultimately led to a common fund recovery of over \$42.7 million for the company’s shareholders.



Mergers & Acquisitions

In **Chen v. Howard-Anderson**, No. 5878-VCL (Del. Ch.), we represented shareholders in challenging the merger between Occam Networks, Inc. and Calix, Inc., obtaining a preliminary injunction against the merger after showing that the proxy statement by which the shareholders were solicited to vote for the merger was materially false and misleading. Post-closing, we took the case to trial and recovered an additional \$35 million for the shareholders.

In **In re Sauer-Danfoss Stockholder Litig.**, No. 8396 (Del. Ch.), as one of plaintiffs' co-lead counsel, we recovered a \$10 million common fund settlement in connection with a controlling stockholder merger transaction.

In **In re Yongye International, Inc. Shareholders' Litigation**, No. A-12-670468-B (District Court, Clark County, Nevada), as one of plaintiffs' co-lead counsel, we recovered a \$6 million common fund settlement in connection with a management-led buyout of minority stockholders in a China-based company incorporated under Nevada law.

In **In re Great Wolf Resorts, Inc. Shareholder Litigation**, No. 7328-VCN (Del. Ch.), we achieved tremendous results for shareholders, including partial responsibility for a \$93 million (57%) increase in merger consideration and the waiver of several "don't-ask-don't-waive" standstill agreements that were restricting certain potential bidders from making a topping bid for the company.

In **In re Talecris Biotherapeutics Holdings Shareholder Litigation**, C.A. No. 5614-VCL (Del. Ch.), we served as counsel for one of the Lead Plaintiffs, achieving a settlement that increased the merger consideration to Talecris shareholders by an additional 500,000 shares of the acquiring company's stock and providing shareholders with appraisal rights.

In **In re Minerva Group LP v. Mod-Pac Corp.**, Index No. 800621/2013 (N.Y. Sup. Ct. Erie Cty.), we obtained a settlement in which defendants increased the price of an insider buyout from \$8.40 to \$9.25 per share, representing a recovery of \$2.4 million for shareholders.

In **Stephen J. Dannis v. J.D. Nichols**, No. 13-CI-00452 (Ky. Cir. Ct. Jefferson Cty.), as Co-Lead Counsel, we obtained a 23% increase in the merger consideration (from \$7.50 to \$9.25 per unit) for shareholders of NTS Realty Holdings Limited Partnership. The total benefit of \$7.4 million was achieved after two years of hard-fought litigation, challenging the fairness of the going-private, squeeze-out merger by NTS's controlling unitholder and Chairman, Defendant Jack Nichols. The unitholders bringing the action alleged that Nichols' proposed transaction grossly undervalued NTS's units. The 23% increase in consideration was a remarkable result given that on October 18, 2013, the Special Committee appointed by the Board of Directors had terminated the existing merger agreement with Nichols. Through counsel's tenacious efforts the transaction was resurrected and improved.



Mergers & Acquisitions

In **Dias v. Purches**, No. 7199-VCG (Del. Ch.), Vice Chancellor Sam Glasscock, III of the Delaware Chancery Court partially granted shareholders' motion for preliminary injunction and ordered that defendants correct a material misrepresentation in the proxy statement related to the acquisition of Parlux Fragrances, Inc. by Perfumania Holding, Inc.

In **In re Complete Genomics, Inc. Shareholder Litigation**, No. 7888-VCL (Del. Ch.), we obtained preliminary injunctions of corporate merger and acquisition transactions, and Plaintiffs successfully enjoined a "don't-ask-don't-waive" standstill agreement.

In **In re Pamrapo Bancorp Shareholder Litigation**, Docket C-89-09 (N.J. Ch. Hudson Cty.) & HUD-L-3608-12 (N.J. Law Div. Hudson Cty.), we defeated defendants' motion to dismiss shareholders' class action claims for money damages arising from the sale of Pamrapo Bancorp to BCB Bancorp at an allegedly unfair price through an unfair process. We then survived a motion for summary judgment, ultimately securing a settlement recovering \$1.95 million for the Class plus the Class's legal fees and expenses up to \$1 million (representing an increase in consideration of 15-23% for the members of the Class).

In **Forgo v. Health Grades, Inc.**, No. 5716-VCS (Del. Ch.), as Co-Lead Counsel, our attorneys established that defendants had likely breached their fiduciary duties to Health Grades' shareholders by failing to maximize value as required under *Revlon, Inc. v. MacAndrews & Forbes Holdings, Inc.*, No. 506 A.2d 173 (Del. 1986). We secured an agreement with defendants to take numerous steps to seek a superior offer for the company, including making key modifications to the merger agreement, creating an independent committee to evaluate potential offers, extending the tender offer period, and issuing a "Fort Howard" release affirmatively stating that the company would participate in good faith discussions with any party making a bona fide acquisition proposal.

In **In re Integrated Silicon Solution, Inc. Stockholder Litigation**, No. 115CV279142 (Super. Ct. Santa Clara, Cal.), we won an injunction requiring corrective disclosures concerning "don't-ask-don't-waive" standstill agreements and certain financial advisor conflicts of interests, and contributed to the integrity of a post-agreement bidding contest that led to an increase in consideration from \$19.25 to \$23 per share, a bump of almost 25 percent.

“I think you've done a superb job and I really appreciate the way this case was handled.”

Justice Timothy S. Driscoll in *Grossman v. State Bancorp, Inc.*, Index No. 600469/2011 (N.Y. Sup. Ct. Nassau Cnty. Nov. 29, 2011)



Consumer Litigation

Levi & Korsinsky works hard to protect consumers by holding corporations accountable for defective products, false and misleading advertising, unfair or deceptive business practices, antitrust violations, and privacy right violations.

Our litigation and class action expertise combined with our in-depth understanding of federal and state laws enable us to fight for consumers who have been aggrieved by deceptive and unfair business practices and who purchased defective products, including automobiles, appliances, electronic goods, and other consumer products. The Firm also represents consumers in cases involving data breaches and privacy right violations. The Firm's attorneys have received a number of leadership appointments in consumer class action cases, including multidistrict litigation ("MDL"). Recently, Law.com identified the Firm as one of the top firms with MDL leadership appointments in the article titled, "There Are New Faces Leading MDLs. And They Aren't All Men" (July 6, 2020). Representative settled and ongoing cases include:

In **NV Security, Inc. v. Fluke Networks**, No. CV05-4217 GW (SSx) (C.D. Cal. 2005), we negotiated a settlement on behalf of purchasers of Test Set telephones in an action alleging that the Test Sets contained a defective 3-volt battery. We benefited the consumer class by obtaining the following relief: free repair of the 3-volt battery, reimbursement for certain prior repair, an advisory concerning the 3-volt battery on the outside of packages of new Test Sets, an agreement that defendants would cease to market and/or sell certain Test Sets, and a 42-month warranty on the 3-volt battery contained in certain devices sold in the future.

In re: Apple Inc. Device Performance Litig., No. 5:18-md-02827-EJD (N.D. Cal.): Plaintiffs' Executive Committee Counsel in proposed nationwide class action alleging that Apple purposefully throttled iPhone; Apple has agreed to pay up to \$310 million in cash (proposed settlement pending).

In re: Intel Corp. CPU Marketing, Sales Practices and Products Liability Litig., No. 3:18-MD-02828 (D. Or.): Co-Lead Interim Class Counsel in proposed nationwide class action alleging that Intel manufactured and sold defective central processing units that allowed unauthorized access to consumer stored confidential information.



Consumer Litigation

In re: ZF-TRW Airbag Control Units Products Liability Litig., No. 2:19-ML-02905-JAK-FFM (C.D. Cal.): Plaintiffs' Steering Committee Counsel in proposed nationwide class action alleging that defendant auto manufacturers sold vehicles with defective airbags.

In re: EpiPen (Epinephrine Injection, USP) Marketing, Sales Practices and Antitrust Litig., No. 2:17-MD-02785 (D. Kan.): Plaintiffs' Executive Committee Counsel in action alleging that Mylan and Pfizer violated antitrust laws and committed other violations relating to the sale of EpiPens. Nationwide class and multistate classes certified.

Sung, et al. v. Schurman Retail Group, No. 3:17-cv-02760-LB (N.D. Cal.): Co-Lead Class Counsel in nationwide class action alleging unauthorized disclosure of employee financial information; obtained final approval of nationwide class action settlement providing credit monitoring and identity theft restoration services through 2022 and cash payments of up to \$400.

Scott, et al. v. JPMorgan Chase Bank, N.A., No. 1:17-cv-00249-APM (D.D.C.): Co-Lead Class Counsel in nationwide class action settlement of claims alleging improper fees deducted from payments awarded to jurors; 100% direct refund of improper fees collected.

In re: Citrix Data Breach Litig., No. 19-cv-61350-RKA-PMH (S.D. Fla.): Interim Class Counsel in action alleging company failed to implement reasonable security measures to protect employee financial information; common fund settlement of \$2.25 million pending.

Bustos v. Vonage America, Inc., No. 2:06-cv-2308-HAA-ES (D.N.J.): Common fund settlement of \$1.75 million on behalf of class members who purchased Vonage Fax Service in an action alleging that Vonage made false and misleading statements in the marketing, advertising, and sale of Vonage Fax Service by failing to inform consumers that the protocol defendant used for the Vonage Fax Service was unreliable and unsuitable for facsimile communications.

Masterson v. Canon U.S.A., No. BC340740 (Cal. Super. Ct. L.A. Cty.): Settlement providing refunds to Canon SD camera purchasers for certain broken LCD repair charges and important changes to the product warranty.



Our Attorneys

Managing Partners

- EDUARD KORSINSKY
- JOSEPH E. LEVI

EDUARD KORSINSKY

Managing Partner



Eduard Korsinsky is the Managing Partner and Co-Founder of Levi & Korsinsky, LLP, a national securities firm that has recovered billions of dollars for investors since its formation in 2003. For more than 24 years Mr. Korsinsky has represented investors and institutional shareholders in complex securities matters. He has achieved significant recoveries for stockholders, including a \$79 million recovery for investors of E-Trade Financial Corporation and a payment ladder indemnifying investors of Google, Inc. up to \$8 billion in losses on a ground-breaking corporate governance case. His firm serves as lead counsel in some of the largest securities matters involving Tesla, US Steel, Kraft Heinz and others. He has been named a New York "Super Lawyer" by Thomson Reuters and is recognized as one of the country's leading practitioners in class action and derivative matters.

Mr. Korsinsky is also a co-founder of CORE Monitoring Systems LLC, a technology platform designed to assist institutional clients more effectively monitor their investment portfolios and maximize recoveries on securities litigation.

Cases he has litigated include:

- **E-Trade Financial Corp. Sec. Litig.**, No. 07-cv-8538 (S.D.N.Y. 2007), \$79 million recovery
- **In re Activision, Inc. S'holder Derivative Litig.**, No. 06-cv-04771-MRP (JTLX)(C.D. Cal. 2006), recovered \$24 million in excess compensation
- **Corinthian Colleges, Inc., S'holder Derivative Litig.**, No. SACV-06-0777-AHS (C.D. Cal. 2009), obtained repricing of executive stock options providing more than \$2 million in benefits to the company
- **Pfeiffer v. Toll**, No. 4140-VCL (Del. Ch. 2010), \$16.25 million in insider trading profits recovered
- **In re Net2Phone, Inc. S'holder Litig.**, No. 1467-N (Del. Ch. 2005), obtained increase in tender offer price from \$1.70 per share to \$2.05 per share
- **In re Pamrapo Bancorp S'holder Litig.**, No. C-89-09 (N.J. Ch. Hudson Cty. 2011) & No. HUD-L-3608-12 (N.J. Law Div. Hudson Cty. 2015), obtained supplemental disclosures following the filing of a motion for preliminary injunction, pursued case post-closing, secured key rulings on issues of first impression in New Jersey and defeated motion for summary judgment

EDUARD KORSINSKY

Managing Partner

Cases he has litigated include:

- **In re Google Inc. Class C S'holder Litig.**, No. 19786 (Del. Ch. 2012), obtained payment ladder indemnifying investors up to \$8 billion in losses stemming from trading discounts expected to affect the new stock
- **Woodford v. M.D.C. Holdings, Inc.**, No. 1:2011cv00879 (D. Del. 2012), one of a few successful challenges to say on pay voting, recovered millions of dollars in reductions to compensation

PUBLICATIONS

- "Board Diversity: The Time for Change is Now, Will Shareholders Step Up?," National Council on Teacher Retirement. FYI Newsletter May 2021
- "The Dangers of Relying on Custodians to Collect Class Action Settlements.," The Texas Association of Public Employee Retirement Systems (TEXPERS) Investment Insights April-May Edition (2021)
- "The Dangers of Relying on Custodians to Collect Class Action Settlements.," Michigan Association of Public Employee Retirement Systems (MAPERS) Newsletter (2021)
- "The Dangers of Relying on Custodians to Collect Class Action Settlements.," Florida Public Pension Trustees Association (FPPTA) (2021)
- "NY Securities Rulings Don't Constitute Cyan Backlash", Law360 (March 8, 2021)
- "Best Practices for Monitoring Your Securities Portfolio in 2021.," Building Trades News Newsletter (2020-2021)
- **Pfeiffer v. Alpert (Beazer Homes)**, No. 10-cv-1063-PD (D. Del. 2011), obtained substantial revisions to an unlawful executive compensation structure
- **In re NCS Healthcare, Inc. Sec. Litig.**, No. CA 19786, (Del. Ch. 2002), case settled for approximately \$100 million
- **Paraschos v. YBM Magnex Int'l, Inc.**, No. 98-CV-6444 (E.D. Pa.), United States and Canadian cases settled for \$85 million Canadian
- "Best Practices for Monitoring Your Securities Portfolio in 2021.," The Texas Association of Public Employee Retirement Systems (TEXPERS) Monitor (2021)
- "Best Practices for Monitoring Your Securities Portfolio in 2021.," Michigan Association of Public Employee Retirement Systems (MAPERS) Newsletter (2021)
- "Best Practices for Monitoring Your Securities Portfolio in 2021.," Florida Public Pension Trustees Association (FPPTA) (2021)
- Delaware Court Dismisses Compensation Case Against Goldman Sachs, ABA Section of Securities Litigation News & Developments (Nov. 7, 2011)
- SDNY Questions SEC Settlement Practices in Citigroup Settlement, ABA Section of Securities Litigation News & Developments (Nov. 7, 2011)
- New York Court Dismisses Shareholder Suit Against Goldman Sachs, ABA Section of Securities Litigation News & Developments (Oct. 31, 2011)

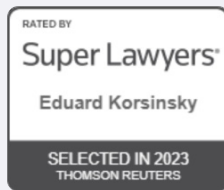
EDUARD KORSINSKY

Managing Partner

EDUCATION

- New York University School of Law, LL.M. Master of Law(s) Taxation (1997)
- Brooklyn Law School, J.D. (1995)
- Brooklyn College, B.S., Accounting, summa cum laude (1992)

AWARDS



ADMISSIONS

- New York (1996)
- New Jersey (1996)
- United States District Court for the Southern District of New York (1998)
- United States District Court for the Eastern District of New York (1998)
- United States Court of Appeals for the Second Circuit (2006)
- United States Court of Appeals for the Third Circuit (2010)
- United States District Court for the Northern District of New York (2011)
- United States District Court of New Jersey (2012)
- United States Court of Appeals for the Sixth Circuit (2013)
- Arizona (2024)

JOSEPH E. LEVI

Managing Partner



Joseph E. Levi is a central figure in shaping and managing the Firm's securities litigation practice. Mr. Levi has been lead or co-lead in dozens of cases involving the enforcement of shareholder rights in the context of mergers & acquisitions and securities fraud. In addition to his involvement in class action litigation, he has represented numerous patent holders in enforcing their patent rights in areas including computer hardware, software, communications, and information processing, and has been instrumental in obtaining substantial awards and settlements.

Mr. Levi and the Firm achieved success on behalf of the former shareholders of Occam Networks in litigation challenging the Company's merger with Calix, Inc., obtaining a preliminary injunction against the merger due to material representations and omissions in the proxy solicitation. **Chen v. Howard-Anderson**, No. 5878-VCL (Del. Ch.). Vigorous litigation efforts continued to trial, resulting in a \$35 million recovery for shareholders.

Mr. Levi and the Firm served as lead counsel in **Weigard v. Hicks**, No. 5732-VCS (Del. Ch.), which challenged the acquisition of Health Grades by affiliates of Vestar Capital Partners. Mr. Levi successfully demonstrated to the Court of Chancery that the defendants had likely breached their fiduciary duties to Health Grades' shareholders by failing to maximize shareholder value. This ruling was used to reach a favorable settlement where defendants agreed to a host of measures designed to increase the likelihood of superior bid. Vice Chancellor Strine "applaud[ed]" the litigation team for their preparation and the extraordinary high-quality of the briefing.

“ [The court] appreciated very much the quality of the argument..., the obvious preparation that went into it, and the ability of counsel...”

Justice Timothy S. Driscoll in *Grossman v. State Bancorp, Inc.*, Index No. 600469/2011 (N.Y. Sup. Ct. Nassau Cnty. Nov. 29, 2011)

JOSEPH E. LEVI

Managing Partner

EDUCATION

- Polytechnic University, B.S., Electrical Engineering, summa cum laude (1984); M.S. Systems Engineering (1986)
- Brooklyn Law School, J.D., magna cum laude (1995)

AWARDS



ADMISSIONS

- New York (1996)
- New Jersey (1996)
- United States Patent and Trademark Office (1997)
- United States District Court for the Southern District of New York (1997)
- United States District Court for the Eastern District of New York (1997)



Our Attorneys

Partners

- ADAM M. APTON
- DONALD J. ENRIGHT
- SHANNON L. HOPKINS
- GREGORY M. NESPOLE
- NICHOLAS I. PORRITT
- GREGORY M. POTREPKA
- MARK S. REICH
- DANIEL TEPPER
- ELIZABETH K. TRIPODI

ADAM M. APTON

Partner



Adam M. Apton focuses his practice on investor protection. He represents institutional investors and high net worth individuals in securities fraud, corporate governance, and shareholder rights litigation. Prior to joining the firm, Mr. Apton defended corporate clients against complex mass tort, commercial, and products liability lawsuits. Thomson Reuters has selected Mr. Apton to the Super Lawyers "Rising Stars" list every year since 2016, a distinction given to only the top 2.5% of lawyers. He has also been awarded membership to the prestigious Lawyers of Distinction for his excellence in the practice of law and named to the "Lawdragon 500 X" list out of thousands of candidates in recognition of his place at the forefront of the legal profession.

Mr. Apton's past representations and successes include:

- **In re Tesla, Inc. Securities Litigation**, No. 3:18-cv-04865-EMC (N.D. Cal.) (trial counsel in class action representing Tesla investors who were harmed by Elon Musk's "funding secured" tweet from August 7, 2018)
- **In re Navient Corp. Securities Litigation**, No. 17-8373 (RBK/AMD) (D.N.J.) (lead counsel in class action against leading provider of student loans for alleged false and misleading statements about compliance with consumer protection laws)
- **In re Prothena Corporation Plc Securities Litigation**, No. 1:18-cv-06425-ALC (S.D.N.Y.) (\$15.75 million settlement fund against international drug company for false statements about development of lead biopharmaceutical product)
- **Martin v. Altisource Residential Corporation**, et al., No. 15-00024 (AET) (GWC) (D.V.I.) (\$15.5 million settlement fund against residential mortgage company for false statements about compliance with consumer regulations and corporate governance protocols)
- **Levin v. Resource Capital Corp., et al.**, No. 1:15-cv-07081-LLS (S.D.N.Y.) (\$9.5 million settlement in class action over fraudulent statements about toxic mezzanine loan assets)

ADAM M. APTON

Partner

- **Rux v. Meyer (Sirius XM Holdings Inc.)**, No. 11577 (Del. Ch.) (recovery of \$8.25 million against SiriusXM's Board of Directors for engaging in harmful related-party transactions with controlling stockholder, John. C. Malone and Liberty Media Corp.)

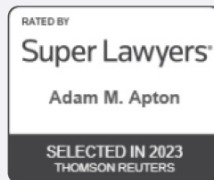
PUBLICATIONS

- "Pleading Section 11 Liability for Secondary Offerings" American Bar Association: Practice Points (Jan. 4, 2017)
- "Second Circuit Rules in Indiana Public Retirement System v. SAIC, Inc." American Bar Association: Practice Points (Apr. 4, 2016)
- "Second Circuit Applies Omnicare to Statements of Opinion in Sanofi" American Bar Association: Practice Points (Mar. 30, 2016)
- "Second Circuit Rules in Action AG v. China North" American Bar Association: Practice Points (Sept. 14, 2015)

EDUCATION

- New York Law School, J.D., cum laude (2009), where he served as Articles Editor of the New York Law School Law Review and interned for the New York State Supreme Court, Commercial Division
- University of Minnesota, B.A., Entrepreneurial Management & Psychology, With Distinction (2006)

AWARDS



ADMISSIONS

- New York (2010)
- United States District Court for the Southern District of New York (2010)
- United States District Court for the Eastern District of New York (2010)
- United States Court of Appeals for the Ninth Circuit (2015)
- United States Court of Appeals for the Second Circuit (2016)
- United States Court of Appeals for the Third Circuit (2016)
- California (2017)
- United States District Court for the Northern District of California (2017)
- United States District Court for the Central District of California (2017)
- United States District Court for the Southern District of California (2017)
- New Jersey (2020)
- United States District Court for the District of New Jersey (2020)

DONALD J. ENRIGHT

Partner



During his 28 years as a litigator and trial lawyer, Mr. Enright has handled matters in the fields of securities, commodities, consumer fraud and commercial litigation, with a particular emphasis on shareholder class action litigation. He has been named as one of the leading financial litigators in the nation by Lawdragon, as a Washington, DC “Super Lawyer” by Thomson Reuters, and as one of the city’s “Top Lawyers” by Washingtonian magazine.

Mr. Enright has shown a track record of achieving victories in federal trials and appeals, including:

- **Nathenson v. Zonagen, Inc.**, 267 F. 3d 400, 413 (5th Cir. 2001)
- **SEC v. Butler**, 2005 U.S. Dist. LEXIS 7194 (W.D. Pa. April 18, 2005)
- **Belizan v. Hershon**, 434 F. 3d 579 (D.C. Cir. 2006)
- **Rensel v. Centra Tech Inc.**, 2 F. 4th 1359 (11th Cir. 2021)

Over the course of his career, Mr. Enright has recovered hundreds of millions of dollars for investors. Most recently, in **Karsan Value Fund v. Kostecki Brokerage Pty, Ltd. et al.**, Case No. C.A. No. 2021-0899-LW/W (Delaware Chancery), Mr. Enright was lead counsel for the class, and recovered a \$9.5 million common fund for the minority stockholders in connection with a controller buyout – a \$1.90 per share (75%) increase on top of the original merger consideration of \$2.55 per share. The Court of Chancery approved the settlement on April 4, 2024, and remarked that it was “strong” and a “great settlement.”

Similarly, in **In re Schuff International, Inc. Stockholders Litigation**, Case No. 10323-VCZ, Mr. Enright served as Co-Lead Counsel for the plaintiff class in achieving an aggregate recovery of more than \$22 million -- a gross increase from \$31.50 to \$67.45 in total consideration per share (a 114% increase) for tendering stockholders. This was one of the largest recoveries as a percentage of the underlying merger consideration in the history of Delaware M&A litigation.

DONALD J. ENRIGHT

Partner

As Co-Lead Counsel in **In re Bluegreen Corp. Shareholder Litigation**, Case No. 502011CA018111 (Cir. Ct. for Palm Beach Cnty., Fla.), Mr. Enright achieved a \$36.5 million common fund settlement in the wake of a majority shareholder buyout, representing a 25% increase in total consideration to the minority stockholders.

Mr. Enright has played a leadership role in numerous other shareholder class actions from inception to conclusion, producing multi-million-dollar recoveries involving such companies as:

- Allied Irish Banks PLC
- Iridium World Communications, Ltd.
- En Pointe Technologies, Inc.
- PriceSmart, Inc.
- Polk Audio, Inc.
- Meade Instruments Corp.
- Xicor, Inc.
- Streamlogic Corp.
- Interbank Funding Corp.
- Riggs National Corp.
- UTStarcom, Inc.
- Manugistics Group, Inc.
- Yongye International, Inc.
- CNX Gas Corp.
- Sauer-Danfoss, Inc.
- The Parking REIT, Inc.
- Akcea Therapeutics, Inc.

Mr. Enright also has a successful track record of obtaining injunctive relief in connection with shareholder M&A litigation, having won injunctions in the cases of:

- **In re Portec Rail Products, Inc. S'holder Litig.**, G.D. 10-3547 (Ct. Com. Pleas Pa. 2010)
- **In re Craftmade International, Inc. S'holder Litig.**, C.A. No. 6950-VCL (Del. Ch. 2011)
- **Dias v. Purches**, C.A. No. 7199-VCG (Del. Ch. 2012)
- **In re Complete Genomics, Inc. S'holder Litig.**, C.A. No. 7888-VCL (Del. Ch. 2012)
- **In re Integrated Silicon Solution, Inc. Stockholder Litig.**, Lead Case No. 115CV279142 (Sup. Ct. Santa Clara, CA 2015)

DONALD J. ENRIGHT

Partner

Mr. Enright has also demonstrated considerable success in obtaining deal price increases for shareholders in M&A litigation. As Co-Lead Counsel in the matter of **In re Great Wolf Resorts, Inc. Shareholder Litigation**, C.A. No. 7328-VCN (Del. Ch. 2012), Mr. Enright was partially responsible for a \$93 million (57%) increase in merger consideration and waiver of several “don’t-ask-don’t-waive” standstill agreements. Similarly, Mr. Enright served as Co-Lead Counsel in the case of **Berger v. Life Sciences Research, Inc.**, No. SOM-C-12006-09 (NJ Sup. Ct. 2009), which caused a significant increase in the transaction price from \$7.50 to \$8.50 per share, representing additional consideration for shareholders of approximately \$11.5 million. Mr. Enright also served as Co-Lead Counsel in **Minerva Group, LP v. Keane**, Index No. 800621/2013 (NY Sup. Ct. of Erie Cnty.) and obtained an increased buyout price from \$8.40 to \$9.25 per share.

The courts have frequently recognized and praised the quality of Mr. Enright’s work. In **In re Interbank Funding Corp. Securities Litigation**, (D.D.C. 02-1490), Judge Bates of the United States District Court for the District of Columbia observed that Mr. Enright had “...skillfully, efficiently, and zealously represented the class, and... worked relentlessly throughout the course of the case.” In **Freeland v. Iridium World Communications, LTD**, (D.D.C. 99-1002), Judge Nanette Laughrey stated that Mr. Enright and his co-counsel had done “an outstanding job” in connection with the recovery of \$43.1 million for the shareholder class. And, in the matter of **Osieczanek v. Thomas Properties Group**, C.A. No. 9029-VCG (Del. Ch. 2013), Vice Chancellor Sam Glasscock of the Delaware Court of Chancery observed that “it’s always a pleasure to have counsel [like Mr. Enright] who are articulate and exuberant in presenting their position,” and that Mr. Enright’s prosecution of a merger case was “wholesome” and served as “a model of . . . plaintiffs’ litigation in the merger arena.”

DONALD J. ENRIGHT

Partner

PUBLICATIONS

- “SEC Enforcement Actions and Investigations in Private and Public Offerings,” Securities: Public and Private Offerings, Second Edition, West Publishing 2007
- “Dura Pharmaceuticals: Loss Causation Redefined or Merely Clarified?” J.Tax'n & Reg. Fin. Inst. September/October 2007, Page 5

EDUCATION

- George Washington University School of Law, J.D. (1996), Member Editor of The George Washington University Journal of International Law and Economics
- Drew University, B.A. cum laude, Political Science and Economics (1993)

ADMISSIONS

- Maryland (1996)
- New Jersey (1996)
- District of Maryland (1997)
- District of New Jersey (1997)
- Washington, DC (1999)
- Fourth Circuit (1999)
- Fifth Circuit (1999)
- United States District Court for the District of Columbia (1999)
- United States Court of Appeals for the District of Columbia (2004)
- Second Circuit (2005)
- Third Circuit (2006)
- United States District Court for the District of Colorado (2017)

AWARDS



SHANNON L. HOPKINS

Partner



Shannon L. Hopkins manages the Firm's Connecticut office. She was selected in 2013 as a New York "Super Lawyer" by Thomson Reuters. For more than two decades Ms. Hopkins has been prosecuting a wide range of complex class action matters in securities fraud, mergers and acquisitions, and consumer fraud litigation on behalf of individuals and large institutional clients. Ms. Hopkins has played a lead role in numerous shareholder securities fraud and merger and acquisition matters and has been involved in recovering multimillion-dollar settlements on behalf of shareholders, including:

- **E-Trade Financial Corp. S'holder Litig.**, No. 07-cv-8538 (S.D.N.Y. 2007), \$79 million recovery for the shareholder class
- **In re U.S. Steel Consolidated Cases**, No. 17-559-CB (W.D. Pa.), \$40 million recovery for shareholder class
- **In re Nutanix, Inc. Securities Litigation**, No. 3:19-cv-01651-WHO (the "Stock Case"), \$71 million for shareholder class
- **Rougier v. Applied Optoelectronics, Inc.**, No. 17-cv-2399 (S.D. Tex.), \$15.5 million recovery for shareholder class
- **In Re Helios and Matheson Analytics, Inc. Sec. Litig.**, No. 18-cv-6965-JGK (S.D.N.Y.), \$8.25 Million shareholder recovery
- **In re Restoration Robotics, Inc. Sec. Litig.**, No. 18-cv-03712-EJD (N.D. Cal.), \$4.175 million shareholder recovery
- **In Stein v. U.S. Xpress Enterprises, Inc.**, et al., No. 1:19-cv-98-TRM-CHS (E.D. Tenn.), \$4.3 million shareholder recovery
- **Kirkland, et al. v. WideOpenWest, Inc.**, et al., Index No. 653248/2018, \$7.025 million recovery for shareholder class

SHANNON L. HOPKINS

Partner

- “Plaintiffs’ selected Class Counsel, the law firm of Levi & Korsinsky, LLP, has demonstrated the zeal and competence required to adequately represent the interests of the Class. The attorneys at Levi & Korsinsky have experience in securities and class actions issues and have been appointed lead counsel in a significant number of securities class actions across the country.”

The Honorable Christina Bryan in *Rougier v. Applied Optoelectronics, Inc.*, No. 4:17-CV-02399 (S.D. Tex. Nov. 13, 2019)

In addition to her legal practice, Ms. Hopkins is a Certified Public Accountant (1998 Massachusetts). Prior to becoming an attorney, Ms. Hopkins was a senior auditor with PricewaterhouseCoopers LLP, where she led audit engagements for large publicly held companies in a variety of industries.

- “In appointing the Firm Lead Counsel, the Honorable Gary Allen Feess noted our “significant prior experience in securities litigation and complex class actions.”

Zaghian v. THQ, Inc., No. 2:12-cv-05227-GAF-JEM (C.D. Cal. Sept. 14, 2012)

SHANNON L. HOPKINS

Partner

PUBLICATIONS

- “Cybercrime Convention: A Positive Beginning to a Long Road Ahead,” 2 J. High Tech. L. 101 (2003)

EDUCATION

- Suffolk University Law School, J.D., magna cum laude (2003), where she served on the Journal for High Technology and as Vice Magister of the Phi Delta Phi International Honors Fraternity
- Bryant University, B.S.B.A., Accounting and Finance, cum laude (1995), where she was elected to the Beta Gamma Sigma Honor Society

AWARDS



ADMISSIONS

- Massachusetts (2003)
- United States District Court for the District of Massachusetts (2004)
- New York (2004)
- United States District Court for the Southern District of New York (2004)
- United States District Court for the Eastern District of New York (2004)
- United States District Court for the District of Colorado (2004)
- United States Court of Appeals for the First Circuit (2008)
- United States Court of Appeals for the Third Circuit (2010)
- Connecticut (2013)
- United States Court of Appeals for the Ninth Circuit (2023)

GREGORY M. NESPOLE

Partner



Gregory Mark Nespole is a Partner of the Firm, having been previously a member of the management committee of one of the oldest firms in New York, as well as chair of that firm's investor protection practice. He specializes in complex class actions, derivative actions, and transactional litigation representing institutional investors such as public and labor pension funds, labor health and welfare benefit funds, and private institutions. Prior to practicing law, Mr. Nespole was a strategist on an arbitrage desk and an associate in a major international investment bank where he worked on structuring private placements and conducting transactional due diligence.

For over twenty years, Mr. Nespole has played a lead role in numerous shareholder securities fraud and merger and acquisition matters and has been involved in recovering multi-million-dollar settlements on behalf of shareholders, including:

- Served as co-chair of a Madoff Related Litigation Task Force that recovered over several hundred million dollars for wronged investors;
- Obtained a \$90 million award on behalf of a publicly listed company against a global bank arising out of fraudulently marketed auction rated securities;
- Successfully obtained multi-million-dollar securities litigation recoveries and/or corporate governance reforms from Cablevision, JP Morgan, American Pharmaceutical Partners, Sepracor, and MBIA, among many others.

Mr. Nespole is a member of the Federal Bar Council and the FBC's Securities Litigation Committee. Mr. Nespole's peers have elected him a "Super Lawyer" in the class action field annually since 2009. He is active in his community as a youth sports coach.

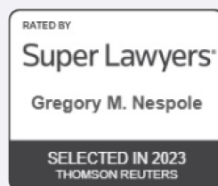
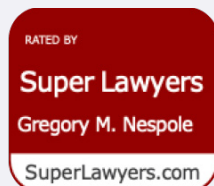
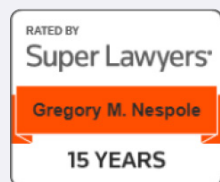
GREGORY M. NESPOLE

Partner

EDUCATION

- Brooklyn Law School, J.D. (1993)
- Bates College, B.A. (1989)

AWARDS



ADMISSIONS

- New York (1994)
- United States District Court for the Southern District of New York (1994)
- United States District Court for the Eastern District of New York (1994)
- United States Court of Appeals for the Second Circuit (1994)
- United States Court of Appeals for the Fourth Circuit (1994)
- United States Court of Appeals for the Fifth Circuit (1994)
- United States District Court for the Northern District of New York (2018)
- United States Court of Appeals for the Eighth Circuit (2019)
- United States Court of Appeals for the Third Circuit (2020)

NICHOLAS I. PORRITT

Partner



Nicholas Porritt prosecutes securities class actions, shareholder class actions, derivative actions, and mergers and acquisitions litigation. He has extensive experience representing plaintiffs and defendants in a wide variety of complex commercial litigation, including civil fraud, breach of contract, and professional malpractice, as well as defending SEC investigations and enforcement actions. Mr. Porritt has helped recover hundreds of millions of dollars on behalf of shareholders. He was one of the Lead Counsel in *In re Google Inc. Class C Shareholder Litigation*, No. 7469-CS (Del. Ch.), which resulted in a payment of \$522 million to shareholders and overall benefit of over \$3 billion to Google's minority shareholders. He is one of the very few attorneys to have tried a securities class action to a jury, acting as lead trial counsel in *In re Tesla, Inc. Securities Litigation*, No. 3:18-cv-04865-EMC (N.D. Cal.), which went to trial in January 2023. He is currently acting in *In re QuantumScape Securities Class Action Litigation*, No. 3:21-cv-00058-WHO (N.D. Cal) representing QuantumScape Corp. investors who were harmed by misrepresentations by management regarding its battery technology as well as lead counsel in *Ford v. TD Ameritrade Holding Corp.*, No. 14-cv-396 (D. Neb.), representing TD Ameritrade customers harmed by its improper routing of their orders. Both cases involve over \$1 billion in estimated damages.

Mr. Porritt speaks frequently on current topics relating to securities laws and derivative actions, including presentations on behalf of the Council for Institutional Investors, Nasdaq, and the Practising Law Institute, and has served as an expert in the areas of securities and derivative litigation.

NICHOLAS I. PORRITT

Partner

CASES PORRITT HAS WORKED ON:

- **Set Capital LLC v. Credit Suisse Group AG**, 2023 WL 2535175 (S.D.N.Y. 2023)
- **Voulgaris, v. Array Biopharma Inc.**, 60 F.4th 1259 (10th Cir. 2023)
- **In re Tesla, Inc. Sec. Litig.**, 2022 WL 7374936 (N.D. Cal. 2022)
- **Klein v. TD Ameritrade Holding Corp.**, 342 F.R.D. 252 (D. Neb. 2022)
- **In re Aphria, Inc. Sec. Litig.**, 342 F.R.D. 199 (S.D.N.Y. 2022)
- **In re Tesla, Inc. Sec. Litig.**, 2022 WL 1497559 (N.D. Cal. 2022)
- **In re QuantumScape Sec. Class Action Litig.**, 580 F. Supp. 3d 714 (N.D. Cal. 2022)
- **Set Capital LLC v. Credit Suisse Group AG**, 996 F.3d 64 (2d Cir. 2021)
- **In re Tesla, Inc. Sec. Litig.**, 477 F. Supp. 3d 903 (N.D. Cal.2020)
- **Voulgaris, v. Array Biopharma Inc.**, No. 17CV02789KLMCONSOLID, 2020 WL 8367829 (D. Colo.2020)
- **In Re Aphria, Inc. Sec. Litig.**, No. 18 CIV. 11376 (GBD), 2020 WL 5819548 (S.D.N.Y. 2020)
- **In re Clovis Oncology, Inc. Deriv. Litig.**, 2019 WL 4850188 (Del. Ch. 2019)
- **Martin v. Altisource Residential Corp.**, 2019 WL 2762923 (D.V.I. 2019)
- **In re Navient Corp. Sec. Litig.**, 2019 WL 7288881 (D.N.J.2019)
- **In re Bridgestone Inv. Corp.**, 789 Fed. App'x 13 (9th Cir. 2019)
- **Klein v. TD Ameritrade Holding Corp.**, 327 F.R.D. 283 (D. Neb. 2018)
- **Beezley v. Fenix Parts, Inc.**, 2018 WL 3454490 (N.D. Ill. 2018)
- **In re Illumina, Inc. Sec. Litig.**, 2018 WL 500990 (S.D. Cal. 2018)
- **In re PTC Therapeutics Sec. Litig.**, 2017 WL 3705801 (D.N.J. 2017)
- **Zaghian v. Farrell**, 675 Fed. Appx. 718, (9th Cir. 2017)
- **In re PTC Therapeutics Sec. Litig.**, 2017 WL 3705801 (D.N.J. Aug. 28, 2017)
- **Martin v. Altisource Residential Corp.**, 2017 WL 1068208 (D.V.I. 2017)
- **Gormley magicJack VocalTec Ltd.**, 220 F. Supp. 3d 510 (S.D.N.Y. 2016)
- **Carlton v. Cannon**, 184 F. Supp. 3d 428 (S.D. Tex. 2016)
- **Zola v. TD Ameritrade, Inc.**, 172 F. Supp. 3d 1055 (D. Neb. 2016)
- **In re Energy Recovery Sec. Litig.**, 2016 WL 324150 (N.D. Cal. Jan. 27, 2016)
- **In re EZCorp Inc. Consulting Agreement Deriv. Litig.**, 2016 WL 301245 (Del. Ch. Jan. 25, 2016)
- **In re Violin Memory Sec. Litig.**, 2014 WL 5525946 (N.D. Cal. Oct. 31, 2014)
- **Garnitschnig v. Horovitz**, 48 F. Supp. 3d 820 (D. Md. 2014)
- **SEC v. Cuban**, 620 F.3d 551 (5th Cir. 2010)
- **Cozzarelli v. Inspire Pharmaceuticals, Inc.**, 549 F.3d 618 (4th Cir. 2008)
- **Teachers' Retirement System of Louisiana v. Hunter**, 477 F.3d 162 (4th Cir. 2007)

NICHOLAS I. PORRITT

Partner

PUBLICATIONS

- “Current Trends in Securities Litigation: How Companies and Counsel Should Respond,” Inside the Minds. Recent Developments in Securities Law (Aspatore Press 2010)

EDUCATION

- University of Chicago Law School, J.D., With Honors (1996)
- University of Chicago Law School, LL.M. (1993)
- Victoria University of Wellington, LL.B. (Hons.), With First Class Honors, Senior Scholarship (1990)

AWARDS



ADMISSIONS

- New York (1997)
- District of Columbia (1998)
- United States District Court for the District of Columbia (1999)
- United States District Court for the Southern District of New York (2004)
- United States Court of Appeals for the Fourth Circuit (2004)
- United States Court of Appeals for the District of Columbia Circuit (2006)
- United States Supreme Court (2006)
- United States District Court for the District of Maryland (2007)
- United States District Court for the Eastern District of New York (2012)
- United States Court of Appeals for the Second Circuit (2014)
- United States Court of Appeals for the Ninth Circuit (2015)
- United States District Court for the District of Colorado (2015)
- United States Court of Appeals for the Tenth Circuit (2016)
- United States Court of Appeals for the Eleventh Circuit (2017)
- United States Court of Appeals for the Eighth Circuit (2019)
- United States Court of Appeals for the Third Circuit (2019)

GREGORY POTREPKA

Partner



Gregory M. Potrepka is a partner of the Firm in its Connecticut office. Mr. Potrepka's practice specializes in vindicating investor rights, including the interests of shareholders of publicly traded companies. Specifically, Mr. Potrepka has considerable experience prosecuting complex class actions, securities fraud matters, and similar commercial litigation. Mr. Potrepka's role in the Firm's securities litigation practice has significantly contributed to many of the Firm's successes, including the following representative matters:

- **In re Nutanix, Inc. Sec. Litig.**, No. 3:19-01651-WHO (N.D. Cal.); **Norton v. Nutanix, Inc.**, 3:21-cv-04080-WHO (N.D. Cal.) (\$71 million recovery)
- **In re U.S. Steel Consolidated Cases**, No. 17-579 (W.D. Pa.) (\$40 million recovery)
- **Rougier v. Applied Optoelectronics, Inc.**, No. 4:17-cv-2399 (S.D. Tex.) (\$15.5 million recovery)
- **In re Helios and Matheson Analytics, Inc. Securities Litigation**, No. 1:18-cv-06965 (S.D.N.Y.) (\$8.25 million recovery)
- **In re Aqua Metals Securities Litigation**, No. 17-cv-07142-HSG (N.D. Cal.) (\$7

EDUCATION

- University of Connecticut School of Law, J.D. (2015)
- University of Connecticut Department of Public Policy, M.P.A. (2015)
- University of Connecticut, B.A., Political Science (2010)

AWARDS



ADMISSIONS

- Connecticut (2015)
- Mashantucket Pequot Tribal Court (2015)
- United States District Court for the District of Connecticut (2016)
- United States District Court for the Southern District of New York (2018)
- United States District Court for the Eastern District of New York (2018)
- United States Court of Appeals for the Third Circuit (2020)
- New York (2023)
- United States District of Colorado (2023)
- United States District Court for the District of Colorado (2023)

MARK S. REICH

Partner



Mark Samuel Reich is a Partner of the Firm. Mark's practice focuses on consumer class actions, including cases involving privacy and data breach issues, deceptive and unfair trade practices, advertising injury, product defect, and antitrust violations. Mark, who has experience and success outside the consumer arena, also supports the Firm's securities and derivative practices.

Mark is attentive to clients' interests and fosters their activism on behalf of class members. Clients he has worked with consistently and enthusiastically endorse Mark's work:

“ Mark attentively guided me through each stage of the litigation, prepared me for my deposition, and ensured that I and other wronged consumers were compensated and that purchasers in the future could not be duped by the appliance manufacturer's misleading marketing tactics.”

Katherine Danielkiewicz, Michigan (S.D. Tex. Nov. 13, 2019)

“ After my experience working with Mark and his colleague, any hesitancy I may have had in the past about leading or participating in a class action has gone away. Mark expertly countered every roadblock that the corporate defendant tried using to dismiss our case and we ultimately reached a resolution that exceeded my expectations”

Barry Garfinkle, Pennsylvania

MARK S. REICH

Partner

Before joining Levi & Korsinsky, Mark practiced at the largest class action firm in the country for more than 15 years, including 8 years as a Partner. Prior to becoming a consumer and shareholder advocate, Mark practiced commercial litigation with an international law firm based in New York, where he defended litigations on behalf of a variety of corporate clients.

Mark has represented investors in securities litigation, devoted to protecting the rights of institutional and individual investors who were harmed by corporate misconduct. His case work involved **State Street Yield Plus Fund Litig.** (\$6.25 million recovery); **In re Doral Fin. Corp. Sec. Litig.**, SDNY (\$129 million recovery); **Lockheed Martin Corp. Sec. Litig.** (\$19.5 million recovery); **Tile Shop Holdings, Inc.** (\$9.5 million settlement); **Curran v. Freshpet Inc.** (\$10.1 million settlement); **In re Jakks Pacific, Inc.** (\$3,925,000 settlement); **Fidelity Ultra Short Bond Fund Litig.** (\$7.5 million recovery); and **Cha v. Kinross Gold Corp.** (\$33 million settlement).

“ Never having been involved in a class action, I was uninformed and apprehensive. Mark and his colleagues not only explained the complexities, but maintained extensive ongoing, communications, involved us fully in all phases of the process; provided appropriate professional counsel and guidance to each participant, and achieved results that satisfied the original goals of the litigation”

Fred Sharp, New York

“ It was a pleasure being represented by Mark. Above all he was patient throughout the tedious process of litigation. He is a good listener and a good communicator, which enhanced my participation and understanding of the process. He also provided excellent follow up throughout, making the process feel more like a team effort.”

Louise Miljenovic, New Jersey

MARK S. REICH

Partner

At his prior firm, Mark achieved notable success challenging unfair mergers and acquisitions in courts throughout the country. Among the M&A litigation that Mark handled or participated in, his notable cases include: **In re Aramark Corp. S'holders Litig.**, where he attained a \$222 million increase in consideration paid to shareholders of Aramark and a substantial reduction to management's voting power – from 37% to 3.5% – in connection with the approval of the going-private transaction; **In re Delphi Fin. Grp. S'holders Litig.**, resulting in a \$49 million post-merger settlement for Class A Delphi shareholders; **In re TD Banknorth S'holders Litig.**, where Mark played a significant role in raising the inadequacy of the \$3 million initial settlement, which the court rejected as wholly inadequate, and later resulted in a vastly increased \$50 million recovery. Mark has also been part of ERISA litigation teams that led to meaningful results, including **In re Gen. Elec. Co. ERISA Litig.**, which resulting in structural changes to company's 401(k) plan valued at over \$100 million, benefiting current and future plan participants.

“ We contacted Mark about our concerns about our oven's failure to perform as advertised. He worked with us to formulate a strategy that ultimately led to a settlement that achieved our and others' goals and specific needs.”

Candace Oliarny, Idaho

“ My wife and I never having been involved with a law firm or Class Action had no idea what to expect. Within the first few phone meetings with Mark, we became assured as Mark explained in detail how the process worked, Mark is a great communicator. Mr. Reich is a true professional, his integrity through the years he worked with us was impeccable. Working with Mark was a truly positive experience, and have no reservations if we ever had to call on his services again.”

Louise Miljenovic, New Jersey

MARK S. REICH

Partner

Before joining the Firm, Mark graduated with a Bachelor of Arts degree from Queens College in New York. He earned his Juris Doctor degree from Brooklyn Law School, where he served on the Moot Court Honor Society and The Journal of Law and Policy.

Mark regularly practices in federal and state courts throughout the country and is a member of the bar in New York. He has been recognized for his legal work by being named a New York Metro Super Lawyer by Super Lawyers Magazine every year since 2013. Mark is active in his local community and has been distinguished for his neighborhood support with a Certificate of Recognition by the Town of Hempstead.

EDUCATION

- Brooklyn Law School, J.D. (2000)
- Queens College, B.A., Psychology and Journalism (1997)

AWARDS



ADMISSIONS

- New York (2001)
- United States District Court for the Southern District of New York (2001)
- United States District Court for the Eastern District of New York (2001)
- United States District Court for the Northern District of New York (2005)
- United States District Court for the Eastern District of Michigan (2017)

DANIEL TEPPER

Partner



Daniel Tepper is a Partner of the Firm with extensive experience in shareholder derivative suits, class actions and complex commercial litigation. Before he joined Levi & Korsinsky, Mr. Tepper was a partner in one of the oldest law firms in New York. He is an active member of the CPLR Committee of the New York State Bar Association and was an early member of its Electronic Discovery Committee. Mr. Tepper has been selected as a New York "Super Lawyer" in 2016 – 2023.

Some of the notable matters where Mr. Tepper had a leading role include:

- **Siegmund v. Bian**, No. 16-62506 (S.D. Fla.), achieving an estimated recovery of \$29.93 per share on behalf of a class of public shareholders of Linkwell Corp. who were forced to sell their stock at \$0.88 per share.
- **In re Platinum-Beechwood Litigation**, No. 18-06658 (S.D.N.Y.), achieved dismissal on behalf of an individual investor in Platinum Partners-affiliated investment fund.
- **Lakatamia Shipping Co. Ltd. v. Nobu Su**, Index No. 654860/2016 (Sup. Ct., N.Y. Co. 2016), achieved dismissal on suit attempting to domesticate a \$40 million UK judgment in New York State.
- **Zelouf Int'l Corp. v. Zelouf**, No. 45 Misc.3d 1205(A) (Sup.Ct. N.Y. Co., 2014), representing the plaintiff in an appraisal proceeding triggered by freeze-out merger of closely-held corporation. Achieved a \$10 million verdict after eleven day trial, with the Court rejecting a discount for lack of marketability.
- **Sacher v. Beacon Assocs. Mgmt. Corp.**, No. 114 A.D.3d 655 (2d Dep't 2014), affirming denial of defendants' motion to dismiss shareholder derivative suit by Madoff feeder fund against fund's auditor for accounting malpractice.
- **In re Belzberg**, No. 95 A.D.3d 713 (1st Dep't 2012), compelling a non-signatory to arbitrate brokerage agreement dispute arising under doctrine of direct benefits estoppel.
- **Estate of DeLeo**, No. 353758/A (Surrog. Ct., Nassau Co. 2011), achieving a full plaintiff's verdict after a seven day trial which restored a multi-million dollar family business to its rightful owner.

DANIEL TEPPER

Partner

- **CMIA Partners Equity Ltd. v. O'Neill**, No. 2010 NY Slip Op 52068(U) (Sup. Ct. N.Y. Co., 2010). Representing the independent directors of a Cayman Islands investment fund, won a dismissal on the pleadings in the first New York State case examining shareholder derivative suits under Cayman Islands law.
- **Hecht v. Andover Assocs. Mgmt. Corp.**, No. 27 Misc 3d 1202(A) (Sup. Ct. Nassau Co., 2010), aff'd, 114 A.D.3d 638 (2d Dep't 2014). Participated in a \$213 million global settlement in the first Madoff related lawsuit in the country to defeat a motion to dismiss.

EDUCATION

- New York University School of Law, J.D. (2000)
- The University of Texas at Austin, B.A. with Honors (1997), National Merit Scholar

AWARDS



ADMISSIONS

- Massachusetts (2001)
- New York (2002)
- United States District Court for the Eastern District of New York (2004)
- United States District Court for the Southern District of New York (2010)
- United States District Court for the Western District of New York (2019)

ELIZABETH K. TRIPODI

Partner



Elizabeth K. Tripodi focuses her practice on shareholder protection, representing investors in securities fraud litigation, corporate derivative litigation, and litigation involving mergers, acquisitions, tender offers, and change-in-control transactions. Ms. Tripodi has been named as a Washington, D.C. "Super Lawyer" in the securities field and was selected as a "Rising Star" by Thomson Reuters for several consecutive years.

Ms. Tripodi's current representations include:

- **In re Tesla, Inc. Securities Litigation**, No. 3:18-cv-04865-EMC (N.D. Cal.) (lead counsel in class action representing Tesla investors who were harmed by Elon Musk's "funding secured" tweet from August 7, 2018)

Ms. Tripodi has played a lead role in obtaining monetary recoveries for shareholders in M&A litigation:

- **In re Schuff International, Inc. Stockholders Litigation**, No. 10323-VCZ, achieving the largest recovery as a percentage of the underlying transaction consideration in Delaware Chancery Court merger class action history, obtaining an aggregate recovery of more than \$22 million -- a gross increase from \$31.50 to \$67.45 in total consideration per share (a 114% increase) for tendering stockholders
- **In re Bluegreen Corp. S'holder Litig.**, No. 502011CA018111 (Circuit Ct. for Palm Beach Cty., FL), creation of a \$36.5 million common fund settlement in the wake of a majority shareholder buyout, representing a 25% increase in total consideration to the minority stockholders
- **In re Cybex International S'holder Litig**, Index No. 653794/2012 (N.Y. Sup. Ct. 2014), recovery of \$1.8 million common fund, which represented an 8% increase in stockholder consideration in connection with management-led cash-out merger
- **In re Great Wolf Resorts, Inc. S'holder Litig**, No. 7328-VCN (Del. Ch. 2012), where there was a \$93 million (57%) increase in merger consideration

ELIZABETH K. TRIPODI

Partner

- **Minerva Group, LP v. Keane**, Index No. 800621/2013 (N.Y. Sup. Ct. 2013), settlement in which Defendants increased the price of an insider buyout from \$8.40 to \$9.25 per share

Ms. Tripodi has played a key role in obtaining injunctive relief while representing shareholders in connection with M&A litigation, including obtaining preliminary injunctions or other injunctive relief in the following actions:

- **In re Portec Rail Products, Inc. S'holder Litig**, No. G.D. 10-3547 (Ct. Com. Pleas Pa. 2010)
- **In re Craftmade International, Inc. S'holder Litig**, No. 6950-VCL (Del. Ch. 2011) • **Dias v. Purches, et al.**, No. 7199-VCG (Del. Ch. 2012)
- **In re Complete Genomics, Inc. S'holder Litig**, No. 7888-VCL (Del. Ch. 2012)
- **In re Integrated Silicon Solution, Inc. Stockholder Litig.**, No. 115CV279142 (Sup. Ct. Santa Clara, CA 2015)

Prior to joining Levi & Korsinsky, Ms. Tripodi was a member of the litigation team that served as Lead Counsel in, and was responsible for, the successful prosecution of numerous class actions, including: **Rudolph v. UTStarcom** (stock option backdating litigation obtaining a \$9.5 million settlement); **Grecian v. Meade Instruments** (stock option backdating litigation obtaining a \$3.5 million settlement).

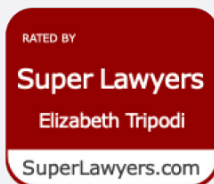
ELIZABETH K. TRIPODI

Partner

EDUCATION

- American University Washington College of Law, cum laude (2006), where she served as Co-Editor in Chief of the Business Law Journal (f/k/a Business Law Brief), was a member of the National Environmental Moot Court team, and interned for Environmental Enforcement Section at the Department of Justice
- Davidson College, B.A., Art History (2000)

AWARDS



ADMISSIONS

- Virginia (2006)
- United States District Court for the Eastern District of Virginia (2006)
- District of Columbia (2008)
- United States District Court for the District of Columbia (2010)
- United States Court of Appeals for the Seventh Circuit (2018)



Our Attorneys

Counsel

- ANDREW E. LENCYK
- COURTNEY E. MACCARONE
- BRIAN STEWART

ANDREW E. LENCYK

Counsel



Andrew E. Lencyk is Counsel to the Firm. Prior to joining the Firm, Mr. Lencyk was a partner in an established boutique firm in New York specializing in securities litigation. He was graduated magna cum laude from Fordham College, New York, with a B.A. in Economics and History, where he was a member of the College's Honors Program, and was elected to Phi Beta Kappa. Mr. Lencyk received his J.D. from Fordham University School of Law, where he was a member of the Fordham Urban Law Journal. He was named to the 2013, 2014, 2015, 2016, 2017, 2018 and 2019 Super Lawyers®, New York Metro Edition.

Mr. Lencyk has co-authored the following articles for the Practicing Law Institute's Accountants' Liability Handbooks:

- *Liability in Forecast and Projection Engagements: Impact of Luce v. Edelstein*
- *An Accountant's Duty to Disclose Internal Control Weaknesses*
- *Whistle-blowing: An Accountants' Duty to Disclose A Client's Illegal Acts*
- *Pleading Motions under the Private Securities Litigation Reform Act of 1995*
- *Discovery Issues in Cases Involving Auditors (co-authored and appeared in the 2002 PLI Handbook on Accountants' Liability After Enron.)*

In addition, he co-authored the following article for the Association of the Bar of the City of New York, Corporate & Securities Law Updates:

- *Safe Harbor Provisions for Forward-Looking Statements (co-authored and published by the Association of the Bar of the City of New York, Corporate & Securities Law Updates, Vol. II, May 12, 2000)*

ANDREW E. LENCYK

Counsel

Cases in which Mr. Lencyk actively represented plaintiffs include:

- **Kirkland et al. v. WideOpenWest, Inc.**, No. 653248/2018 (Sup. Ct, NY County) (substantially denying defendants' motion to dismiss Section 11 and 12(a)(2) claims)
- **In re Community Psychiatric Centers Securities Litigation**, No. SA CV-91-533-AHS (Eex) (C.D. Cal.) and **McGann v. Ernst & Young**, SA CV-93-0814-AHS (Eex) (C.D. Cal.) (recovery of \$54.5 million against company and its outside auditors)
- **In re Danskin Securities Litigation**, Master File No. 92 CIV. 8753 (JSM) (S.D.N.Y.);
- **In re JWP Securities Litigation**, Master File No. 92 Civ. 5815 (WCC) (S.D.N.Y.) (class recovery of approximately \$36 million)
- **In re Porta Systems Securities Litigation**, Master File No. 93 Civ. 1453 (TCP) (E.D.N.Y.);
- **In re Leslie Fay Cos. Securities Litigation**, No. 92 Civ. 8036 (S.D.N.Y.) (\$35 million recovery)
- **Berke v. Presstek, Inc.**, No. 96-347-M (MDL Docket No. 1140) (D.N.H.) (\$22 million recovery)
- **In re Micro Focus Securities Litigation**, No. C-01-01352-SBA-WDB (N.D. Cal.)
- **Dusek v. Mattel, Inc.**, et al., No. CV99-10864 MRP (C.D. Cal.) (\$122 million global settlement)
- **In re Sonus Networks, Inc. Securities Litigation-II**, No. 06-CV-10040 (MLW) (D. Mass.)
- **In re AIG ERISA Litigation**, No. 04 Civ. 9387 (JES) (S.D.N.Y.) (\$24.2 million recovery)
- **In re Mutual Funds Investment Litigation**, MDL No. 1586 (D. Md.)
- **In re Alger, Columbia, Janus, MFS, One Group, Putnam, Allianz Dresdner**, MDL No. 15863-JFM - Allianz Dresdner subtrack (D. Md.)
- **In re Alliance, Franklin/Templeton, Bank of America/Nations Funds and Pilgrim Baxter**, MDL No. 15862-AMD – Franklin/Templeton subtrack (D. Md.)
- **In re AIG ERISA Litigation II**, No. 08 Civ. 5722 (LTS) (S.D.N.Y.) (\$40 million recovery); and
- **Flynn v. Sientra, Inc.**, No. CV-15-07548 SJO (RAOx) (C.D. Cal.) (\$10.9 million recovery) (co-lead counsel) Court decisions in which Mr. Lencyk played an active role on behalf of plaintiffs include:
 - **Pub. Empls' Ret. Sys. of Miss. v. TreeHouse Foods**, No. 2018 U.S. Dist. LEXIS 22717 (N.D. Ill. Feb. 12, 2018) (denying defendants' motion to dismiss in its entirety)

ANDREW E. LENCYK

Counsel

- **Flynn v. Sientra, Inc.**, No. 2016 U.S. Dist. LEXIS 83409 (C.D. Cal. June 9, 2016) (denying in substantial part defendants' motions to dismiss Section 10(b), Section 11 and 12(b)(2) claims), motion for reconsideration denied, slip op. (C.D. Cal. Aug 12, 2016)
- **In re Principal U.S. Property Account ERISA Litigation**, No. 274 F.R.D. 649 (S.D. Iowa 2011) (denying defendants' motion to dismiss)
- **In re AIG ERISA Litigation II**, No. 08 Civ. 5722(LTS), 2011 U.S. Dist. LEXIS 35717 (S.D.N.Y. May 31, 2011) (denying in substantial part defendants' motions to dismiss), renewed motion to dismiss denied, slip op. (S.D.N.Y. June 26, 2014)
- **In re Mutual Funds Investment Litigation**, No. 384 F. Supp. 2d 845 (D. Md. 2005) (denying in substantial part defendants' motions to dismiss), *In re Alger, Columbia, Janus, MFS, One Group, Putnam, Allianz Dresdner*, MDL No. 15863-JFM - Allianz Dresdner subtrack (D. Md. Nov. 3, 2005) (denying in substantial part defendants' motions to dismiss), and *In re Alliance, Franklin/Templeton, Bank of America/Nations Funds and Pilgrim Baxter*, MDL No. 15862-AMD - Franklin/Templeton subtrack (D. Md. June 27, 2008) (same)
- **In re AIG ERISA Litigation**, No. 04 Civ. 9387 (JES) (S.D.N.Y. Dec. 12, 2006) (denying defendants' motions to dismiss in their entirety)
- **Dusek v. Mattel, Inc.**, et al., No. CV99-10864 MRP (C.D. Cal. Dec. 17, 2001) (denying defendants' motions to dismiss Section 14(a) complaint in their entirety)
- **In re Micro Focus Sec. Litig.**, Case No. C-00-20055 SW (N.D. Cal. Dec. 20, 2000) (denying motion to dismiss Section 11 complaint);
- **Zuckerman v. FoxMeyer Health Corp.**, No. 4 F. Supp.2d 618 (N.D. Tex. 1998) (denying defendants' motion to dismiss in its entirety in one of the first cases decided in the Fifth Circuit under the Private Securities Litigation Reform Act of 1995)
- **In re U.S. Liquids Securities Litigation**, Master File No. H-99-2785 (S.D. Tex. Jan. 23, 2001) (denying motion to dismiss Section 11 claims)
- **Sands Point Partners, L.P., et al. v. Pediatrix Medical Group, Inc.**, et al., No. 99-6181-CIV-Zloch (S.D. Fla. June 6, 2000) (denying defendants' motion to dismiss in its entirety)
- **Berke v. Presstek, Inc.**, No. 96-347-M (MDL Docket No. 1140) (D.N.H. Mar. 30, 1999) (denying defendants' motion to dismiss)

ANDREW E. LENCYK

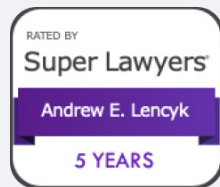
Counsel

- **Chalverus v. Pegasystems, Inc.**, No. 59 F. Supp. 2d 226 (D. Mass. 1999) (denying defendants' motion to dismiss);
- **Danis v. USN Communications, Inc.**, No. 73 F. Supp. 2d 923 (N.D. Ill. 1999) (denying defendants' motion to

EDUCATION

- Fordham University School of Law, J.D. (1992)
- Fordham College, B.A. magna cum laude, 1988)

AWARDS



ADMISSIONS

- Connecticut (1992)
- New York (1993)
- United States District Court for the Southern District of New York (2004)
- United States District Court for the Eastern District of New York (2004)
- United States Court of Appeals for the Second Circuit (2015)

COURTNEY E. MACCARONE

Counsel



Courtney E. Maccarone focuses her practice on prosecuting consumer class actions. Prior to joining Levi & Korsinsky, Ms. Maccarone was an associate at a boutique firm in New York specializing in class action litigation. While attending Brooklyn Law School, Ms. Maccarone served as the Executive Symposium Editor of the Brooklyn Journal of International Law and was a member of the Moot Court Honor Society. Her note, "Crossing Borders: A TRIPS-Like Treaty on Quarantines and Human Rights" was published in the Spring 2011 edition of the Brooklyn Journal of International Law.

Ms. Maccarone also gained experience in law school as an intern to the Honorable Martin Glenn of the Southern District of New York Bankruptcy Court and as a law clerk at a New York City-based class action firm. Ms. Maccarone has been recognized as a Super Lawyer "Rising Star" for the New York Metro area every year since 2014.

EDUCATION

- Brooklyn Law School, J.D., magna cum laude (2011)
- New York University, B.A., magna cum laude (2008)

AWARDS



ADMISSIONS

- New Jersey (2011)
- New York (2012)
- United States District Court for the District of New Jersey (2012)
- United States District Court for the Eastern District of New York (2012)
- United States District Court for the Southern District of New York (2012)

BRIAN STEWART

Counsel



Brian Stewart is an Associate with the Firm practicing in the Washington, D.C. office. Prior to joining the firm, Mr. Stewart was an associate at a small litigation firm in Washington D.C. and a regulatory analyst at the Financial Industry Regulatory Authority (FINRA). During law school, he interned for the Enforcement Divisions of the SEC and CFPB.

EDUCATION

- American University Washington College of Law, J.D. (2012)
- University of Washington, B.S., Economics and Mathematics (2008)

ADMISSIONS

- Maryland (2012)
- District of Columbia (2014)
- United States District Court for the District of Maryland (2017)
- United States District Court for the District of Colorado (2017)



Our Attorneys

Senior Associates

- JORDAN A. CAFRITZ
- MORGAN EMBLETON
- DAVID C. JAYNES
- CORREY A. SUK

JORDAN A. CAFRITZ

Senior Associate



Jordan Cafritz is an Associate with the Firm's Washington, D.C. office. While attending law school at American University he was an active member of the American University Business Law Review and worked as a Rule 16 attorney in the Criminal Justice Defense Clinic. After graduating from law school, Mr. Cafritz clerked for the Honorable Paul W. Grimm in the U.S. District Court for the District of Maryland.

EDUCATION

- American University Washington College of Law, J.D. (2014)
- University of Wisconsin-Madison, B.A., Economics & History (2010)

ADMISSIONS

- Maryland (2014)
- District of Columbia (2018)

MORGAN EMBLETON

Senior Associate



Morgan M. Embleton is an associate in the Firm's Connecticut office. Since 2018, Ms. Embleton has focused her practice on federal securities class actions and protecting the interests of shareholders of publicly traded companies.

Prior to that, Ms. Embleton litigated matters arising under the False Claims Act, Jones Act, Longshore Harbor Workers' Compensation Act, Louisiana Whistleblower Act, and Louisiana Environmental Whistleblower Act, as well as pharmaceutical mass torts and products liability claims. Ms. Embleton has extensive experience prosecuting securities fraud matters, complex class actions, and multidistrict litigations.

Ms. Embleton received her J.D. and Environmental Law Certificate from Tulane University Law School in 2014. During her time in law school, Ms. Embleton was a student attorney in the Tulane Environmental Law Clinic, a member of the Journal of Technology and Intellectual Property, and the Assistant Director of Research and Development for the Durationator.

EDUCATION

- Tulane University Law School, J.D. and Environmental Law Certificate (2014)
- University of Colorado at Boulder, B.A., cum laude, Sociology (2010)

ADMISSIONS

- Louisiana (2014)
- United States District Court for the Eastern District of Louisiana (2015)
- United States District Court for the Middle District of Louisiana (2016)
- United States District Court for the Western District of Louisiana (2016)
- United States Court of Federal Claims (2016)
- United States Court of Appeals for the Fifth Circuit (2016)
- United States Court of Appeals for the Ninth Circuit (2017)
- United States District Court for the Eastern District of Michigan (2020)

DAVID C. JAYNES

Senior Associate



David C. Jaynes focuses his practice on investor protection and securities fraud litigation. In addition to his law degree, Mr. Jaynes has graduate degrees in business administration and finance. Prior to joining the firm, David worked in the Enforcement Division of the U.S. Securities and Exchange Commission in the Salt Lake Regional Office as part of the Student Honors Program. Mr. Jaynes began his career as a prosecutor and has significant trial experience.

While at Levi & Korsinsky, Mr. Jaynes has actively represented plaintiffs in the following securities class actions:

- **In re U. S. Steel Consolidated Cases**, No. 17-579 (W.D. Pa.)
- **Stein v. U.S. Xpress Enterprises, Inc.**, et al., No. 1:19-cv-98-TRM-CHS (E.D. Tenn.)
- **John P. Norton, On Behalf Of The Norton Family Living Trust** UAD 11/15/2002 v. Nutanix, Inc. et al, No. 3:21-cv-04080 (N.D. Cal.)

Mr. Jaynes has also had a role in litigating the following securities actions:

- **Ferraro Family Foundation, Inc. v. Corcept Therapeutics Incorporated**, No.5:19-cv-1372-LHK (N.D. Cal.)
- **The Daniels Family 2001 Revocable Trust v. Las Vegas Sands Corp.**, et al., No. 1:20-cv-08062-JMF (D. Nev.)
- **Dan Kohl v. Loma Negra Compania Industrial Argentina Sociedad Anonima**, et al., Index No. 653114/2018 (Sup. Ct., County of New York)

EDUCATION

- University of Utah, M.S., Finance (2020)
- University of Utah, M.B.A (2020)
- The George Washington University Law School, J.D. (2015)
- Brigham Young University, B.A., Middle East Studies and Arabic (2009)

ADMISSIONS

- Maryland (2015)
- Utah (2016)
- United States District Court for the District of Utah (2016)
- California (2021)
- United States District Court for the Northern District of California (2022)
- United States District Court for the Central District of California (2023)
- District of Colorado (2023)

CORREY A. SUK

Senior Associates



Correy A. Suk is an experienced litigator with a focus on shareholder derivative suits, class actions, and complex commercial litigation. Correy began her career with the Investor Protection Bureau of the Office of the New York State Attorney General and spent four years prosecuting shareholder derivative actions and securities fraud litigation at one of the oldest firms in the country. Prior to joining Levi & Korsinsky, Correy represented both individuals and corporations in complex business disputes at a New York litigation boutique. Correy's unflappable disposition and composure reflect a pragmatic approach to both litigation and negotiation. She thrives under pressure and serves as an aggressive advocate for her clients in the most high-stakes situations. Correy has been recognized as a Super Lawyers Rising Star every year since 2017.

PUBLICATIONS

- "Unsafe Sexting: The Dangerous New Trend and the Need for Comprehensive Legal Reform," 9 Ohio St. J. Crim. L. 405 (2011)

EDUCATION

- The Ohio State University Moritz College of Law, J.D. (2011)
- Georgetown University, B.S.B.A. (2008)

AWARDS



ADMISSIONS

- New Jersey (2011)
- New York (2012)
- United States District Court for the Southern District of New York (2015)
- United States District Court for the Eastern District of New York (2015)
- United States District Court for the District of New Jersey (2016)



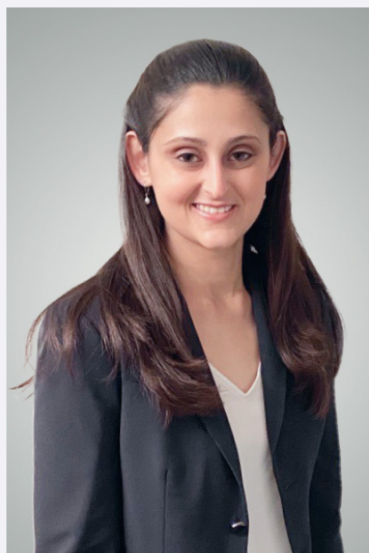
Our Attorneys

Associates

- RACHEL BERGER
- COLIN BROWN
- AMANDA FOLEY
- NOAH GEMMA
- DEVYN R. GLASS
- GARY ISHIMOTO
- SIDHARTH KAKKAR
- ALEXANDER KROT
- MELISSA MEYER
- CINAR ONEY
- COLE VON RICHTHOEFEN
- MAX WEISS

RACHEL BERGER

Associate



Rachel Berger is an Associate with the Firm's Connecticut office. Her practice focuses on prosecuting securities fraud class actions on behalf of aggrieved investors.

Prior to joining Levi & Korsinsky, Ms. Berger practiced securities litigation with another top New York class action firm, where she represented classes of aggrieved shareholders and cryptocurrency purchasers against prominent defendants, including multiple Fortune 500 companies.

While in law school, Ms. Berger interned with a leading ESG institute, focusing on the intersection of ESG and securities law. She was also a member of the Fordham Urban Law Journal, the Fordham Mediation and Tax Clinics, and the Immigration Advocacy Project. Ms. Berger received the Paul R. Brenner Scholarship Award, as well as the Archibald R. Murray Public Service Award, cum laude, in recognition of her significant pro bono work.

Ms. Berger practices remotely from her home in St. Louis, Missouri.

EDUCATION

- Fordham University School of Law, J.D. (2019)
- Stern College for Women, Yeshiva University, B.A. Economics (2015)

ADMISSIONS

- New York (2020)
- United States District Court for the Southern District of New York (2020)
- District of Colorado (2023)
- United States District Court for the Eastern District of New York (2024).
- United States District Court for the Eastern District of Missouri (2024)

COLIN BROWN

Associate



Colin Brown is an Associate working remotely for Levi and Korsinsky's Consumer Litigation and Mass Arbitration Team. During law school, Colin was a member of the North Dakota Law Review, and worked as a law clerk for the Judges in the NE Central Judicial District in Grand Forks, North Dakota. Following law school, Colin worked as an Associate attorney in Fargo, ND at the Nilles Law Firm in the areas of commercial and personal injury litigation for which he conducted research, drafted briefs and pleadings, and worked on discovery.

EDUCATION

- University of North Dakota School of Law, J.D. (2018), Law Review Member
- University of North Dakota, B.A. (2015)

ADMISSIONS

- Minnesota (2018)
- North Dakota (2019)

AMANDA FOLEY

Associate



Amanda Foley is an Associate in Levi & Korsinsky's Stamford office where she focuses her practice on federal securities litigation. Prior to joining Levi & Korsinsky, Amanda gained substantial experience at a boutique Boston firm where she was trained in securities and business litigation.

Amanda received her Juris Doctorate degree from Suffolk University Law School with an International Law concentration with Distinction and was selected to join the International Legal Honor Society of Phi Delta Phi. While in law school, Amanda focused her legal education on securities law & regulation, international investment law & arbitration, and business law.

EDUCATION

- Suffolk University Law School, J.D. (2021)
- Colorado State University, B.S. (2011)

ADMISSIONS

- Massachusetts (2021)
- United States District Court for the District of Massachusetts (2022)

NOAH GEMMA

Associate



Noah Gemma worked previously as a summer associate at a boutique commercial litigation firm. There, Mr. Gemma drafted briefs and other legal memoranda on behalf of national and closely held corporations in complex federal and state court litigation. In particular, Mr. Gemma helped the firm: (i) win multiple motions to dismiss on behalf of a national bank and a national bonding company in federal court cases involving alleged fraud and other alleged improprieties; (ii) settle an avoidable preference action on behalf of a national hauling company in a federal bankruptcy proceeding for a small fraction of the alleged damages; (iii) settle a negligence action on behalf of a court appointed fiduciary against officers of a defunct company and its insurance carrier on advantageous terms; and (iv) secure a favorable decision on behalf of a national bonding company before the state supreme court.

Mr. Gemma also served as a judicial intern for the Honorable Judge Bruce M. Selya in the United States Court of Appeals for the First Circuit and for the Honorable Judge Virginia M. Hernandez Covington in the United States District Court for the Middle District of Florida. Using his experience representing the interests of national and closely held corporations to analyze and assess potential cases of corporate impropriety, Mr. Gemma currently prosecutes corporate and director malfeasance through the preparation and filing of shareholder mergers and acquisitions actions and corporate governance litigation.

EDUCATION

- Georgetown University Law Center, J.D., Editor for The Georgetown Law Journal (2021)
- Providence College, B.A. (2018)

ADMISSIONS

- Rhode Island (2021)
- District of Columbia (2022)

DEVYN R. GLASS

Associate



Devyn R. Glass currently focuses her practice on representing investors in federal securities fraud litigation.

Prior to joining the firm, Ms. Glass gained substantial experience at a national boutique firm specializing in complex litigation across a variety of practice areas representing both plaintiffs and defendants. Since 2017, Ms. Glass has focused her practice on consumer and shareholder protection, litigating numerous class action lawsuits across the country that involved data privacy and data breach, deceptive and unfair trade practices, and securities fraud.

At her prior firms, Ms. Glass played a pivotal role in obtaining monetary recoveries and/or injunctive relief on behalf of shareholders and consumers. Notable cases include: *Lowry v. RTI Surgical Holdings, Inc. et al.*, (D. Ill.) (obtaining \$10.5 million on behalf of a shareholder class alleging violations of the federal securities laws); *In re Google Plus Profile Litigation*, (N.D. Cal.) (obtaining \$7.5 million on behalf of a consumer class exposed to a years-long data breach); and *Barrett v. Pioneer*

Natural Resources USA, Inc., (D. Colo.) (obtaining \$500,000 on behalf of more than 8,000 current and former 401(k) plan participants alleging violations of the Employee Retirement Income Security Act).

EDUCATION

- Loyola University College of Law, New Orleans, J.D., cum laude (2016), where she received a Certificate of Concentration in Law, Technology and Entrepreneurship, served as a member of the Loyola Journal of Public Interest Law, and interned for the Louisiana Second Circuit Court of Appeals
- Louisiana Tech University, B.A., cum laude (2013), Political Science, minor in English

70

- New York (2017)
- District of Columbia (2017)
- United States District Court District of Columbia (2018)
- United States District Court District of Colorado (2018)
- United States Court of Appeals for the Ninth Circuit (2022)

GARY ISHIMOTO

Associate



Gary Ishimoto is an Associate working remotely with Levi and Korsinsky's Consumer Litigation Team. During law school, he worked at the Small Business Law Clinic helping to draft incorporation papers, non-compete clauses, IP assignments, board consent, and stock purchase agreements for start-up businesses. He also interned for the Rossi Law Group.

EDUCATION

- Pepperdine School of Law, J.D. (2020)
- California State University, Northridge, B.S. (2013)

ADMISSIONS

- Massachusetts (2021)

SIDHARTH KAKKAR

Associate



Mr. Kakkar is an Associate with a focus on shareholder derivative suits, class actions, and complex commercial litigation.

EDUCATION

- New York Law School, J.D. (2022), member of the Center for Business & Financial Law
- Swarthmore College, B.A. (2017)

ADMISSIONS

- New York (2024)
- New Jersey (2024)

ALEXANDER KROT

Associate



EDUCATION

- American University, Kogod School of Business, M.B.A. (2012)
- Georgetown University Law Center, LL.M., Securities and Financial Regulation, With Distinction (2011)
- American University Washington College of Law, J.D. (2010)
- The George Washington University, B.B.A., concentrations in Finance and International Business (2003)

ADMISSIONS

- Maryland (2011)
- District of Columbia (2014)
- United States District Court for the District of Colorado (2015)
- United States Court of Appeals for the Tenth Circuit (2016)
- United States District Court for the Eastern District of Wisconsin (2017)
- United States Court of Appeals for the Third Circuit (2018)
- United States Court of Appeals for the Ninth Circuit (2020)

MELISSA MEYER

Associate



Melissa Meyer is an Associate with the Firm's New York Office focusing on federal securities litigation. Ms. Meyer previously worked as a paralegal for the New York office while attending law school.

EDUCATION

- New York Law School, J.D., Dean's Scholar Award, member of the Dean's Leadership Council (2018)
- John Jay College of Criminal Justice, B.A. (2013), magna cum laude

ADMISSIONS

- New York (2019)
- United States District Court for the Southern District of New York (2020)

CINAR ONEY

Associate



Cinar Oney is an Associate in Levi & Korsinsky's New York office. His practice focuses on investigation and analysis of various forms of corporate misconduct, including excessive compensation, insider trading, unfair self-dealing, and corporate waste. He develops litigation strategies through which shareholders can pursue recoveries.

Prior to joining Levi & Korsinsky, Mr. Oney practiced with top firms in Turkey, where he represented shareholders, corporations, and governmental entities in commercial disputes and transactional matters.

PUBLICATIONS

- *FinTech Industrial Banks and Beyond: How Banking Innovations Affect the Federal Safety Net*, 23 FORDHAM J. CORP. & FIN. L. 541 (2018)

EDUCATION

- Fordham University School of Law, J.D. (2019)
- International University College of Turin, LL.M. (2014)
- Istanbul University Faculty of Law, Undergraduate Degree in Law (2011)

ADMISSIONS

- New York (2020)

COLE VON RICHTHOFEN

Associate



Cole von Richthofen is an Associate in Levi & Korsinsky's Connecticut office. As a law student, he interned with the honorable Judge Thomas Farrish in the District of Connecticut's Hartford courthouse with an emphasis on settlements. He has also interned with the Office of the Attorney General for the State of Connecticut in the Employment Rights Division. While attending law school, Cole served as an Executive Editor of the Connecticut Public Interest Law Journal and as a member of the Connecticut Moot Court Board.

EDUCATION

- University of Connecticut School of Law, J.D. (2022)
- University of Connecticut, B.S., Business & Marketing (2015)

ADMISSIONS

- Connecticut (2022)
- United States District Court for the District of Connecticut (2024)

MAX WEISS

Associate



Max Weiss focuses his practice on investor protection and securities fraud litigation. He is proficient in litigation, legal research, motion practice, case evaluation and settlement negotiation. Prior to joining the firm, Max practiced in the general liability area and has extensive experience litigating high-exposure personal injury claims in New York State and federal trial and appellate courts. While in law school, Max gained experience helping pro se debtors prepare and file Chapter 7 and Chapter 13 petitions with the New York Legal Assistance Group (**NYLAG**) Bankruptcy Project and served as an intern to the Honorable Sean Lane of the Southern District of New York Bankruptcy Court.

EDUCATION

- St. John's School of Law, J.D. (2018), where he served as the Senior Executive Editor of the Journal of Civil Rights & Economic Development
- Colgate University, B.A., Political Science (2011)

ADMISSIONS

- New York (2019)
- United States District Court for the Southern District of New York (2019)
- United States District Court for the Eastern District of New York (2019)

EXHIBIT 3



RECENT TRENDS IN SECURITIES CLASS ACTION LITIGATION: 2023 FULL-YEAR REVIEW

By Edward Flores and Svetlana Starykh¹

FOREWORD

I am excited to share NERA's "Recent Trends in Securities Class Action Litigation: 2023 Full-Year Review" with you. This year's edition builds on work carried out over more than three decades by many of NERA's securities and finance experts. Although space does not permit us to present all the analyses the authors have undertaken while working on this year's edition or to provide details on the statistical analysis of settlement amounts, we hope you will contact us if you want to learn more about our research or our work in securities litigations. On behalf of NERA's securities and finance experts, I thank you for taking the time to review this year's report and hope you find it informative.

DAVID TABAK, PhD

Senior Managing Director



INTRODUCTION

There were 228 new federal securities class action suits filed in 2023, ending a four-year decline in filings seen from 2019 to 2022. The increase in filings was mainly driven by an increase in the number of suits alleging Rule 10b-5 violations. Fueled by turmoil in the banking industry, filings in the finance sector more than doubled in 2023, comprising 18% of new filings. The number of filings related to the environment quadrupled in 2023 compared to 2022.

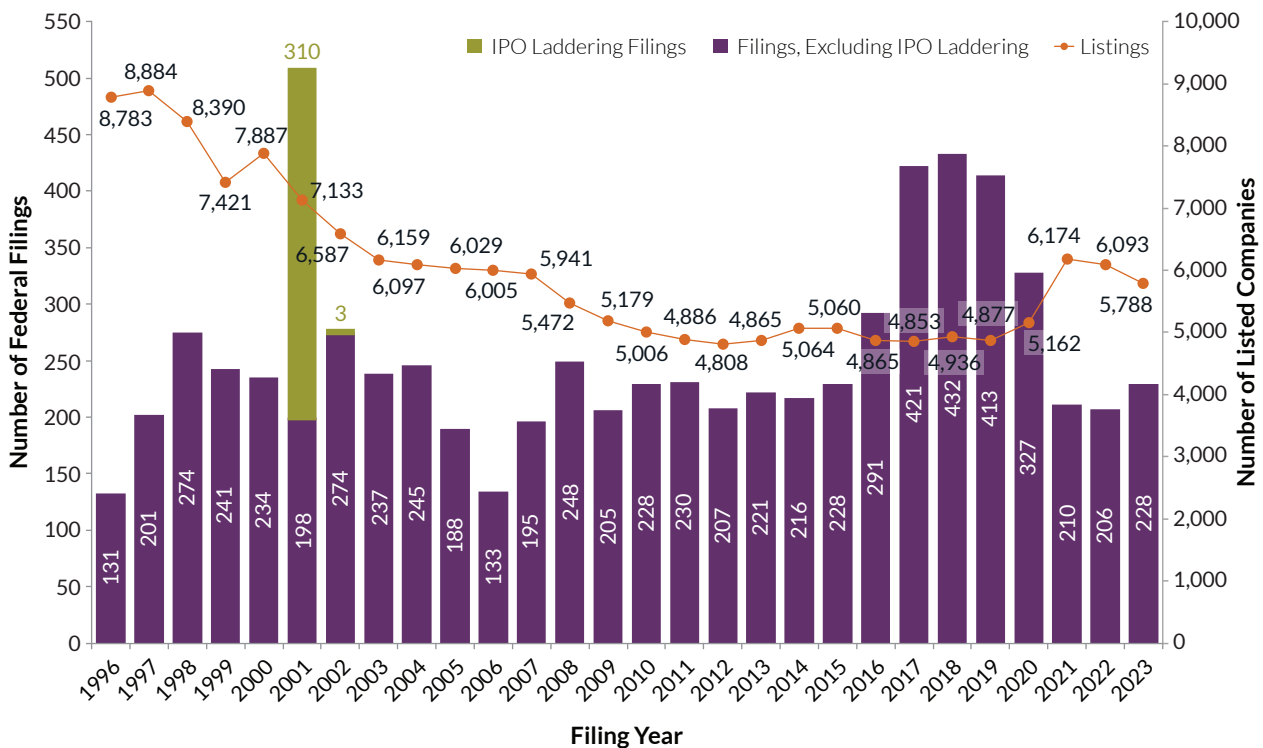
For the sixth consecutive year, there was a decline in the number of resolutions. There were 190 cases resolved in 2023, consisting of 90 settlements and 100 dismissals, marking the lowest recorded level of resolutions in the last 10 years. More than half of the decline in resolutions was driven by a decrease in the number of settled cases with Rule 10b-5, Section 11, and/or Section 12 claims.

Aggregate settlements totaled \$3.9 billion in 2023, with the top 10 settlements of the year accounting for over 66% of this amount. Aggregate plaintiffs' attorneys' fees and expenses totaled \$972 million, accounting for 24.9% of the 2023 aggregate settlement value. The average settlement value increased by 17% in 2023 to \$46 million, though this was largely driven by the presence of a \$1 billion settlement. The median settlement value for 2023 was \$14 million, a nominal 7% increase from the inflation-adjusted median settlement value in 2022.

TRENDS IN FILINGS

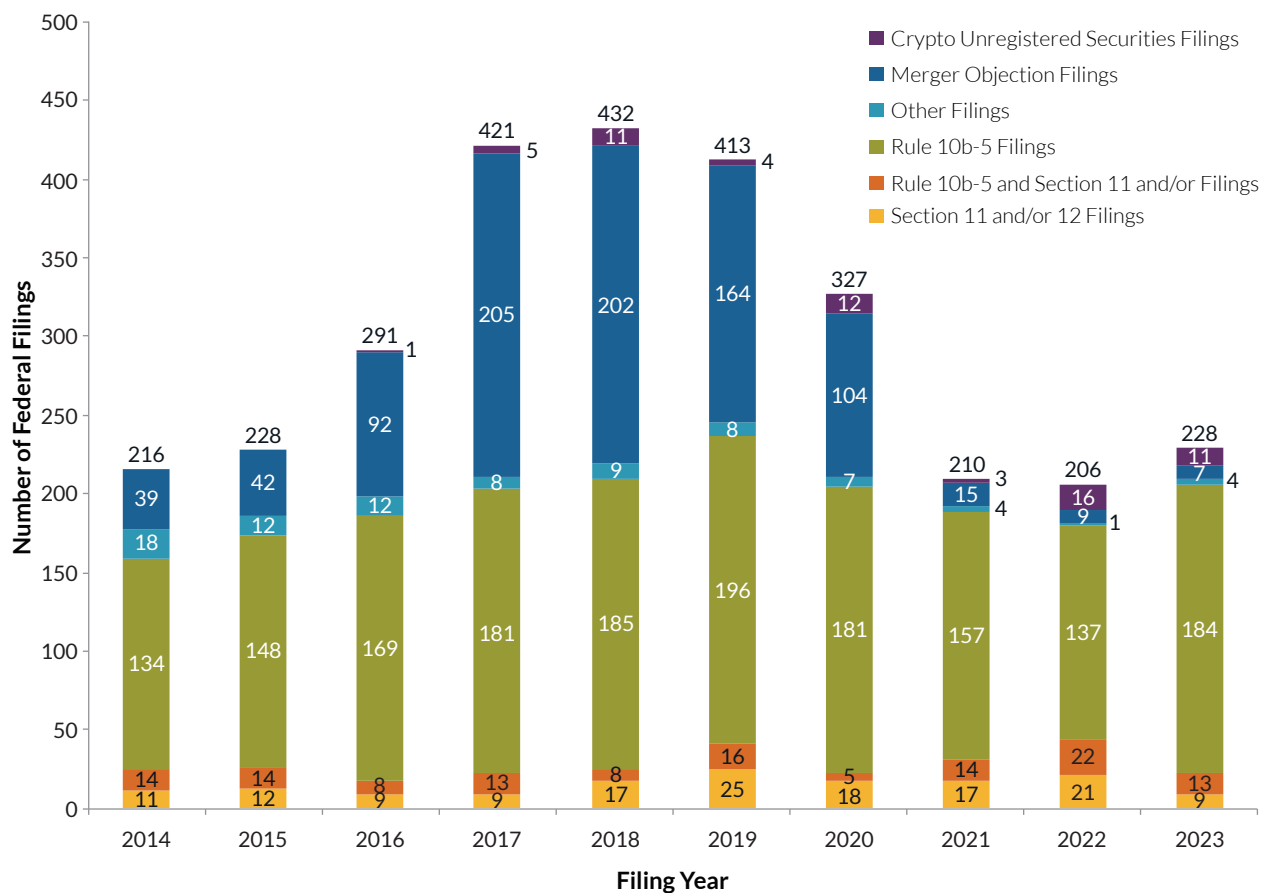
From 2019 to 2022, there was a decline in the number of federal filings. In 2023, there were 228 new cases filed, an increase from the 206 cases filed in 2022 (see Figure 1).² Standard cases, which contain alleged violations of Rule 10b-5, Section 11, and/or Section 12, accounted for most new filings with 206.³ In particular, filings involving only Rule 10-5 claims increased by 34% from 137 in 2022 to 184 in 2023. On the other hand, there were only seven merger-objection suits filed in 2023, marking a 10-year low. There was also a decline in filings involving crypto unregistered securities, dropping to 11 in 2023 from the 16 observed in 2022.⁴ See Figure 2.

Figure 1. Federal Filings and Number of Companies Listed in the United States
January 1996–December 2023



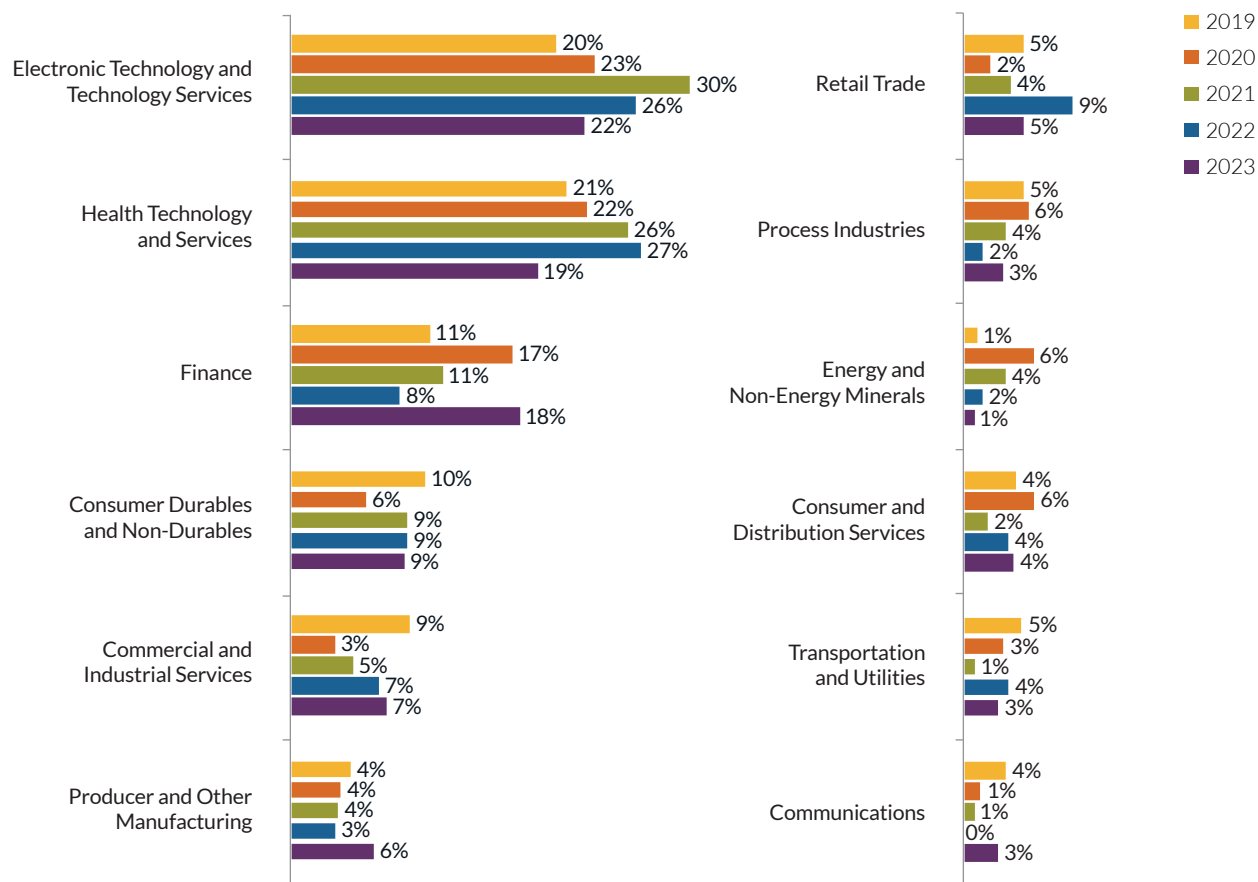
Note: Listed companies include those listed on the NYSE and Nasdaq. Listings data obtained from World Federation of Exchanges (WFE). The 2023 listings data are as of October 2023.

Figure 2. Federal Filings by Type
January 2014–December 2023



Excluding merger-objection and crypto unregistered securities cases, the electronic technology and technology services sector accounted for 22% of new filings, the largest proportion of any sector. After hitting a five-year low in 2022, there was a resurgence in filings in the finance sector in 2023, accounting for 18% of new filings. This is more than double the percentage in 2022 and was partly due to the banking crisis in early 2023. On the other hand, the percentage of suits in the health technology and services sector declined from 27% in 2022 to 19% in 2023, partially driven by a decline in COVID-19-related suits. See Figure 3.

Figure 3. Percentage of Federal Filings by Sector and Year
 Excludes Merger Objections and Crypto Unregistered Securities
 January 2019–December 2023

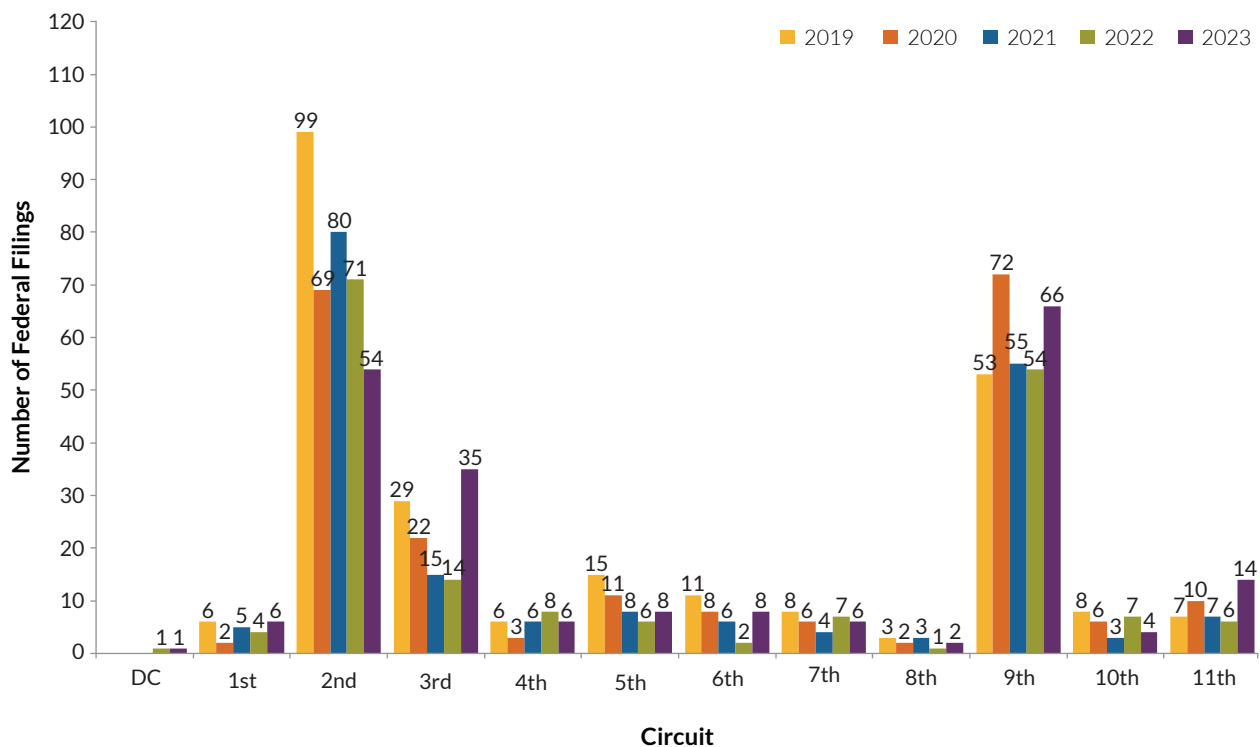


Note: This analysis is based on the FactSet Research Systems, Inc. economic sector classification. Some of the FactSet economic sectors are combined for presentation.

The Second, Third, and Ninth Circuits continue to be the jurisdictions with the most cases filed, together accounting for 155 of the 210 non-merger-objections, non-crypto unregistered securities filings. The Ninth Circuit witnessed 66 new filings, marking a 22% increase from 2022. The number of filings in the Second Circuit declined by 24% to 54, marking a five-year low. The Third Circuit accounted for 35 filings, more than double the number of cases in 2022. Elsewhere, there were 14 cases filed in the Eleventh Circuit, marking a five-year high. See Figure 4.

Figure 4. Federal Filings by Circuit and Year

Excludes Merger Objections and Crypto Unregistered Securities
January 2019–December 2023



Among filings of standard cases, 31% included an allegation related to missed earnings guidance and 29% included an allegation related to misled future performance.⁵ Meanwhile, the percentage of standard cases containing an allegation related to merger-integration issues declined by one-third to 11%, partially driven by a decline in SPAC-related filings. See Figure 5.

Figure 5. **Allegations**
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12
January 2019–December 2023



FILINGS AGAINST FOREIGN COMPANIES

Historically, foreign companies with securities listed on US exchanges have been targeted with securities class action suits at a higher rate than their proportion of US listings, though this trend has reversed over the past two years.⁶ In 2023, 18.9% of filings of standard cases were against foreign companies, compared to 24.1% of US listings represented by foreign companies. See Figure 6.

In 2023, there were 39 standard suits filed against foreign companies, a slight increase from 2022 (see Figure 7). Suits against companies in Asia accounted for 19 filings, while another 14 filings were against European companies. Nearly 36% of cases involving foreign companies had an allegation related to regulatory issues, compared to 23% for US companies. See Figure 8.

Figure 6. Foreign Companies: Share of Filings and Share of Companies Listed on US Exchanges
 Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12
 January 2014–December 2023

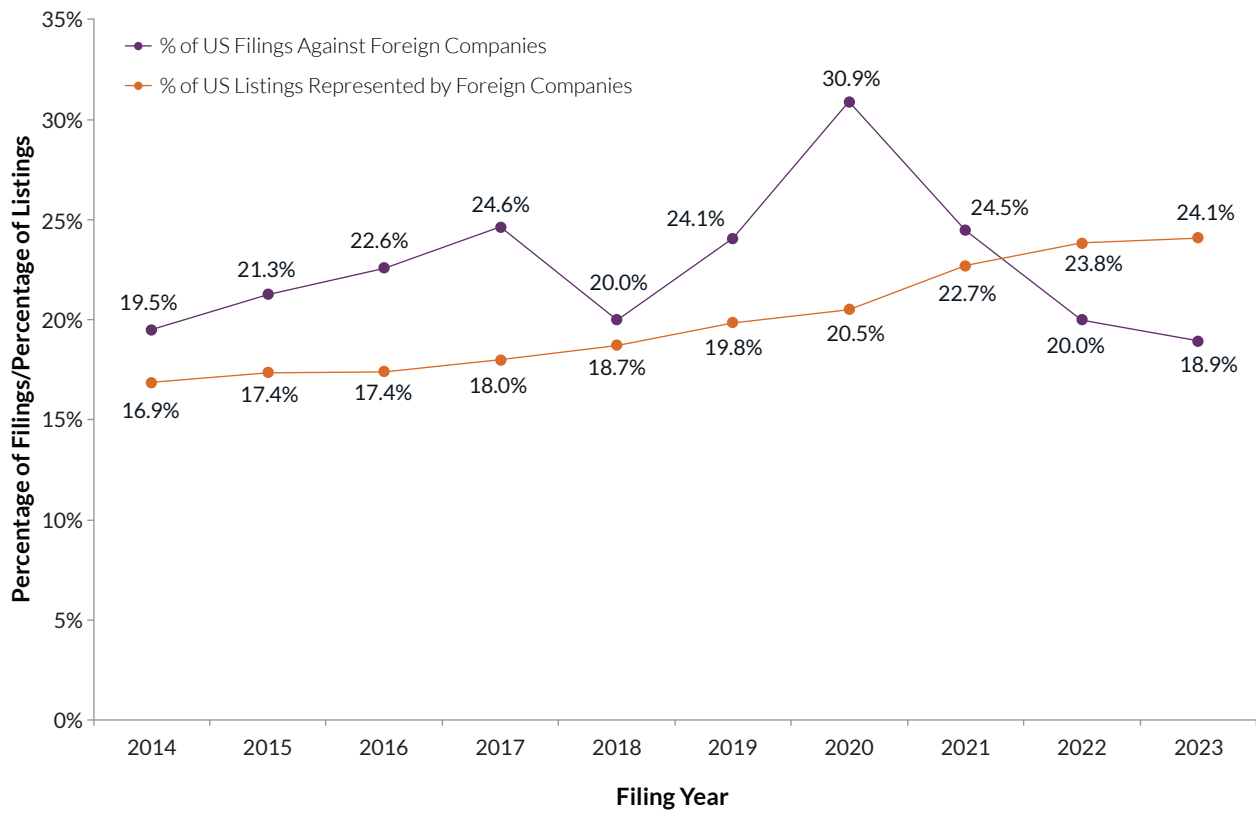
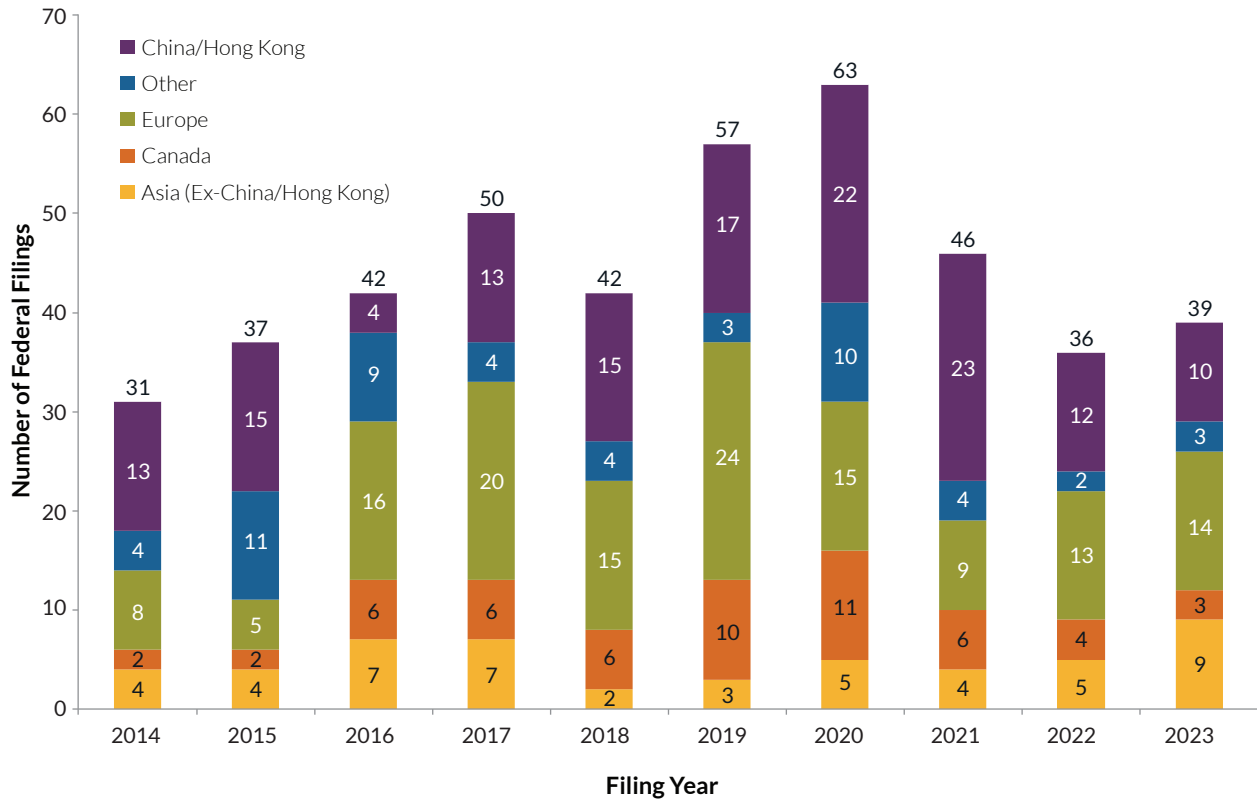


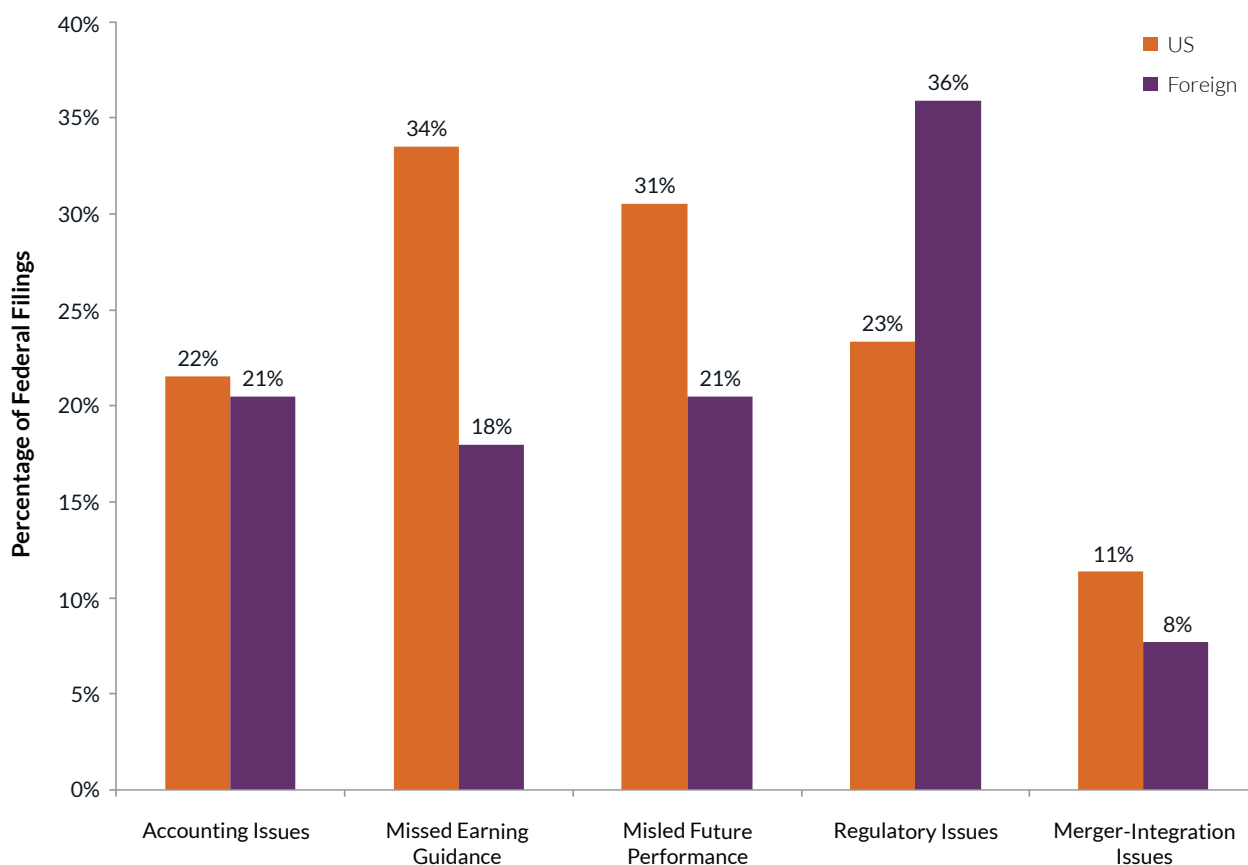
Figure 7. **Filings Against Foreign Companies**

Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, or Section 12 by Region
January 2014–December 2023



Note: Foreign issuer status determined based on location of principal executive offices.

Figure 8. **Allegations by US and Foreign Companies**
 Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12
 January 2023–December 2023



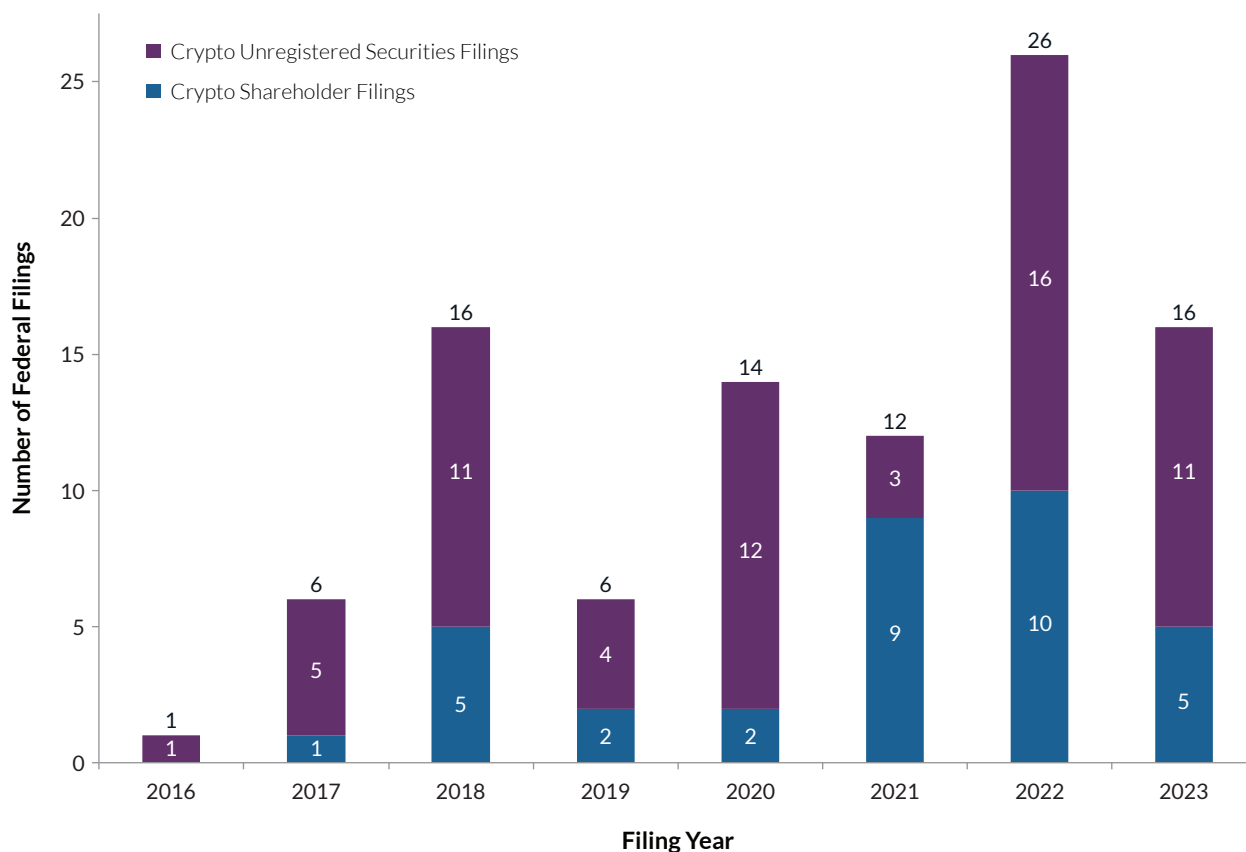
EVENT-DRIVEN AND OTHER SPECIAL CASES

In this section, we summarize trends in filings in potential development areas that we have identified for securities class actions over the past five years (see Figures 9 and 10). Due to the small number of cases in some categories, the findings summarized here may be driven by one or two cases.

Crypto Cases

Since 2020, there have been at least 10 crypto-related federal filings each year, comprised of cases involving unregistered securities and shareholder suits involving companies operating in or adjacent to the cryptocurrency sector. In 2023, there were 16 crypto-related federal filings, a 28% decline from the 26 filings observed in 2022.

Figure 9. **Number of Crypto Federal Filings**
January 2016–December 2023



2023 Banking Turmoil

The first securities class action suit alleging problems in the banking industry was filed on 7 December 2022 against bank holding company Silvergate Capital Corporation, which provided a banking platform through its subsidiary, Silvergate Bank.⁷ Silvergate Bank's voluntary liquidation on 8 March 2023 started a rapid chain of bank failures that intensified during the spring, which saw the collapse of Silicon Valley Bank, Signature Bank, and First Republic Bank,⁸ and continued through 3 November 2023, when Citizens Bank of Sac City was closed by the Iowa Division of Banking.⁹ Between December 2022 and October 2023, there were 12 securities class action suits filed against banking institutions. Of those, 11 cases were filed in 2023, representing nearly 30% of all filings in the finance sector. Four of the 11 cases were filed against Credit Suisse Group AG, after Credit Suisse, the second-largest bank in Switzerland, collapsed in March 2023 and was bought by rival UBS Group AG.

Environment

In recent years, there has been an increased focus by governments and regulators on issues related to the environment, fossil fuel emissions, quality of drinking water, and climate change. During the past five years, there have been 20 environment-related securities class action suits filed. Eight of these cases were filed in 2023, quadruple the number from the two cases filed in 2022. Among the cases filed in 2023 include a suit against Hawaiian Electric Industries, Inc. in connection with wildfires in Hawaii, two cases related to train derailments with severe environmental consequences against Norfolk Southern Corporation, and three cases involving telecommunication companies AT&T, Verizon Communications, and Lumen Technologies for ownership of thousands of miles of lead-covered cables.

Cannabis

In 2019, there were 13 securities class action suits filed against defendants in the cannabis industry. The number of filings has declined in subsequent years, with only one suit filed per year in each of 2022 and 2023.

Money Laundering

In each of 2019 and 2020, three cases were filed with claims related to money laundering. In 2021, there were no such cases filed, while in 2022 and 2023, only one such suit was filed in each year.

Cybersecurity and Customer Privacy Breach

Since 2019, there have been at least three securities class action suits filed each year related to a cybersecurity and/or customer privacy breach. While there were seven such filings in 2021, there were only three filings in 2023.

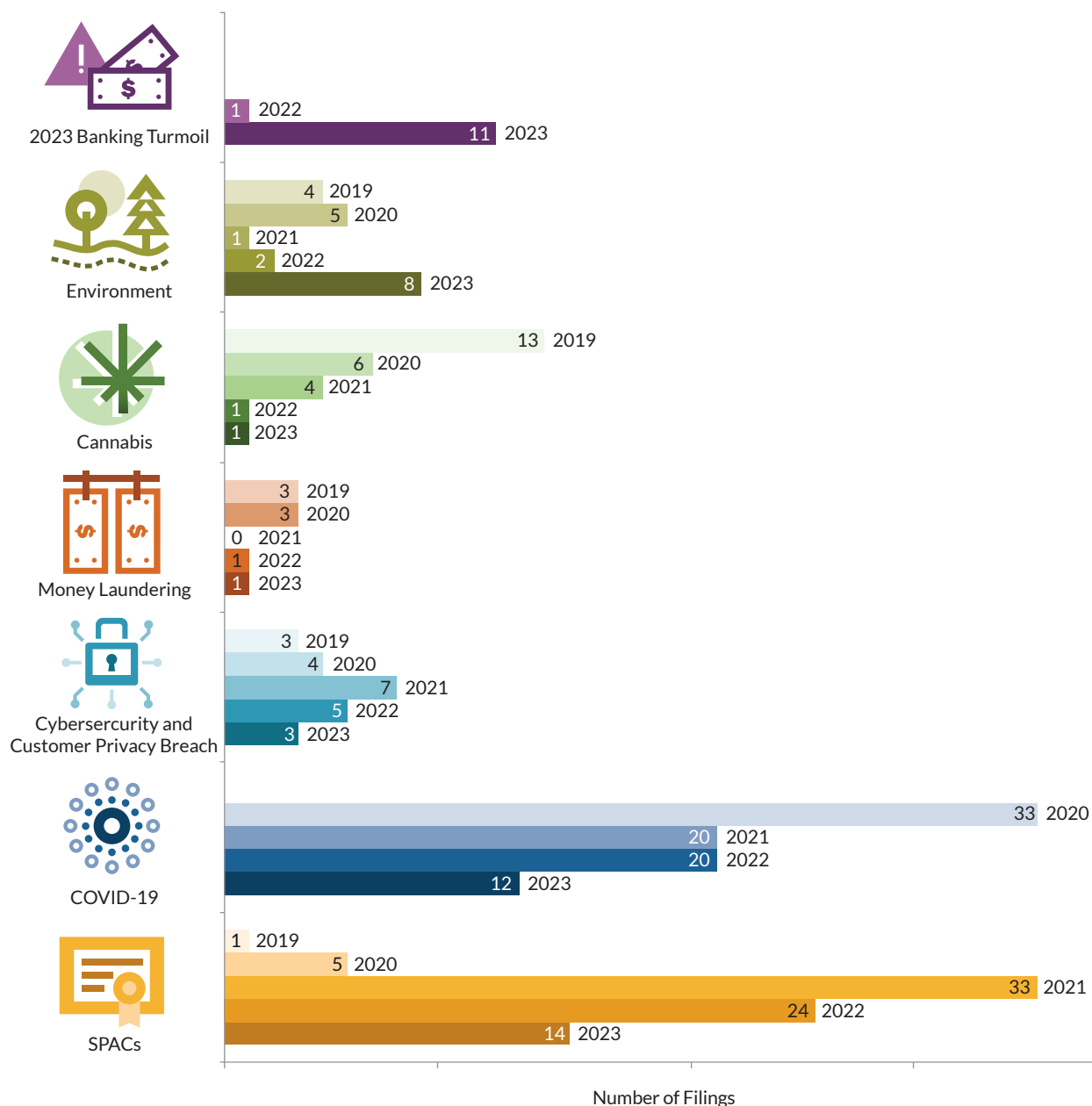
COVID-19

Since March 2020, there have been 85 securities class actions filed with claims related to the COVID-19 pandemic. Of these, 33 cases were filed in 2020. In 2021 and 2022, the number of suits declined to 20 each year, while in 2023, there were only 12 such filings.

SPAC

Filings related to special purpose acquisition companies (SPACs) peaked in 2021 with 31 securities class action suits filed that year. Since then, new federal filings related to SPACs have declined each year to 24 in 2022 and 14 in 2023.

Figure 10. Event-Driven and Other Special Cases by Filing Year
January 2019–December 2023



TRENDS IN RESOLUTIONS

In 2023, the number of resolved cases declined by 15% to 190 from 223 in 2022, continuing a six-year decline in resolutions seen since 2018 and marking the lowest recorded level of resolutions in the last 10 years. Of these resolved cases, 90 were settlements and 100 were dismissals.¹⁰ While resolutions declined across all categories of cases, more than half of this decline was due to

a reduction in the number of settled standard cases, which had a record-setting year in 2022. The number of merger-objection cases resolved declined to nine in 2023, consistent with the reduced number of filings of such cases in recent years. See Figure 11.

Since 2015, more cases filed have been dismissed than settled. This is consistent with historical trends, which indicate that dismissals tend to occur earlier in the litigation cycle and settlements occur later (see Figure 12). For cases filed in 2023, 5% of cases have been dismissed while 95% remain pending as of December 2023.

For cases filed and resolved over the past 20 years, over two-thirds were resolved within three years of the filing of the first complaint, while 16% of cases take longer than four years to resolve (see Figure 13). The median time to resolution is 2.1 years.

Figure 11. **Number of Resolved Cases: Dismissed or Settled**
January 2014–December 2023

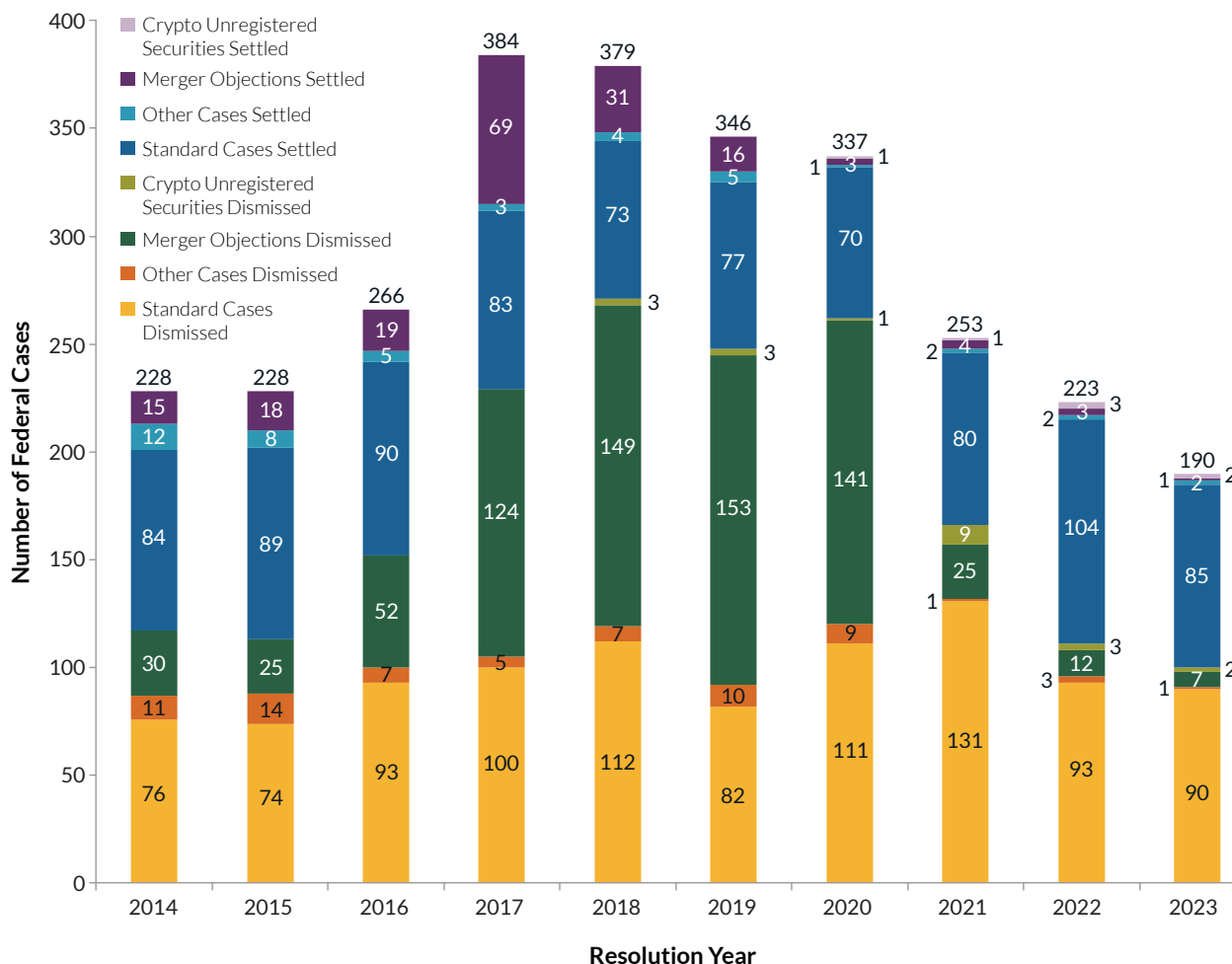
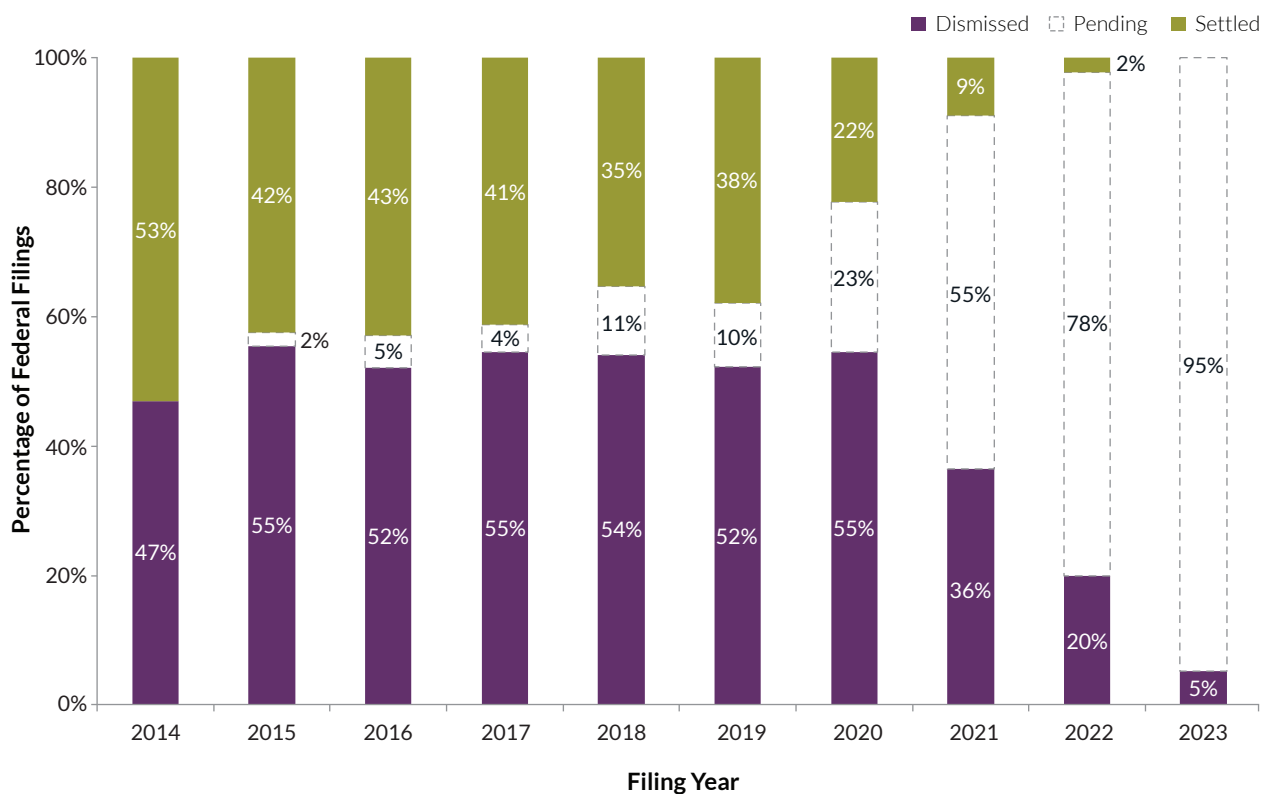


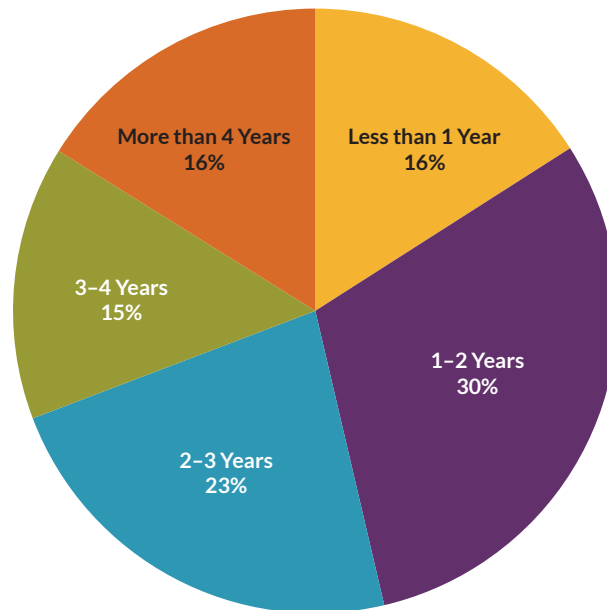
Figure 12. **Status of Cases as Percentage of Federal Filings by Filing Year**
 Excludes Merger Objections, Crypto Unregistered Securities, and Verdicts
 January 2014–December 2023



Note: Dismissals may include dismissals without prejudice and dismissals under appeal. Component values may not add to 100% due to rounding.

The number of resolved cases decreased by 15% to 190 from 223 in 2022, continuing a six-year decline in resolutions seen since 2018 and marking the lowest recorded level of resolutions in the last 10 years.

Figure 13. **Time from First Complaint Filing to Resolution**
 Excluding Merger Objections and Crypto Unregistered Securities
 Cases Filed January 2004–December 2019 and Resolved January 2004–December 2023



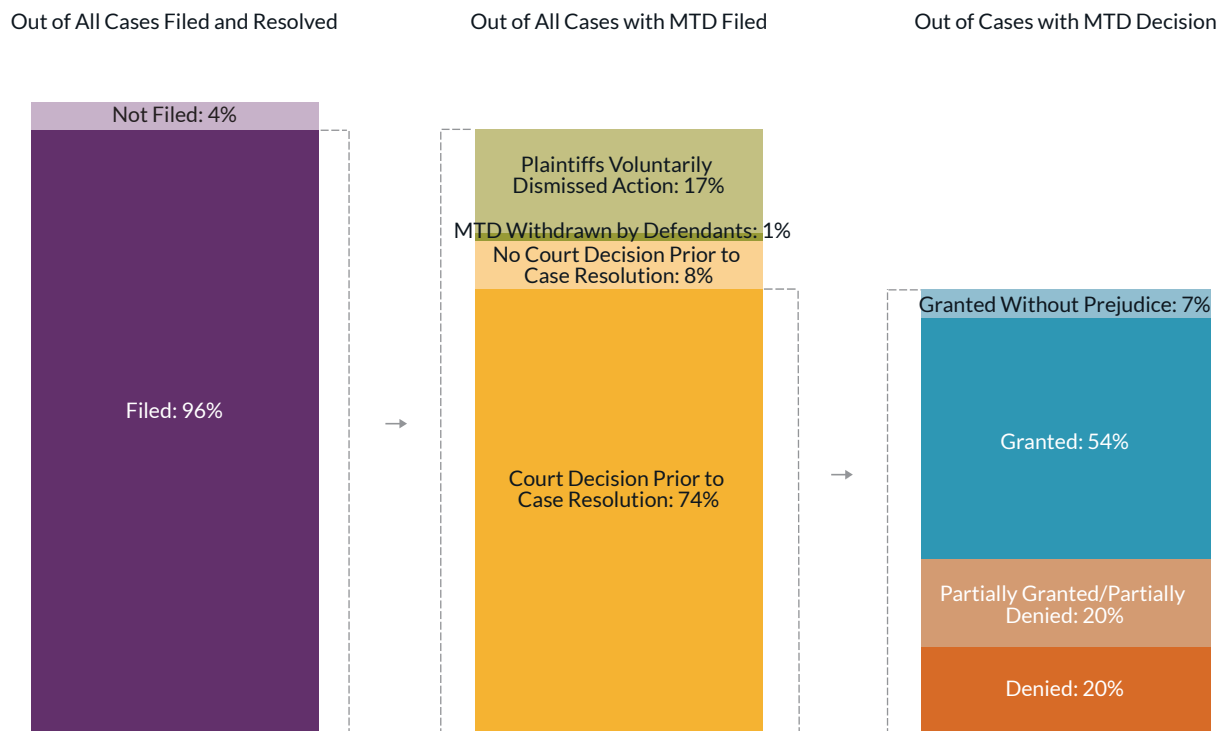
ANALYSIS OF MOTIONS

NERA's federal securities class action database tracks filing and resolution activity as well as decisions on motions to dismiss, motions for class certification, and the status of any motion as of the resolution date. For this analysis, we include securities class actions that were filed and resolved over the 2014–2023 period in which purchasers of common stock are part of the class and in which a violation of Rule 10b-5, Section 11, and/or Section 12 is alleged.

Motion to Dismiss

A motion to dismiss was filed in 96% of the securities class action suits filed and resolved. A decision was reached in 74% of these cases, while 17% were voluntarily dismissed by plaintiffs, 8% settled before a court decision was reached, and 1% of motions were withdrawn by defendants. Among the cases in which a decision was reached, 60% of motions were granted (with or without prejudice) while 40% were denied either in part or in full. See Figure 14.

Figure 14. **Filing and Resolutions of Motions to Dismiss**
 Cases Filed and Resolved January 2014–December 2023



Motion for Class Certification

A motion for class certification was filed in only 18% of the securities class action suits filed and resolved, as most cases are either dismissed or settled before the class certification stage is reached. A decision was reached in 60% of the cases in which a motion for class certification was filed, while nearly all remaining 40% of cases were resolved with a settlement. Among the cases in which a decision was reached, the motion for class certification was granted (with or without prejudice) in 86% of cases. See Figure 15.

Approximately 64% of decisions on motions for class certification occur within three years of the filing of the first complaint, with nearly all decisions occurring within five years (see Figure 16). The median time is about 2.7 years.

Figure 15. Filing and Resolutions of Motions for Class Certification
Cases Filed and Resolved January 2014–December 2023

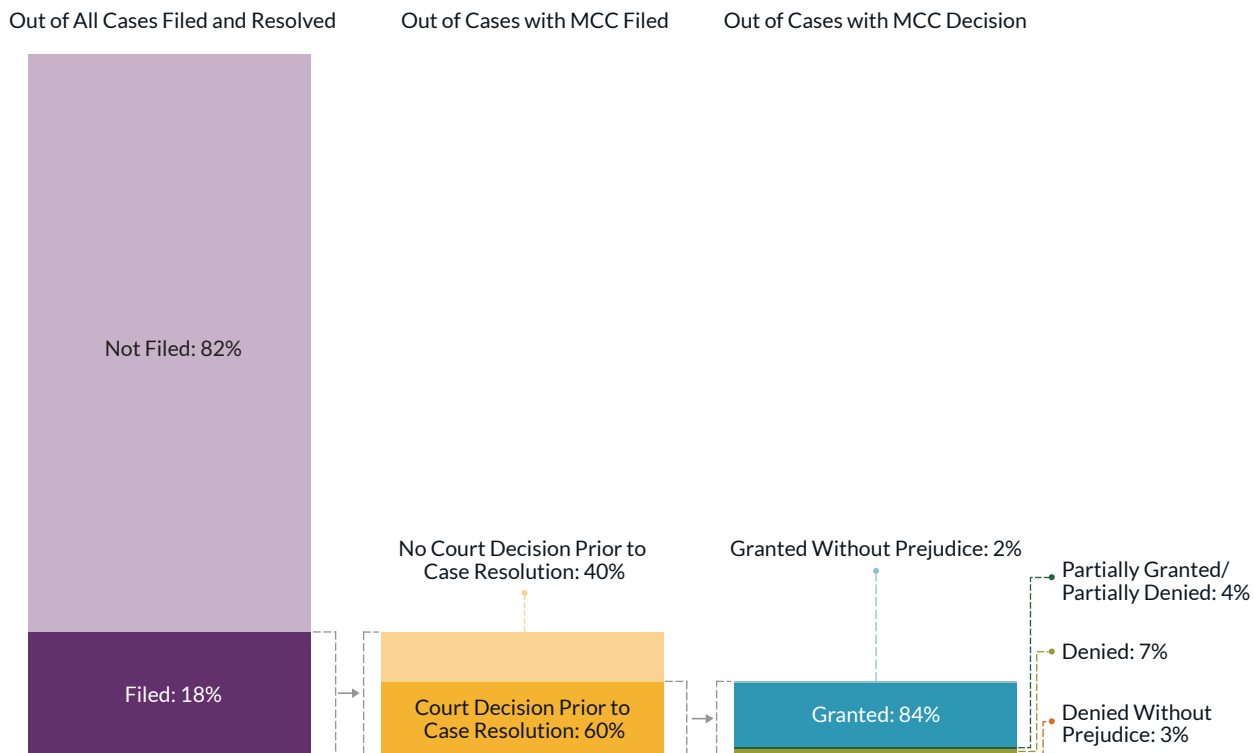
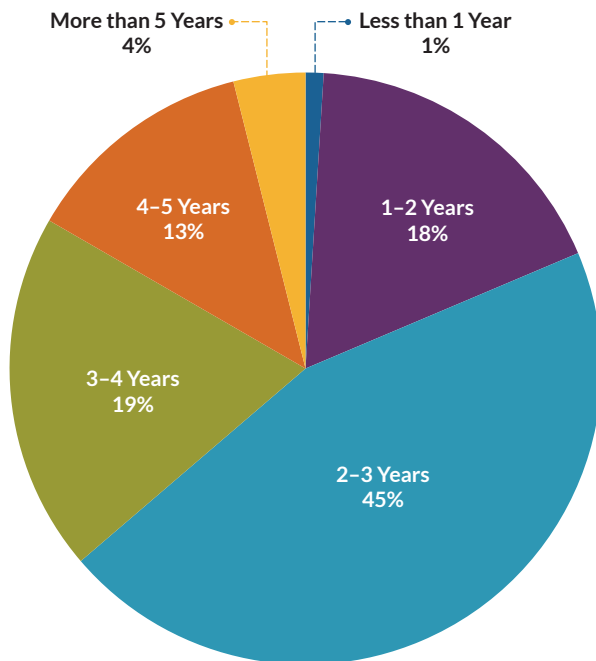


Figure 16. Time from First Complaint Filing to Class Certification Decision
Cases Filed and Resolved January 2014–December 2023

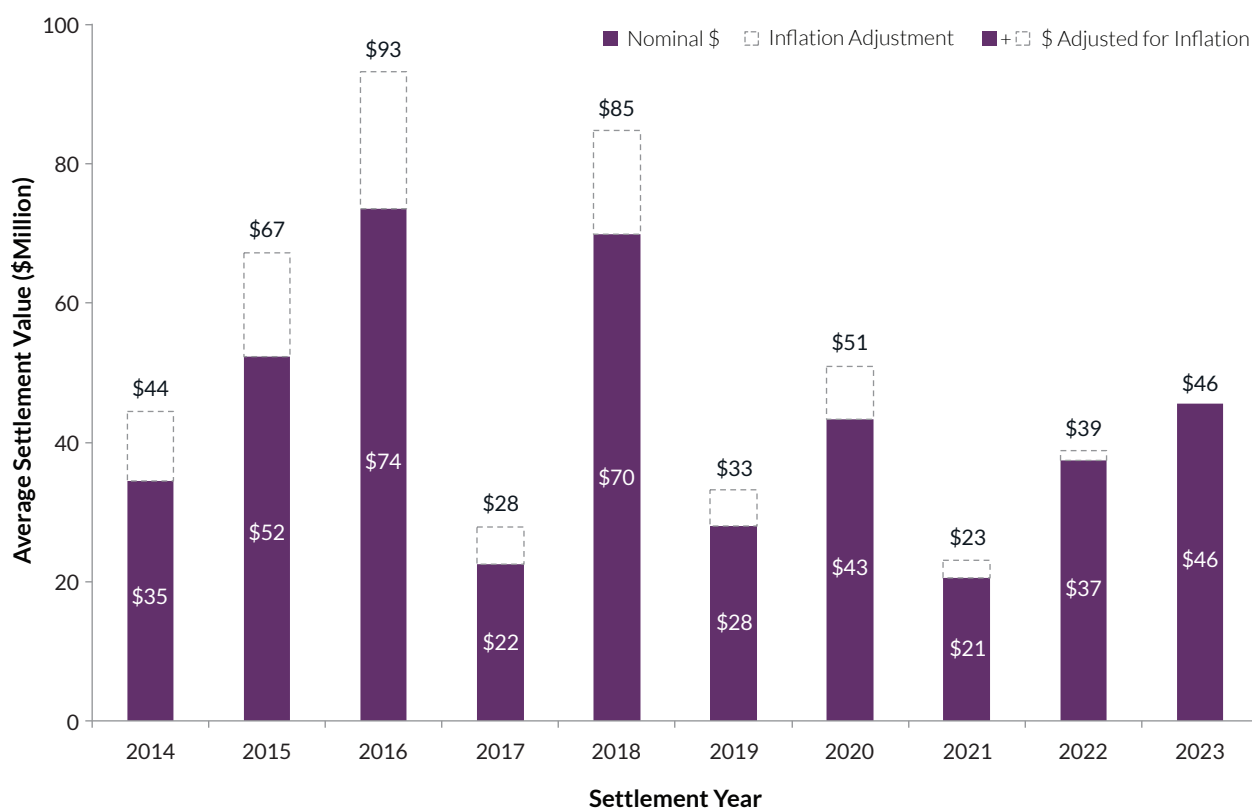


TRENDS IN SETTLEMENT VALUES¹¹

Aggregate settlements for 2023 totaled \$3.9 billion, which marks a slight decline from the inflation-adjusted total of \$4.2 billion from 2022.¹² In 2023, the average settlement value was approximately \$46 million, a 17% increase over the 2022 inflation-adjusted average settlement value of \$39 million and the second consecutive year that this value has increased (see Figure 17). The increase in the average settlement value is largely driven by a \$1 billion settlement by Wells Fargo & Company.¹³

Figure 17. **Average Settlement Value**

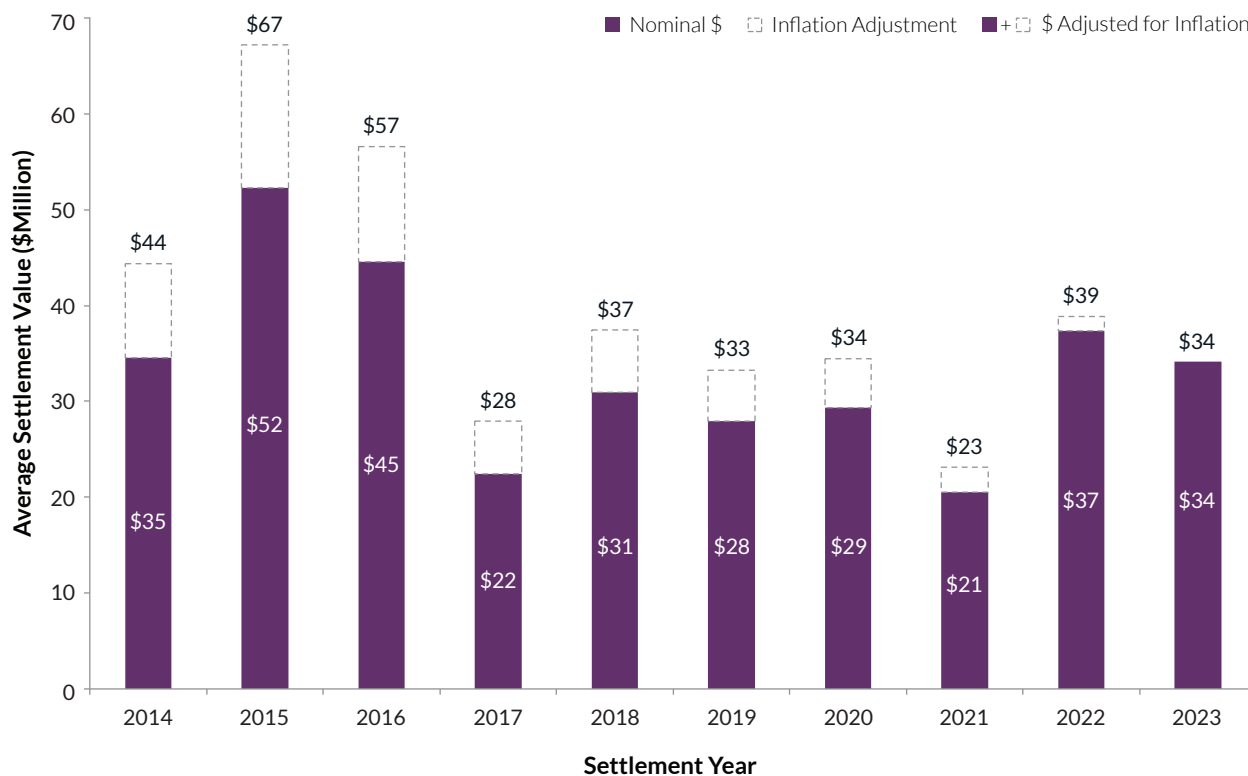
Excludes Merger Objections, Crypto Unregistered Securities, and Settlements for \$0 to the Class
January 2014–December 2023



When excluding settlements of \$1 billion or higher, the average settlement value was \$34 million, a decrease of 12% from the \$39 million inflation-adjusted amount in 2022 (see Figure 18). The median settlement value was \$14.4 million, which is a slight increase from the \$13.5 million inflation-adjusted value seen in 2022 (see Figure 19). Aside from a decrease in the percentage of settlements between \$10 and \$19.9 million and a roughly similar increase in the percentage of settlements between \$20 to \$49.9 million in 2023, the distribution of settlement values in 2023 looks similar to that of 2022 (see Figure 20).

Figure 18. **Average Settlement Value**

Excludes Settlements of \$1 Billion or Higher, Merger Objections, Crypto Unregistered Securities,
and Settlements for \$0 to the Class
January 2014–December 2023



When excluding settlements of \$1 billion or higher, the average settlement value was \$34 million in 2023, a decrease of 12% from the \$39 million inflation-adjusted amount in 2022.

Figure 19. **Median Settlement Value**

Excludes Settlements of \$1 Billion or Higher, Merger Objections, Crypto Unregistered Securities, and Settlements for \$0 to the Class
January 2014–December 2023

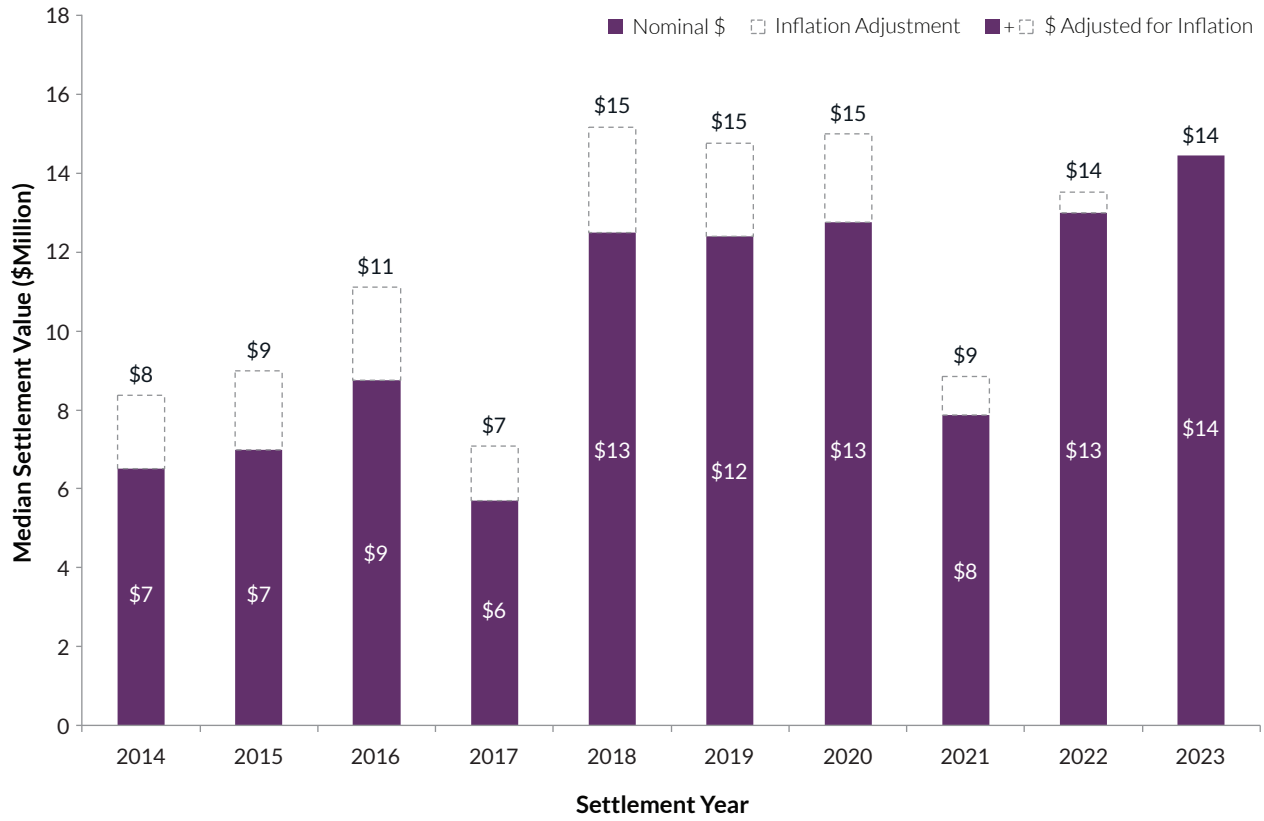
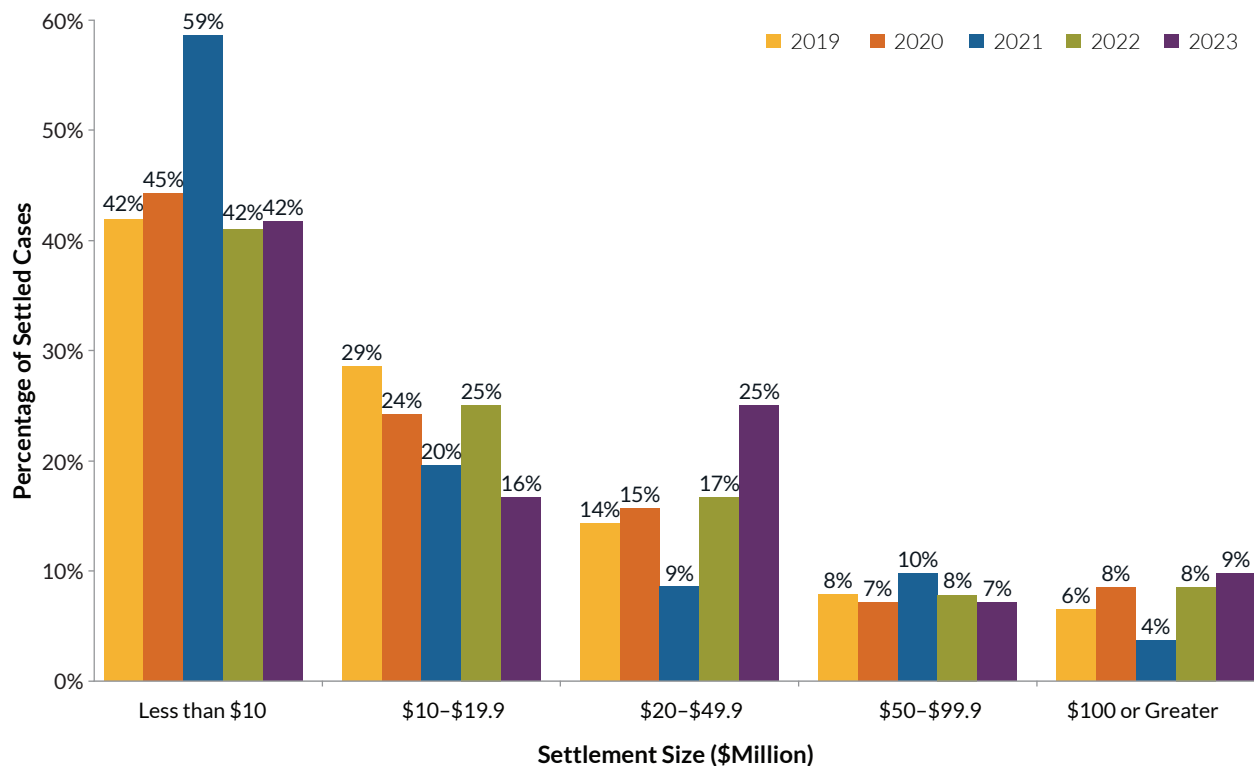


Figure 20. **Distribution of Settlement Values**
 Excludes Merger Objections, Crypto Unregistered Securities, and Settlements for \$0 to the Class
 January 2019–December 2023



Aggregate settlements for 2023 totaled \$3.9 billion, which marks a slight drop relative to the inflation-adjusted total of \$4.2 billion from 2022.

TOP SETTLEMENTS

The 10 largest settlements in 2023 ranged from \$90 million to \$1 billion and together accounted for over 66% of the \$3.9 billion aggregate settlement amount reached in 2023. Wells Fargo & Company appears twice on this list, taking the top spot in a \$1 billion settlement in a case involving misrepresentations regarding its progress in overhauling its internal controls¹⁴ as well as the third-highest spot in a \$300 million settlement in a matter involving allegations of misconduct in its auto insurance practices.¹⁵ The Second, Seventh, and Ninth circuits accounted for nine of the top 10 settlements.

Table 1. **Top 10 2023 Securities Class Action Settlements**

Rank	Defendant	Filing Date	Settlement Date	Total Settlement Value (\$Million)	Plaintiffs' Attorneys' Fees and Expenses Value (\$Million)	Circuit	Economic Sector
1	Wells Fargo & Company (2020) (S.D.N.Y.)	11 Jun 2020	8 Sep 2023	\$1,000.0	\$181.1	2nd	Finance
2	The Kraft Heinz Company (N.D. Ill.)	24 Feb 2019	12 Sep 2023	\$450.0	\$92.7	7th	Consumer Non-Durables
3	Wells Fargo & Company (2018)	14 Feb 2019	17 Aug 2023	\$300.0	\$77.0	9th	Finance
4	Exelon Corporation (2019)	16 Dec 2019	7 Sep 2023	\$173.0	\$45.3	7th	Utilities
5	McKesson Corporation	25 Oct 2018	2 Jun 2023	\$141.0	\$36.3	9th	Distribution Services
6	Alexion Pharmaceuticals, Inc. (D. Conn.)	17 Nov 2016	20 Dec 2023	\$125.0	\$32.8	2nd	Health Technology
7	Cardinal Health, Inc. (2019)	1 Aug 2019	11 Sep 2023	\$109.0	\$33.4	6th	Distribution Services
8	Micro Focus International plc (S.D.N.Y.) (SEC 11)	28 Mar 2018	27 Jul 2023	\$107.5	\$36.7	2nd	Technology Services
9	Grupo Televisa S.A.B.	5 Mar 2018	8 Aug 2023	\$95.0	\$29.6	2nd	Communications
10	The Allstate Corporation	10 Nov 2016	19 Dec 2023	\$90.0	\$27.1	7th	Finance
Total				\$2,590.0	\$591.9		

Table 2 lists the 10 largest federal securities class action settlements through 31 December 2023. Since the Valeant Pharmaceuticals partial settlement of \$1.2 billion in 2020, this list has remained unchanged, with settlements ranging from \$1.1 to \$7.2 billion.

Table 2. Top 10 Federal Securities Class Action Settlements (As of 31 December 2023)

Rank	Defendant	Filing Date	Settlement Year(s)	Total Settlement Value (\$Million)	Financial Institutions Value (\$Million)	Accounting Firms Value (\$Million)	Plaintiffs' Attorney's Fees and Expenses Value (\$Million)	Circuit	Economic Sector
1	ENRON Corp.	22 Oct 2001	2003–2010	\$7,242	\$6,903	\$73	\$798	5th	Industrial Services
2	WorldCom, Inc.	30 Apr 2002	2004–2005	\$6,196	\$6,004	\$103	\$530	2nd	Communications
3	Cendant Corp.	16 Apr 1998	2000	\$3,692	\$342	\$467	\$324	3rd	Finance
4	Tyco International, Ltd.	23 Aug 2002	2007	\$3,200	No codefendant	\$225	\$493	1st	Producer Manufacturing
5	Petroleo Brasileiro S.A.-Petrobras	8 Dec 2014	2018	\$3,000	\$0	\$50	\$205	2nd	Energy Minerals
6	AOL Time Warner Inc.	18 July 2002	2006	\$2,650	No codefendant	\$100	\$151	2nd	Consumer Services
7	Bank of America Corp.	21 Jan 2009	2013	\$2,425	No codefendant	No codefendant	\$177	2nd	Finance
8	Household International, Inc.	19 Aug 2002	2006–2016	\$1,577	Dismissed	Dismissed	\$427	7th	Finance
9	Valeant Pharmaceuticals International, Inc.*	22 Oct 2015	2020	\$1,210	\$0	\$0	\$160	3rd	Health Technology
10	Nortel Networks	2 Mar 2001	2006	\$1,143	No codefendant	\$0	\$94	2nd	Electronic Technology
Total				\$32,334	\$13,249	\$1,017	\$3,358		

* Denotes a partial settlement, which is included here due to its sizeable amount. Note that this case is not included in any of our resolution or settlement statistics.

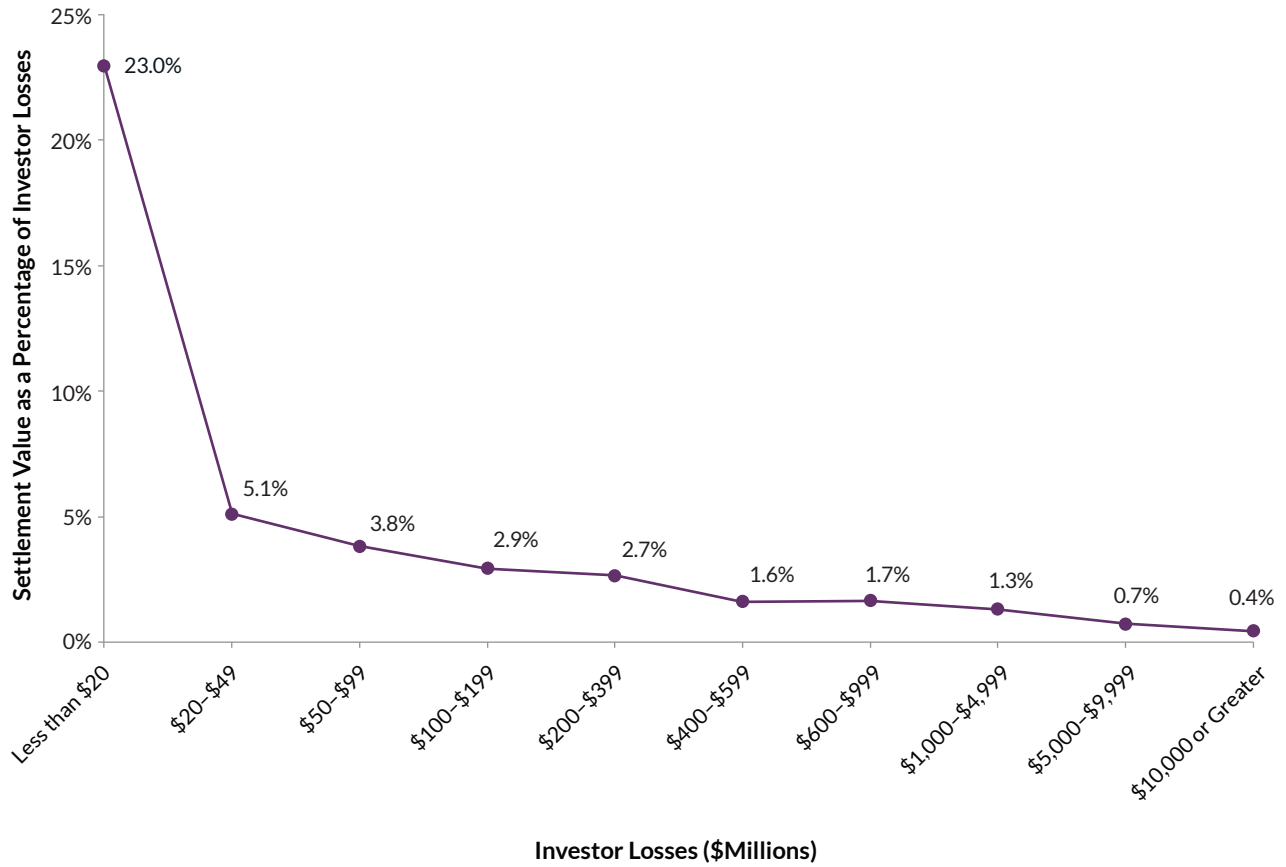
NERA-DEFINED INVESTOR LOSSES

To estimate the potential aggregate loss to investors as a result of investing in the defendant's stock during the alleged class period, NERA has developed a proprietary variable, NERA-Defined Investor Losses, using publicly available data. The NERA-Defined Investor Loss measure is constructed assuming investors had invested in stocks during the class period whose performance was comparable to that of the S&P 500 Index. Over the years, NERA has reviewed and examined more than 2,000 settlements and found, of the variables analyzed, this proprietary variable to be the most powerful predictor of settlement amount.¹⁶

A statistical review reveals that while settlement values and NERA-Defined Investor Losses are highly correlated, the relationship is not linear. The ratio is higher for cases with lower NERA-Defined Investor Losses than for cases with higher Investor Losses. For instance, in cases with less than \$20 million in Investor Losses, the median settlement value comprises 23% of Investor Losses, while in cases with more than \$50 million in Investor Losses, the median settlement value is less than 4% of Investor Losses. See Figure 21.

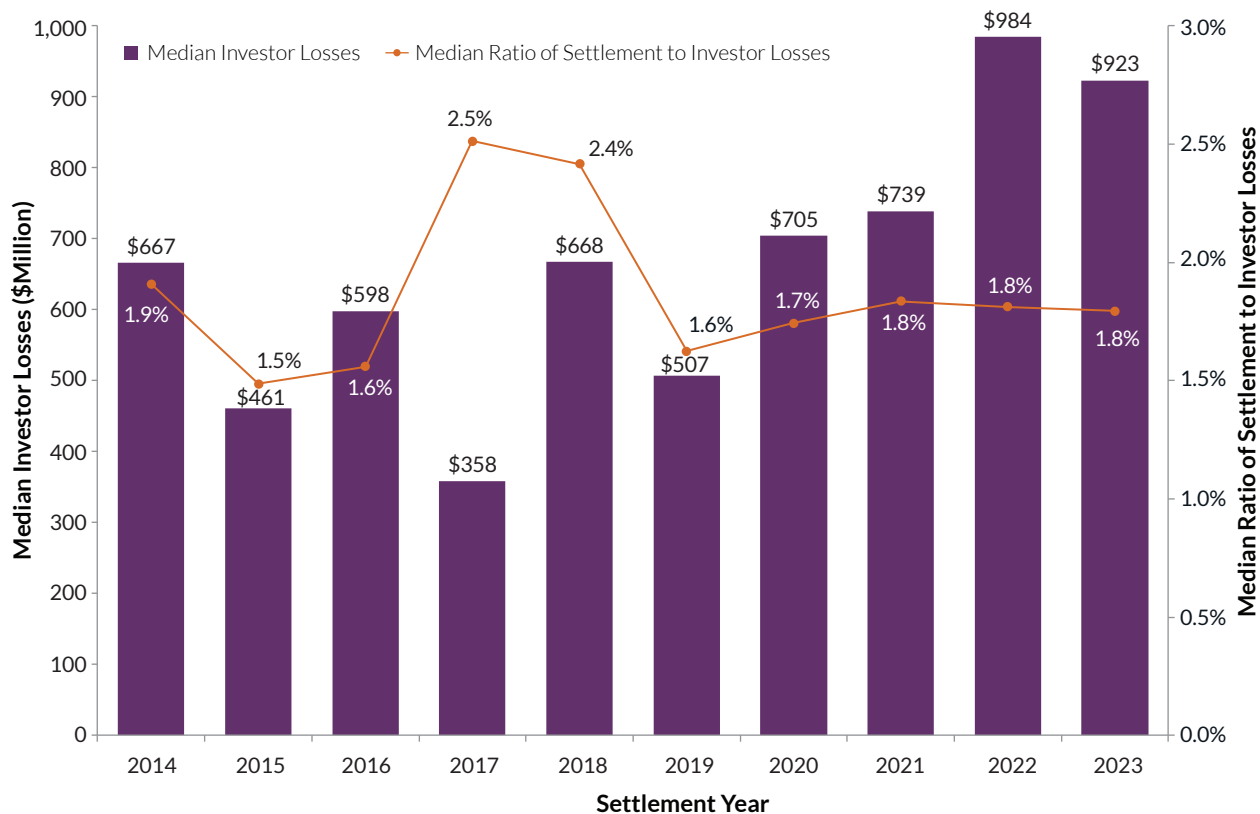
Since 2014, annual median Investor Losses have ranged from a low of \$358 million to a high of \$984 million. For cases settled in 2023, the median Investor Losses were \$923 million, a 6% decline from 2022 and the second highest recorded value during the 2014–2023 period. Since 2021, the median ratio of settlement amount to Investor Losses has remained stable at 1.8%. See Figure 22.

Figure 21. Median Settlement Value as a Percentage of NERA-Defined Investor Losses
 By Level of Investor Losses
 Cases Settled January 2014–December 2023



The median Investor Losses were \$923 million, a 6% decline relative to 2022 and the second highest recorded value during the 2014–2023 period.

Figure 22. Median NERA-Defined Investor Losses and Median Ratio of Settlement to Investor Losses by Settlement Year
January 2014–December 2023

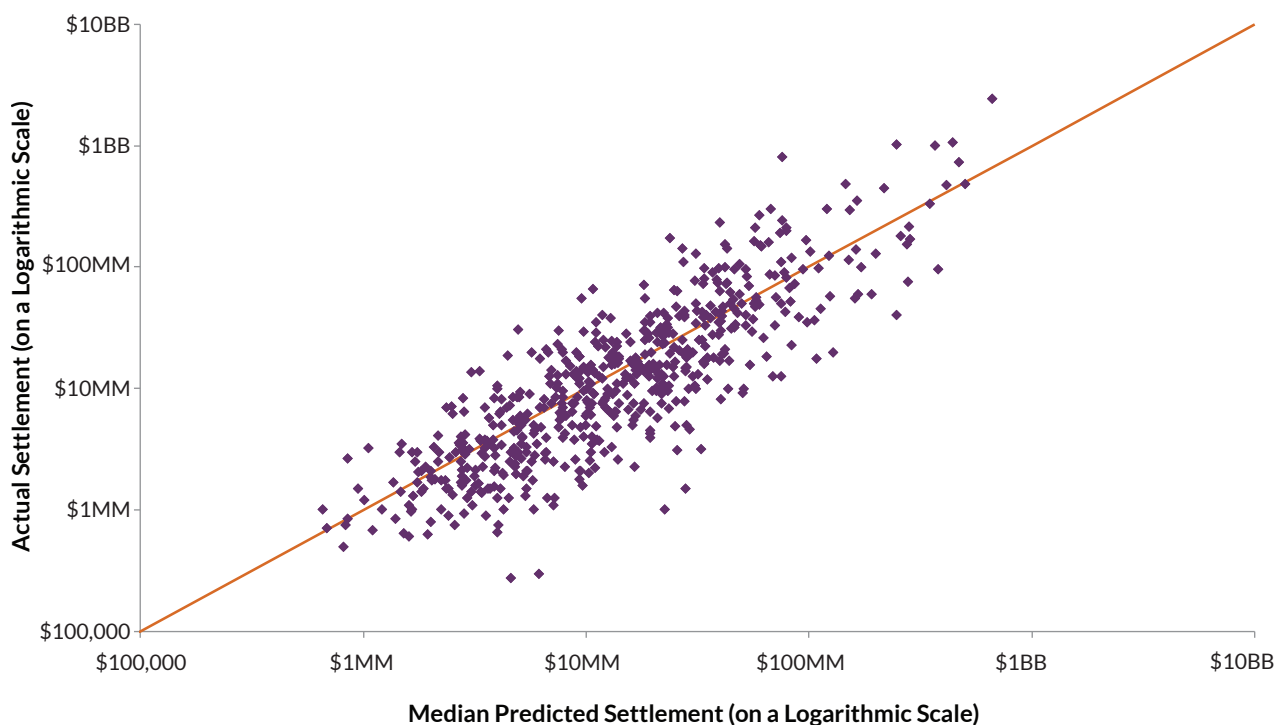


NERA has identified the following key factors as driving settlement amounts:

- NERA-Defined Investor Losses;
- The market capitalization of the issuer immediately after the end of the class period;
- The types of securities (in addition to common stock) alleged to have been affected by the fraud;
- Variables that serve as a proxy for the merit of plaintiffs' allegations (e.g., whether the company has already been sanctioned by a government or regulatory agency or paid a fine in connection with the allegations);
- The stage of litigation at the time of settlement; and
- Whether an institution or public pension fund is named lead plaintiff (see Figure 23).

Among cases settled between January 2012 and December 2023, these factors in NERA's statistical model can explain over 70% of the variation observed in actual settlements.

Figure 23. **Predicted vs. Actual Settlements**
 Investor Losses Using S&P 500 Index
 Cases Settled January 2012–December 2023



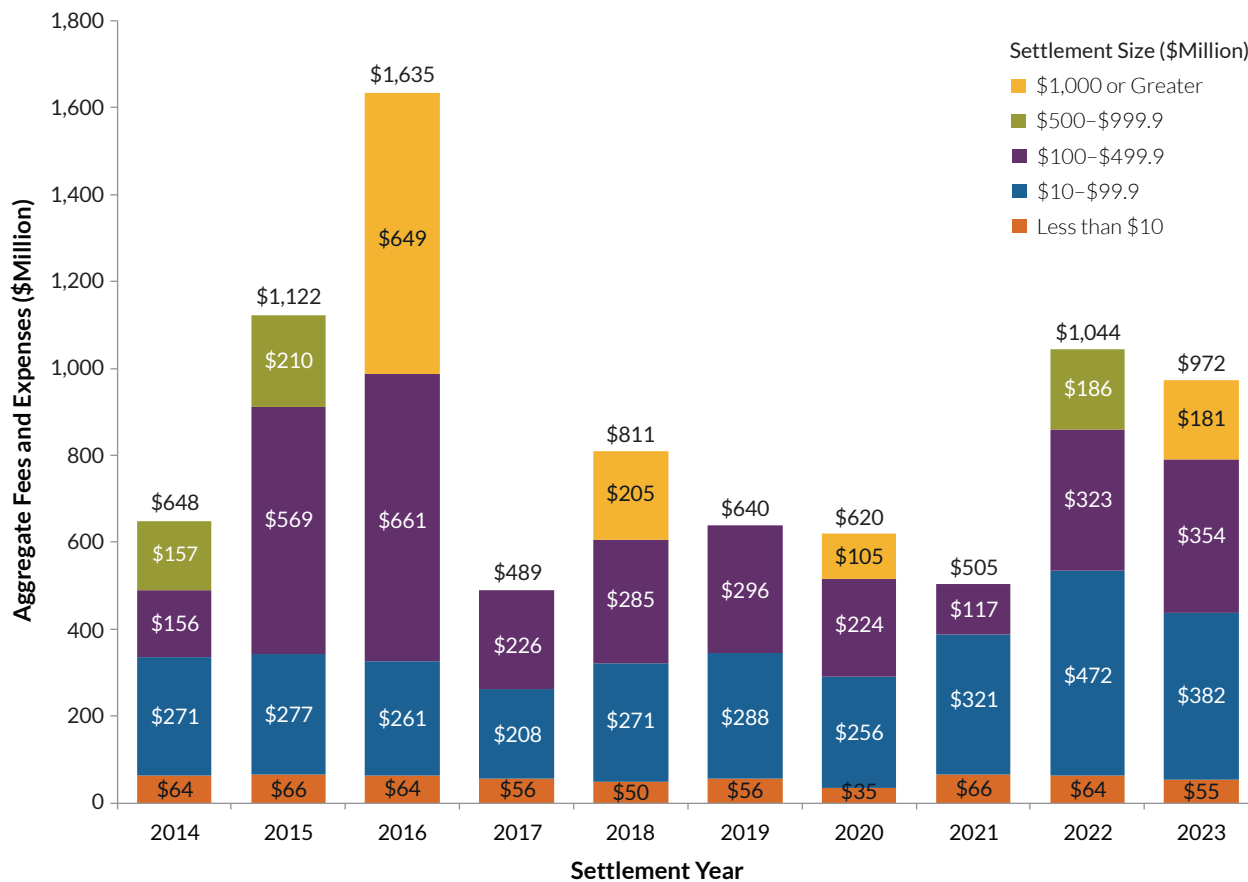
TRENDS IN PLAINTIFFS' ATTORNEYS' FEES AND EXPENSES

Over the past 10 years, annual aggregate plaintiffs' attorneys' fees and expenses have ranged from a low of \$489 million in 2017 to a high of \$1.6 billion in 2016. In 2023, aggregate plaintiffs' attorneys' fees and expenses totaled \$972 million, a slight decline from the \$1.0 billion seen in 2022 (see Figure 24). Plaintiffs' attorneys' fees and expenses comprised roughly 24.9% of the \$3.9 billion aggregate settlement value in 2023.

A historical analysis of plaintiffs' attorneys' fees and expenses for cases that have settled since the passage of the PSLRA in 1996 reveals that fees and expenses as a percentage of the settlement amount decline as the settlement size increases. For instance, for cases settled during the 2014–2023 period, median percent fees and expenses ranged from 36.1% in settlements of \$5 million or lower to 18.6% in settlements of \$1 billion or higher.

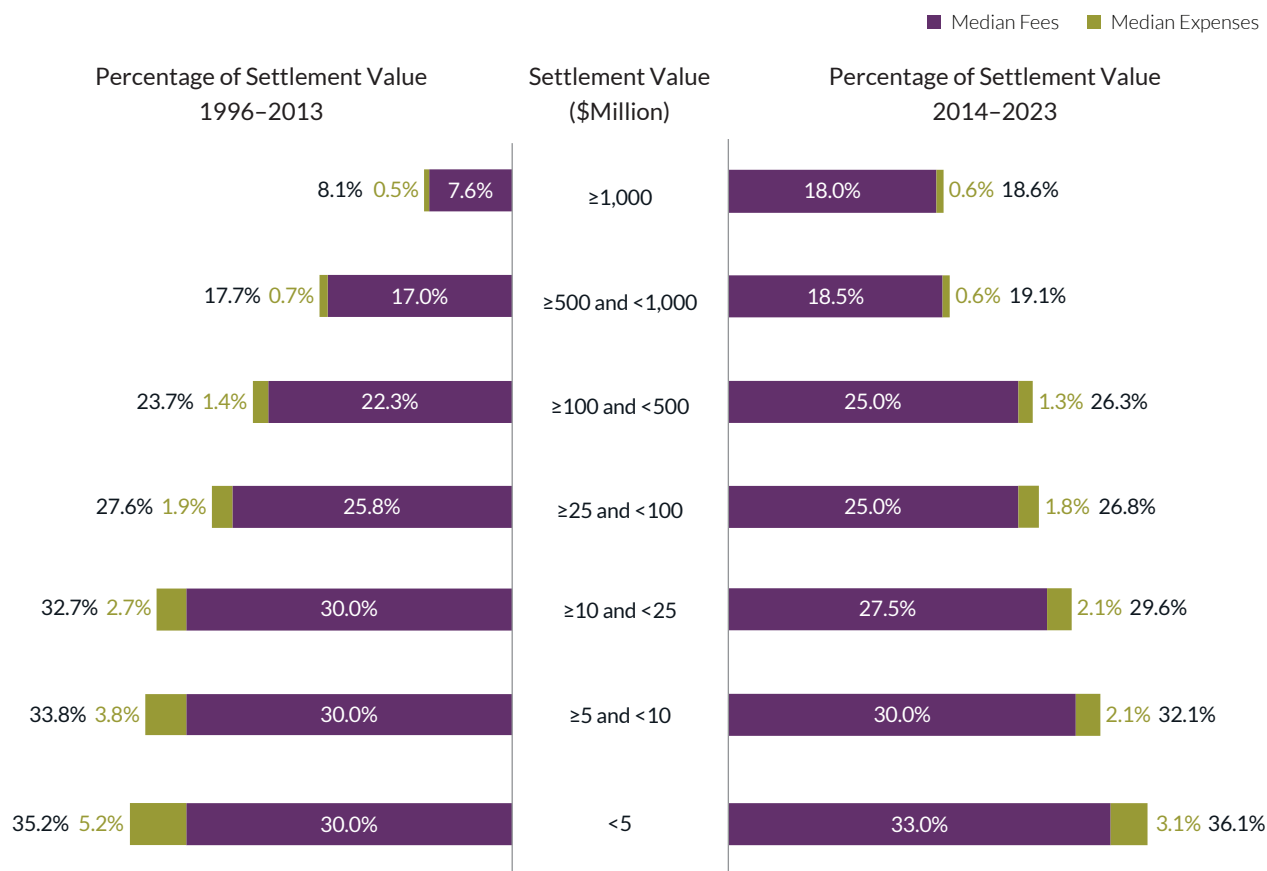
In the past 10 years, median percent attorneys' fees have increased for settlements under \$5 million and for settlements over \$500 million relative to the 1996–2013 period. This increase is more pronounced for settlements of \$1 billion or higher, although this is partly due to this category having only five cases in the post-2013 period (see Figure 25).

Figure 24. **Aggregate Plaintiffs’ Attorneys’ Fees and Expenses by Settlement Size**
January 2014–December 2023



Plaintiffs’ attorneys’ fees and expenses comprised roughly 24.9% of the \$3.9 billion aggregate settlement value in 2023.

Figure 25. Median of Plaintiffs’ Attorneys’ Fees and Expenses by Size of Settlement
 Excludes Merger Objections, Crypto Unregistered Securities, and Settlements for \$0 to the Class



Note: Component values may not add to total value due to rounding.

CONCLUSION

In 2023, federal filings increased by 11% from 206 in 2022 to 228 in 2023, ending a four-year period of annual declines in filings from 2019 to 2022. Of the 228 cases filed in 2023, 206 were standard cases with alleged violations of Rule 10b-5, Section 11, and/or Section 12, and 18.9% of standard cases were against foreign companies. Filings against companies in the information technology and technology services, health technology and services, and the finance sectors accounted for 59% of non-merger objections, non-crypto unregistered securities filings.

The number of resolved cases declined by 15% from 223 in 2022 to 190 in 2023. There were 90 settlements and 100 dismissals, marking the lowest level of both settlements and dismissals in the last 10 years. Excluding the presence of settlements of \$1 billion or higher, the average settlement value for 2023 was \$34 million and the median settlement value was \$14 million. Aggregate settlements totaled \$3.9 billion in 2023, with aggregate plaintiffs’ attorneys’ fees and expenses accounting for \$972 million, or 24.9%, of the 2023 aggregate settlement value. Over the last 10 years, the median plaintiffs’ attorneys’ fees and expenses as a percentage of settlement value has ranged from 18.6% for settlements of \$1 billion or higher to 36.1% for settlements of \$5 million or lower.

NOTES

- 1 This edition of NERA's report on "Recent Trends in Securities Class Action Litigation" expands on previous work by our colleagues Lucy P. Allen, Dr. Vinita Juneja, Dr. Denise Neumann Martin, Dr. Jordan Milev, Robert Patton, Dr. Stephanie Plancich, Janeen McIntosh, and others. The authors thank Dr. David Tabak and Benjamin Seggerson for helpful comments on this edition. We thank Vlad Lee, Daniel Klotz, and other of NERA's securities and finance researchers for their valuable assistance. These individuals receive credit for improving this report; any errors and omissions are those of the authors. NERA's proprietary securities class action database and all analyses reflected in this report are limited to federal case filings and resolutions.
- 2 NERA tracks securities class actions that have been filed in federal courts. Most of these cases allege violations of federal securities laws; others allege violations of common law, including breach of fiduciary duty, as with some merger-objection cases; still others are filed in federal court under foreign or state law. If multiple actions are filed against the same defendant, are related to the same allegations, and are in the same circuit, we treat them as a single filing. The first two actions filed in different circuits are treated as separate filings. If cases filed in different circuits are consolidated, we revise our count to reflect the consolidation. Therefore, case counts for a particular year may change over time. Different assumptions for consolidating filings would probably lead to counts that are similar but may, in certain circumstances, lead observers to draw a different conclusion about short-term trends in filings. Data for this report were collected from multiple sources, including Institutional Shareholder Services, Dow Jones Factiva, Bloomberg Finance, FactSet Research Systems, Nasdaq, Intercontinental Exchange, US Securities and Exchange Commission (SEC) filings, complaints, case dockets, and public press reports. IPO laddering cases are presented only in Figure 1.
- 3 Federal securities class actions that allege violations of Rule 10b-5, Section 11, and/or Section 12 have historically dominated federal securities class action dockets and have often been referred to as "standard" cases. In the analyses of this report, standard cases involve registered securities and do not include cases involving crypto unregistered securities, which will be considered as a separate category.
- 4 In this study, crypto cases consist of two mutually exclusive subgroups: (1) crypto shareholder class actions, which include a class of investors in common stock, American depository receipts/American depository shares (ADR/ADS), and/or other registered securities, along with crypto- or digital-currency-related allegations; and (2) crypto unregistered securities class actions, which do not have class investors in any registered securities that are traded on major exchanges (New York Stock Exchange, Nasdaq). We include crypto shareholder class actions in all our analyses that include standard cases. Crypto unregistered securities class actions are excluded from some analyses, which is noted in the titles of our figures.
- 5 Most securities class action complaints include multiple allegations. For this analysis, all allegations from the complaint are included and thus the total number of allegations exceeds the total number of filings.
- 6 In our analysis, a company is defined as a foreign company based on the location of its principal executive office.
- 7 Class Action Complaint for Violations of the Federal Securities Laws, *In re Silvergate Capital Corporation Securities Litigation*, 7 December 2023.
- 8 Madeleine Ngo, "A Timeline of How the Banking Crisis Has Unfolded," *The New York Times*, 1 May 2023, available at <https://www.nytimes.com/2023/05/01/business/banking-crisis-failure-timeline.html>.
- 9 "Iowa Trust & Savings Bank, Emmetsburg, Iowa, Assumes All of the Deposits of Citizens Bank, Sac City, Iowa," FDIC Press Release, 3 November 2023, available at <https://www.fdic.gov/news/press-releases/2023/pr23091.html>.
- 10 "Dismissed" is used here as shorthand for all class actions resolved without settlement; it includes cases in which a motion to dismiss was granted (and not appealed or appealed unsuccessfully), voluntary dismissals, cases terminated by a successful motion for summary judgment, or an ultimately unsuccessful motion for class certification.
- 11 Unless otherwise noted, the analyses in this section exclude the 2020 partial settlement involving Valeant Pharmaceuticals.
- 12 For our analysis, NERA includes settlements that have had the first settlement-approval hearing. We do not include partial settlements or tentative settlements that have been announced by plaintiffs and/or defendants. As a result, although we include the 2020 Valeant Pharmaceuticals partial settlement in Table 2 due to its settlement size, this case is not included in any of our resolution, settlement, or attorney fee statistics.
- 13 While annual average settlement values can be a helpful statistic, these values may be affected by one or a few very high settlement amounts. Unlike averages, the median settlement value is unaffected by these very high outlier settlement amounts. To understand what more typical cases look like, we analyze the average and median settlement values for cases with a settlement amount under \$1 billion, thus excluding these outlier settlement amounts. For the analysis of settlement values, we limit our data to non-merger-objection and non-crypto unregistered securities cases with settlements of more than \$0 to the class.
- 14 Jon Hill and Jessica Corso, "Wells Fargo Inks \$1B Deal to End Investors' Compliance Suit," *Law360.com*, 16 May 2023, available at <https://www.law360.com/articles/1677976/>.
- 15 Lauren Berg, "Wells Fargo Investors Ink \$300M Deal in Auto Insurance Suit," *Law360.com*, 7 February 2023, available at <https://www.law360.com/articles/1573911/>.
- 16 NERA-Defined Investor Losses is only calculable for cases involving allegations of damages to common stock based on one or more corrective disclosures moving the stock price to its alleged true value. As a result, we have not calculated this metric for cases such as merger objections.

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The opinions expressed herein do not necessarily represent the views of NERA or any other NERA consultant.

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EXHIBIT 4



CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

Securities Class Action Settlements

2023 Review and Analysis

Table of Contents

2023 Highlights	1
Author Commentary	2
Total Settlement Dollars	3
Settlement Size	4
Type of Claim	5
Rule 10b-5 Claims and “Simplified Tiered Damages”	5
Plaintiff-Estimated Damages	7
’33 Act Claims and “Simplified Statutory Damages”	8
Analysis of Settlement Characteristics	10
GAAP Violations	10
Derivative Actions	11
Corresponding SEC Actions	12
Institutional Investors	13
Time to Settlement and Case Complexity	14
Case Stage at the Time of Settlement	15
Cornerstone Research’s Settlement Analysis	16
Research Sample	17
Data Sources	17
Endnotes	18
Appendices	19
About the Authors	24

Figures and Appendices

Figure 1: Settlement Statistics	1
Figure 2: Total Settlement Dollars	3
Figure 3: Distribution of Settlements	4
Figure 4: Median and Average “Simplified Tiered Damages” in Rule 10b-5 Cases	5
Figure 5: Median Settlement as a Percentage of “Simplified Tiered Damages” by Damages Ranges in Rule 10b-5 Cases	6
Figure 6: Settlements by Nature of Claims	8
Figure 7: Median Settlement as a Percentage of “Simplified Statutory Damages” by Damages Ranges in ‘33 Act Claim Cases	9
Figure 8: Median Settlement as a Percentage of “Simplified Tiered Damages” and Allegations of GAAP Violations	10
Figure 9: Frequency of Derivative Actions	11
Figure 10: Frequency of SEC Actions	12
Figure 11: Median Settlement Amounts and Institutional Investors	13
Figure 12: Median Settlement by Duration from Filing Date to Settlement Hearing Date	14
Figure 13: Median Settlement Dollars and Resolution Stage at Time of Settlement	15
Appendix 1: Settlement Percentiles	19
Appendix 2: Settlements by Select Industry Sectors	19
Appendix 3: Settlements by Federal Circuit Court	20
Appendix 4: Mega Settlements	20
Appendix 5: Median and Average Settlements as a Percentage of “Simplified Tiered Damages”	21
Appendix 6: Median and Average Settlements as a Percentage of “Simplified Statutory Damages”	21
Appendix 7: Median and Average Maximum Dollar Loss (MDL)	22
Appendix 8: Median and Average Disclosure Dollar Loss (DDL)	22
Appendix 9: Median Docket Entries by “Simplified Tiered Damages” Range	23

Analyses in this report are based on nearly 2,200 securities class actions filed after passage of the Private Securities Litigation Reform Act of 1995 (Reform Act) and settled from 1996 through year-end 2023. See page 17 for a detailed description of the research sample. For purposes of this report and related research, a settlement refers to a negotiated agreement between the parties to a securities class action that is publicly announced to potential class members by means of a settlement notice.

2023 Highlights

In 2023, while the number of settled securities class actions declined 21% relative to the 15-year high in 2022, the median settlement amount, median “simplified tiered damages,” and median total assets of issuer defendants all remained at historically elevated levels.¹

- There were 83 securities class action settlements in 2023 with a total settlement value of approximately \$3.9 billion, compared to 105 settlements in 2022 with a total settlement value of approximately \$4.0 billion. (page 3)
- The median settlement amount of \$15 million is the highest level since 2010 and represents an increase of 11% from 2022, while the average settlement amount (\$47.3 million) increased by 25% over 2022. (page 4)
- There were nine mega settlements (equal to or greater than \$100 million), with a total settlement value of \$2.5 billion. (page 3)
- In 2023, 34% of cases settled for more than \$25 million, the highest percentage since 2012. (page 4)
- Median “simplified tiered damages” declined 16% from the record high in 2022, but remained at elevated levels compared to the prior nine years.² (page 5)
- Issuer defendant firms involved in cases that settled in 2023 were 19% larger than defendant firms in 2022 settlements as measured by median total assets, which reached its highest level since 1996. (page 5)
- The median duration from the case filing to the settlement hearing date of 3.7 years in 2023 was unusually high. Since the Reform Act’s passage, the time to settle reached this level in only one other year (2006). (page 14)

Figure 1: Settlement Statistics

(Dollars in millions)

	2018–2022	2022	2023
Number of Settlements	420	105	83
Total Amount	\$19,545.7	\$3,974.7	\$3,927.3
Minimum	\$0.4	\$0.7	\$0.8
Median	\$11.7	\$13.5	\$15.0
Average	\$46.5	\$37.9	\$47.3
Maximum	\$3,640.9	\$842.9	\$1,000.0

Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented.

Author Commentary

Insights and Findings

Continuing an increase observed in 2022, the size of settled cases in 2023 (measured by the median settlement amount) reached the highest level in over a decade. This occurred despite a decline in median “simplified tiered damages,” a measure of potential shareholder losses that our research finds to be the single most important factor in explaining individual settlement amounts.

The size of the issuer defendant firms involved in cases settled in 2023 (measured by median total assets) also increased. Indeed, median total assets for defendants in 2023 settlements reached an all-time high among post-Reform Act settlements and was 19% higher than in 2022. Issuer defendant assets serve, in part, as a proxy for resources available to fund a settlement and are highly correlated with settlement amounts. Thus, the increase in defendant assets likely contributed to the growth in settlement amounts in 2023.

One factor causing the increase in asset size of defendant firms in cases settled in 2023 may be that, overall, these firms were more mature than in prior years. Specifically, the median age as a publicly traded firm was 16 years, compared to the median age of 11 years for cases settled from 2014 to 2022. In addition, the percentage of cases settled in 2023 that involved firms in the financial sector (over 15%) was higher than the prior nine-year average. Firms in the financial sector involved in securities class action settlements have consistently reported higher total assets than other issuer firm defendants.

In 2023, cases took longer to settle. They also reached more advanced stages prior to resolution, including a smaller proportion of cases settled before a ruling on class certification compared to prior years. Since longer periods to reach settlement are also correlated with higher settlement amounts, this increase is consistent with the higher overall median settlement value.

Securities class actions settled in 2023 continued to take longer to resolve—disruptions associated with the COVID-19 pandemic may have contributed to this increase.

*Dr. Laarni T. Bulan
Principal, Cornerstone Research*

Longer times to reach a settlement and more advanced litigation stages are also typically correlated with greater case activity, as measured by the number of entries on the court dockets. Surprisingly, the median number of docket entries increased only slightly compared to 2022. This, and the fact that over 80% of cases settled in 2023 had been filed by the end of 2020, suggests that the lengthened time to settlement can potentially be explained by delays related to the COVID-19 pandemic.

The size of issuer defendants in 2023 settlements surpassed even the previous record in 2022, in part due to an increase in the number of financial sector defendants to the highest level in the last decade.

*Dr. Laura E. Simmons
Senior Advisor, Cornerstone Research*

Looking Ahead

While we do not necessarily expect new record highs in settlement dollars in the upcoming years, it is possible that settlement amounts will remain at relatively high levels, based on recent trends in securities class action filings, including elevated levels of Disclosure Dollar Loss and Maximum Dollar Loss. (See Cornerstone Research’s *Securities Class Action Filings—2023 Year in Review*.)

Further, the most recent emergence of case filings related to the 2023 bank failures, combined with a relatively high proportion in the last few years of settled cases involving financial firms, may result in a continued rise in the asset size of issuer defendants involved in settlements. This may also contribute to high settlement amounts.

Additionally, considering the levels of filing activity in recent years, we do not anticipate dramatic increases in the number of cases settled in the upcoming years.

—Laarni T. Bulan and Laura E. Simmons

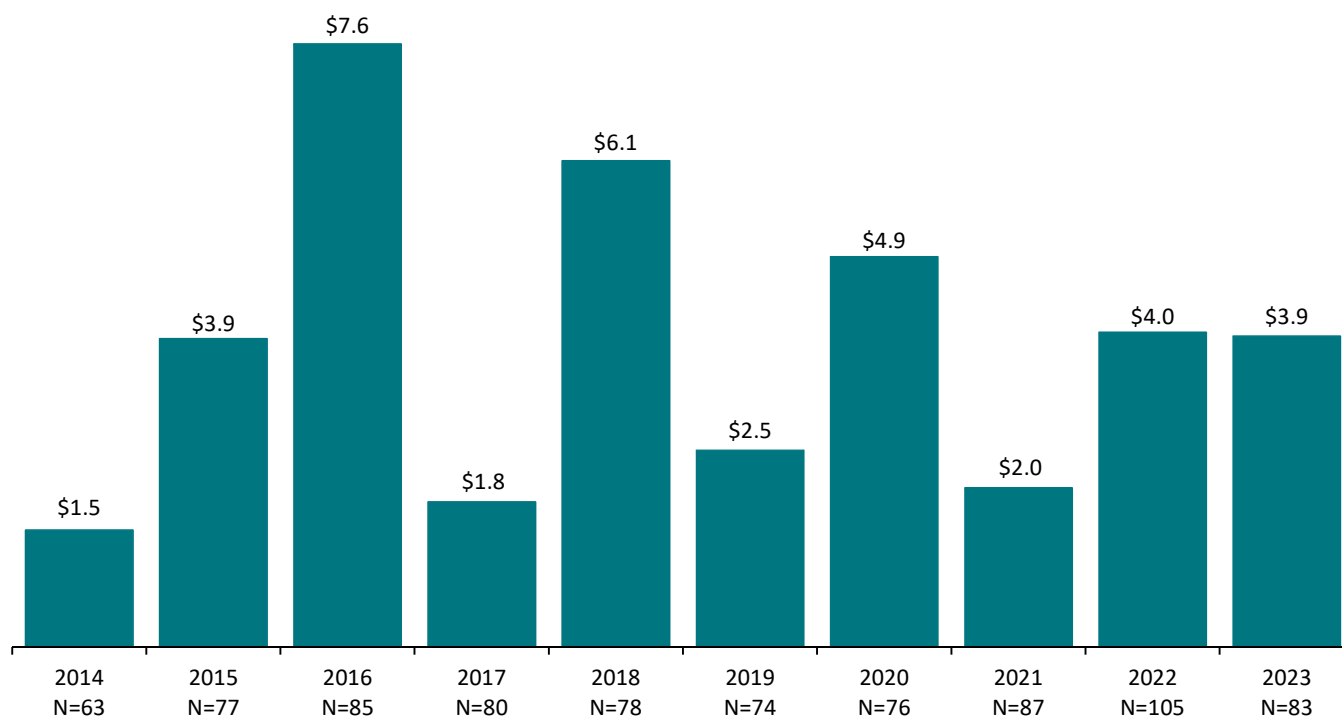
Total Settlement Dollars

- While the number of settlements in 2023 declined by more than 20% from 2022, 2023 total settlement dollars were roughly the same as in 2022.
- The nine mega settlements in 2023—the highest number since 2016—ranged from \$102.5 million to \$1 billion. (See Appendix 4 for an analysis of mega settlements.)
- Cases involving institutional investors as lead plaintiffs represented 86% of total settlement dollars in 2023, in line with the percentage in 2022.

Mega settlements accounted for nearly two-thirds of 2023 total settlement dollars, up from 52% in 2022.

**Figure 2: Total Settlement Dollars
2014–2023**

(Dollars in billions)



Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented. “N” refers to the number of cases.

Settlement Size

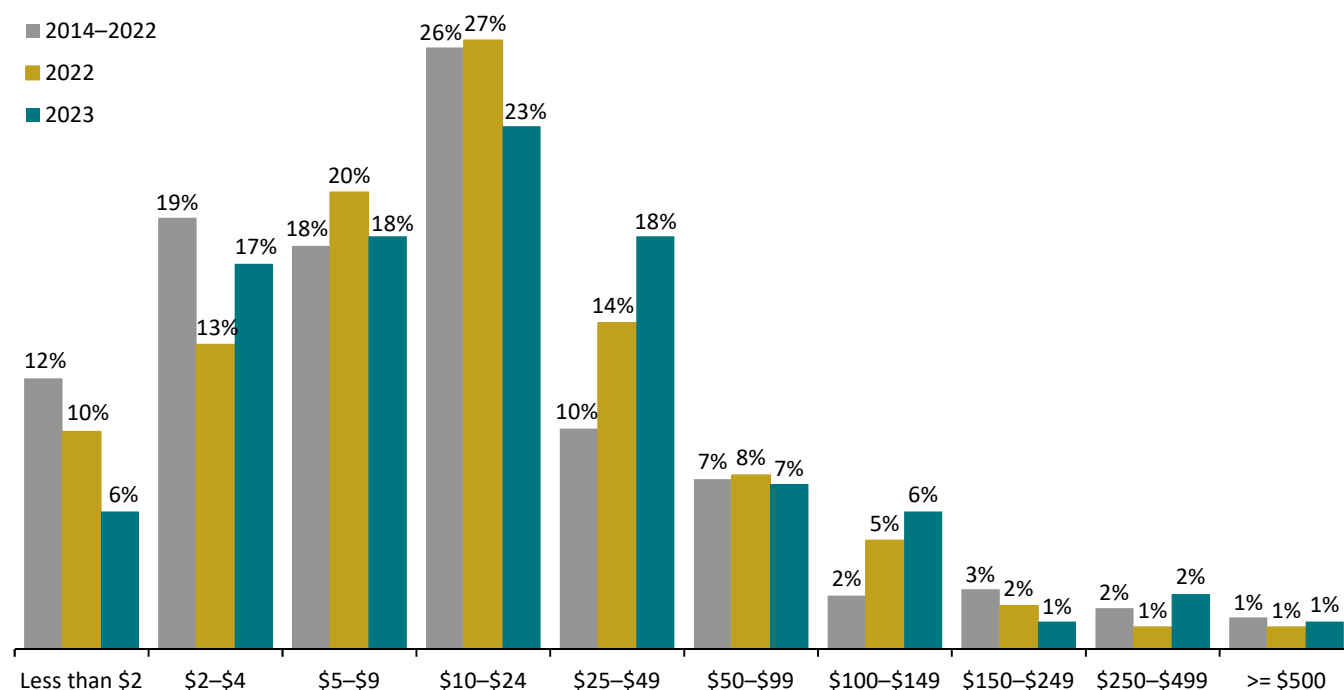
- The median settlement amount in 2023 was \$15 million, an 11% increase from 2022 and 44% higher than the 2014–2022 median (\$10.4 million). Median values provide the midpoint in a series of observations and are less affected than averages by outlier data.
- The average settlement amount in 2023 was \$47.3 million, a 25% increase from 2022. (See Appendix 1 for an analysis of settlements by percentiles.)
- In 2023, 6% of cases settled for less than \$2 million, the lowest percentage since 2013.

The median settlement amount in 2023 reached the highest level since 2010.

- The percentage of settlement amounts greater than \$25 million (34%) was the highest since 2012, driven in part by the continued increase in settlement amounts in the \$25 million to \$50 million range.
- Issuers that have been delisted from a major exchange and/or declared bankruptcy prior to settlement are generally associated with lower settlement amounts. The number of such issuers declined from 10% in 2022 to a new all-time low of 7% in 2023, contributing to the higher overall median settlement amount in 2023.³

Figure 3: Distribution of Settlements
2014–2023

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented. Percentages may not sum to 100% due to rounding.

Type of Claim

Rule 10b-5 Claims and “Simplified Tiered Damages”

“Simplified tiered damages” uses simplifying assumptions to estimate per-share damages and trading behavior for cases involving Rule 10b-5 claims. It provides a measure of potential shareholder losses that allows for consistency across a large volume of cases, thus enabling the identification and analysis of potential trends.⁴

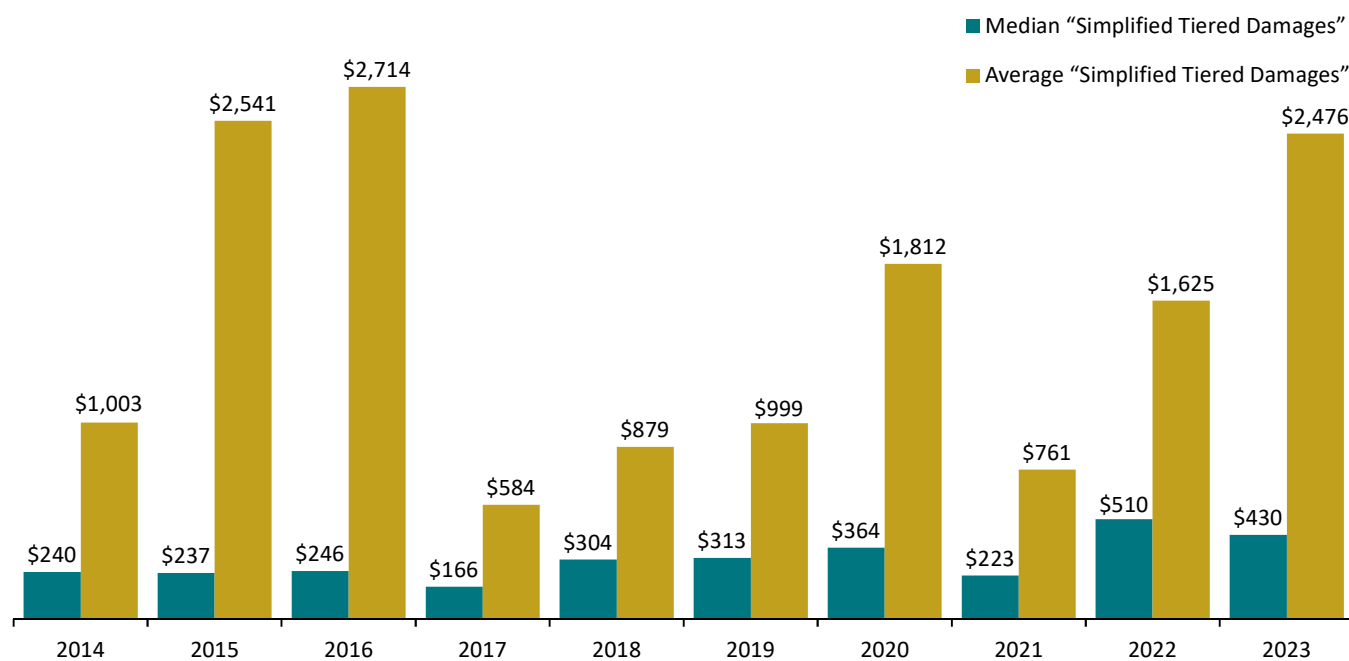
Cornerstone Research’s analysis finds this measure to be the most important factor in estimating settlement amounts.⁵ However, this measure is not intended to represent actual economic losses borne by shareholders. Determining any such losses for a given case requires more in-depth economic analysis.

Median “simplified tiered damages” remained at elevated levels in 2023.

- In 2023, the average “simplified tiered damages” was nearly six times as large as the median, the largest difference since 2016. This difference was primarily driven by seven cases with “simplified tiered damages” exceeding \$5 billion.
- Higher “simplified tiered damages” are typically associated with larger issuer defendants. Consistent with the elevated levels of “simplified tiered damages,” the median total assets of issuer defendants among settled cases in 2023 was \$3.1 billion—154% higher than the prior nine-year median and higher than any other post-Reform Act year.
- Higher “simplified tiered damages” are also generally associated with larger Maximum Dollar Loss (MDL).⁶ In 2023, the median MDL fell only slightly from the historical high in 2022. (See Appendix 7 for additional information on median and average MDL.)

Figure 4: Median and Average “Simplified Tiered Damages” in Rule 10b-5 Cases 2014–2023

(Dollars in millions)

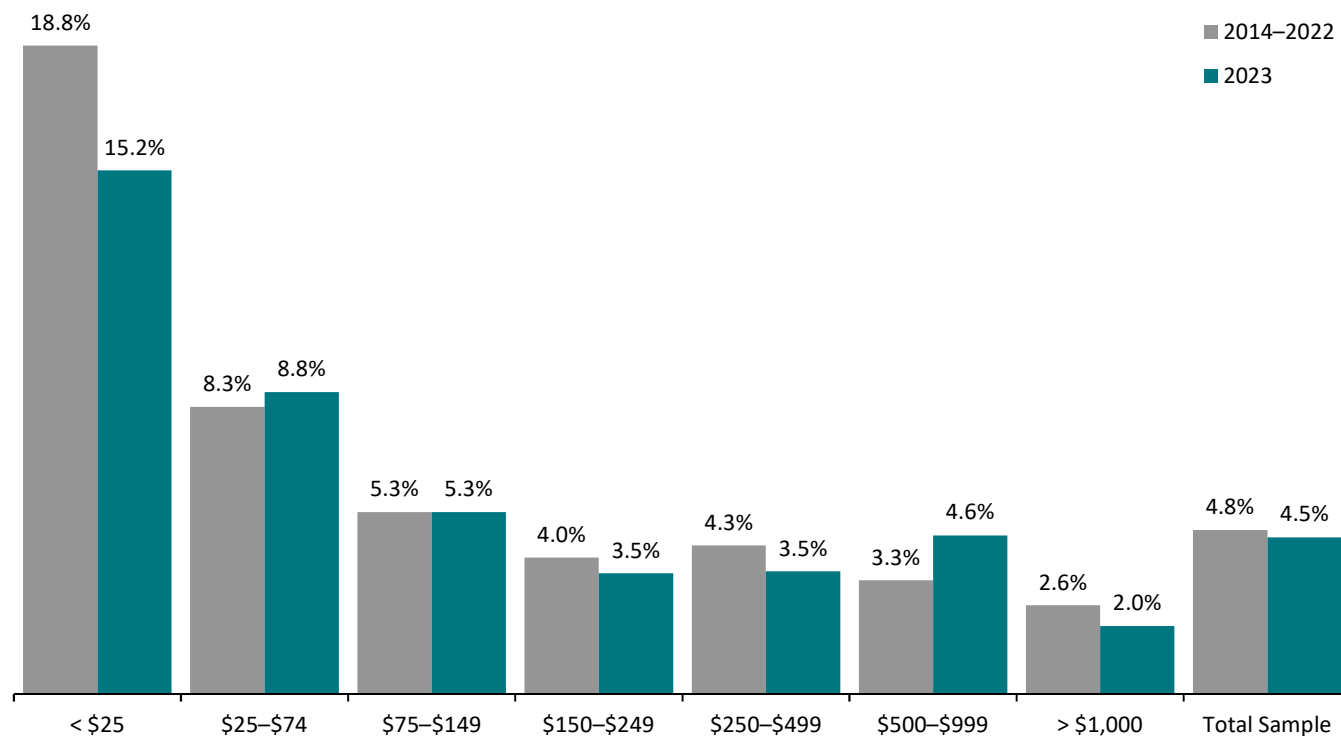


Note: “Simplified tiered damages” are adjusted for inflation based on class period end dates and are estimated for common stock only; 2023 dollar equivalent figures are presented. Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).

- Larger cases, as measured by “simplified tiered damages,” typically settle for a smaller percentage of damages.
- In 2023, the overall median settlement as a percentage of “simplified tiered damages” of 4.5% increased 27% from 2022, but was in-line with the prior nine-year average percentage. (See Appendix 5 for additional information on median and average settlement as a percentage of “simplified tiered damages.”)
- The median settlement as a percentage of “simplified tiered damages” of 4.6% for cases with “simplified tiered damages” from \$500 million to \$1 billion reached a five-year high in 2023.

Figure 5: Median Settlement as a Percentage of “Simplified Tiered Damages” by Damages Ranges in Rule 10b-5 Cases 2014–2023

(Dollars in millions)



Note: Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).

Plaintiff-Estimated Damages

In their motions for settlement approval, plaintiffs typically report an estimate of aggregate damages (“plaintiff-estimated damages”).⁷

As explained in Cornerstone Research’s *Approved Claims Rates in Securities Class Actions* (2020), “plaintiff-estimated damages” are often represented as plaintiffs’ “best-case scenario” or the “maximum potential recovery” calculated by plaintiffs. However, the authors highlight a “selection bias” present in these data due to potential plaintiff counsel incentives to report “the lower end of the range of estimated total aggregate damages” to be able “to demonstrate to the court a high settlement amount relative to potential recovery.” To the extent such incentives exist, their impact may vary across cases. Detailed information on plaintiffs’ methodology to determine the reported amount is not disclosed. Hence, it is not possible to determine from the settlement documents the degree to which the methodologies employed are consistent across cases.

With the significant caveats above, “plaintiff-estimated damages” represent an additional measure of potential shareholder losses that may be used alongside “simplified tiered damages” in conjunction with settlement analyses.

'33 Act Claims and "Simplified Statutory Damages"

For Securities Act of 1933 ('33 Act) claim cases—those involving only Section 11 and/or Section 12(a)(2) claims—potential shareholder losses are estimated using a model in which the statutory loss is the difference between the statutory purchase price and the statutory sales price, referred to here as "simplified statutory damages."⁸

- There were 10 settlements for cases with only '33 Act claims in 2023, with the majority of those cases filed in federal court (7) as opposed to state court (3).⁹
- In 2023, the percentage of cases with an underwriter defendant was 70%, down from the prior nine-year average of 88%.

- The median length of time from case filing to settlement hearing date for '33 Act claim cases was greater than four years—the longest observed duration in any post-Reform Act year for this type of case.

In 2023, the median settlement amount for cases with only '33 Act claims was \$13.5 million, an 85% increase from 2022.

Figure 6: Settlements by Nature of Claims
 2014–2023

(Dollars in millions)

	Number of Settlements	Median Settlement	Median "Simplified Statutory Damages"	Median Settlement as a Percentage of "Simplified Statutory Damages"
Section 11 and/or Section 12(a)(2) Only	84	\$9.9	\$158.1	7.5%

	Number of Settlements	Median Settlement	Median "Simplified Tiered Damages"	Median Settlement as a Percentage of "Simplified Tiered Damages"
Both Rule 10b-5 and Section 11 and/or Section 12(a)(2)	123	\$14.7	\$307.4	6.6%
Rule 10b-5 Only	596	\$10.3	\$291.7	4.5%

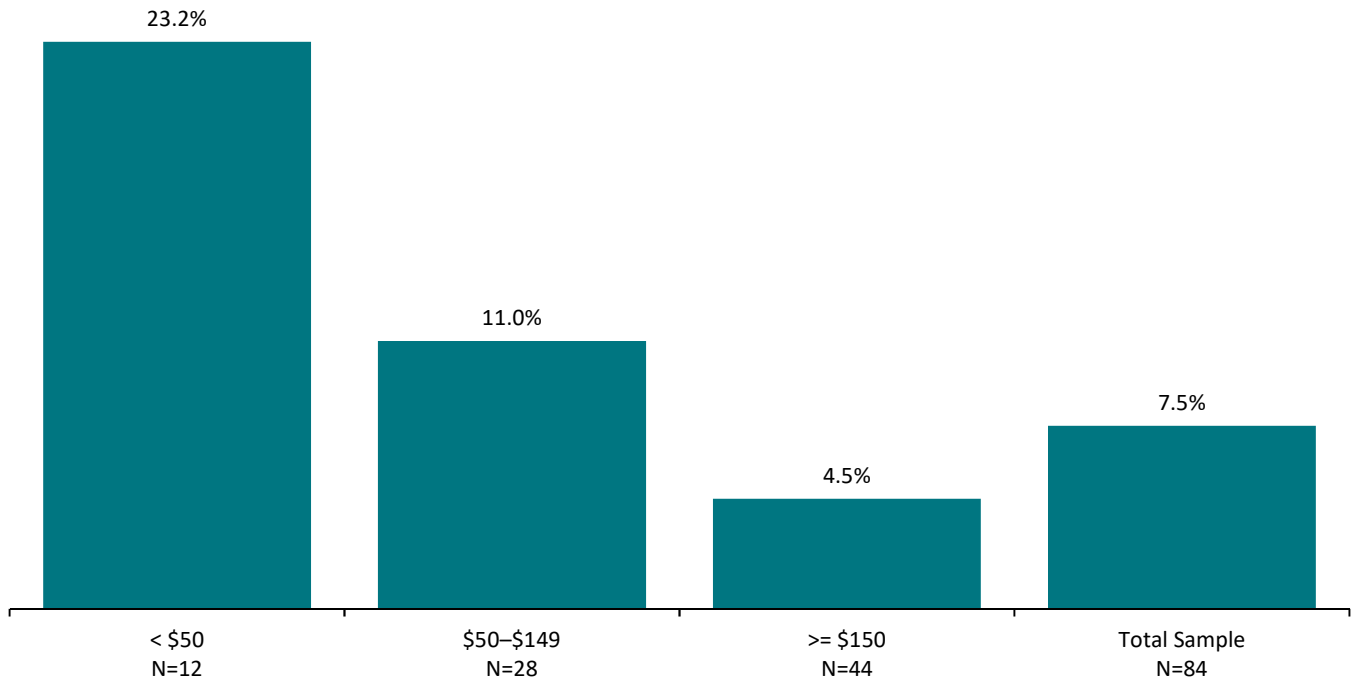
Note: Settlement dollars and damages are adjusted for inflation; 2023 dollar equivalent figures are presented.

- Over 2014–2023, the median size of issuer defendants (measured by total assets) was 40% smaller for cases with only '33 Act claims relative to those that also included Rule 10b-5 claims.
- The smaller size of issuer defendants in cases with only '33 Act claims is consistent with most of these cases involving initial public offerings (IPOs). From 2014 through 2023, 80% of all cases with only '33 Act claims have involved IPOs.
- In 2023, however, the median total assets for settled cases with only '33 Act claims (\$2.5 billion) was over four times as large as the median total assets for such cases in 2014–2022 (\$580 million).

The median “simplified statutory damages” in 2023 increased by 115% from the 2022 median and represents the third highest since 1996.

Figure 7: Median Settlement as a Percentage of “Simplified Statutory Damages” by Damages Ranges in '33 Act Claim Cases 2014–2023

(Dollars in millions)



Jurisdictions of Settlements of '33 Act Claim Cases

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
State Court	0	2	4	5	4	4	7	6	6	3
Federal Court	2	2	6	3	4	5	1	10	3	7

Note: “N” refers to the number of cases. This analysis excludes cases alleging Rule 10b-5 claims.

Analysis of Settlement Characteristics

GAAP Violations

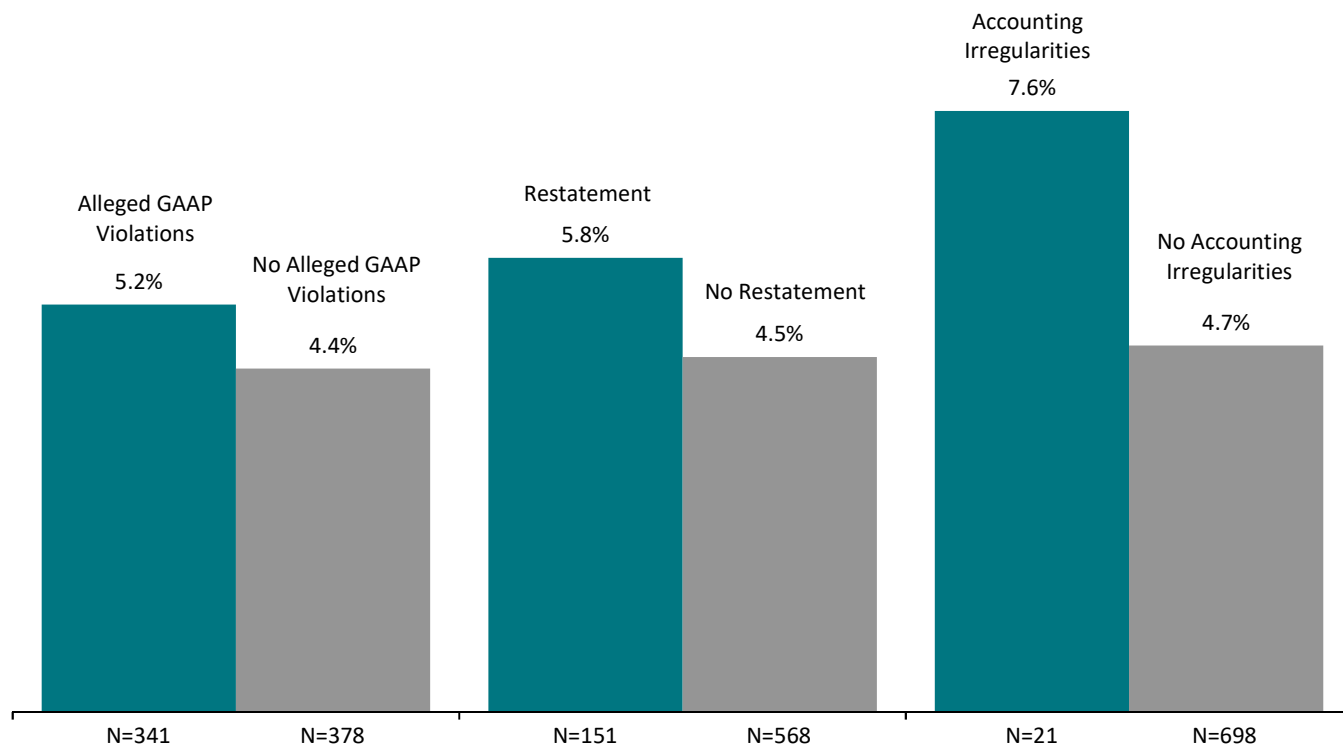
This analysis examines allegations of GAAP violations in settlements of securities class actions involving Rule 10b-5 claims, including two sub-categories of GAAP violations—financial statement restatements and accounting irregularities.¹⁰ For further details regarding settlements of accounting cases, see Cornerstone Research’s annual report on *Accounting Class Action Filings and Settlements*.¹¹

- The percentage of settled cases in 2023 alleging GAAP violations (37%) remained well below the prior nine-year average (49%).
- Contributing to the low number of GAAP cases settled in 2023 were continued low levels of cases involving financial statement restatements and accounting irregularities. In particular, 14% of settled cases in 2023 involved a restatement of financial statements, compared to 22% for the prior nine years. Only 1% of settled cases in 2023 involved accounting irregularities.

- Auditor codefendants were involved in only 2% of settled cases, consistent with the past few years but substantially lower than the average from 2014 to 2022.

In 2023, the median settlement as a percentage of “simplified tiered damages” for cases with alleged GAAP violations increased nearly 25% from 2022.

Figure 8: Median Settlement as a Percentage of “Simplified Tiered Damages” and Allegations of GAAP Violations 2014–2023



Note: “N” refers to the number of cases. This analysis is limited to cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

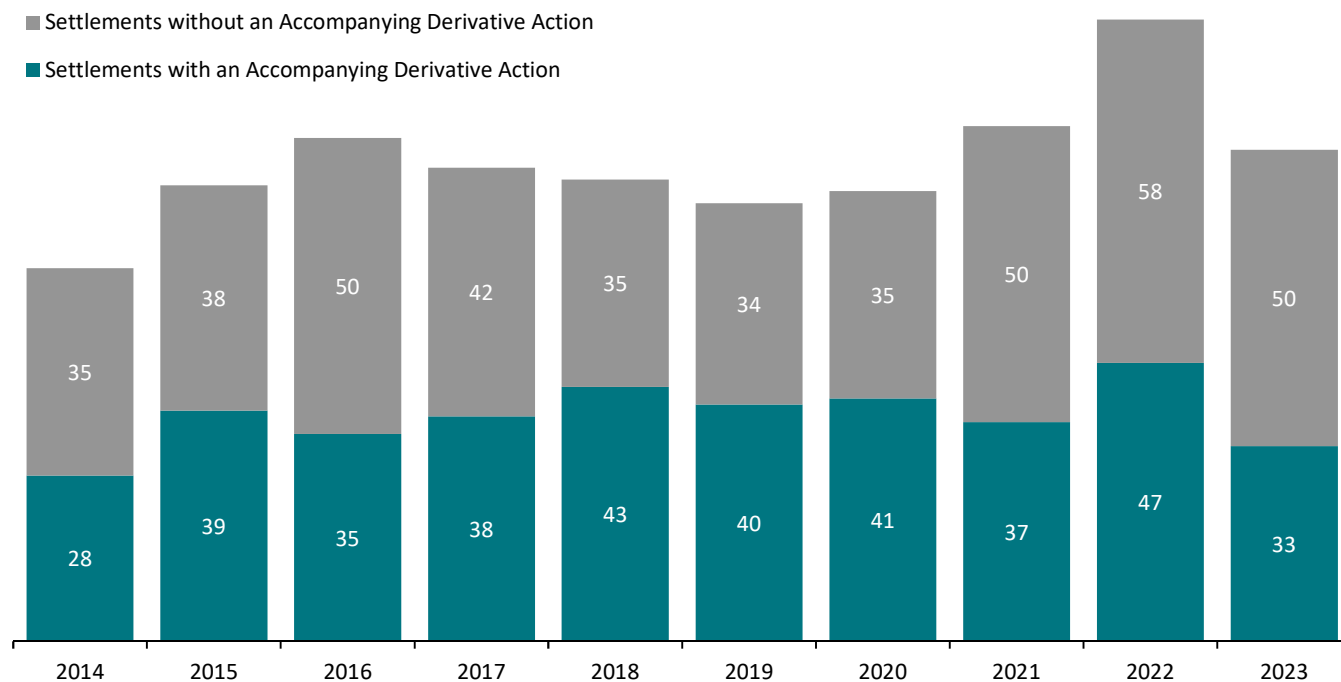
Derivative Actions

- Securities class actions often involve accompanying (or parallel) derivative actions with similar claims, and such cases have historically settled for higher amounts than securities class actions without accompanying derivative matters.¹²
- The percentage of cases involving accompanying derivative actions in 2023 (40%) was the lowest since 2011, in part driven by a reduction in the number of cases filed in Delaware (13) compared to the prior four-year average (17).
- For cases settled during 2019–2023, 40% of parallel derivative suits were filed in Delaware. California and New York were the next most common venues, representing 19% and 17% of such settlements, respectively.

In 2023, the median settlement amount for cases with an accompanying derivative action was \$21 million, over 40% higher than in 2022.

- It is commonly understood that most parallel derivative actions do not settle for monetary amounts (other than plaintiffs’ attorney fees). However, the likelihood of a monetary settlement among parallel derivative actions is higher when the securities class action settlement is large, as shown in Cornerstone Research’s *Parallel Derivative Action Settlement Outcomes*.¹³

Figure 9: Frequency of Derivative Actions
 2014–2023

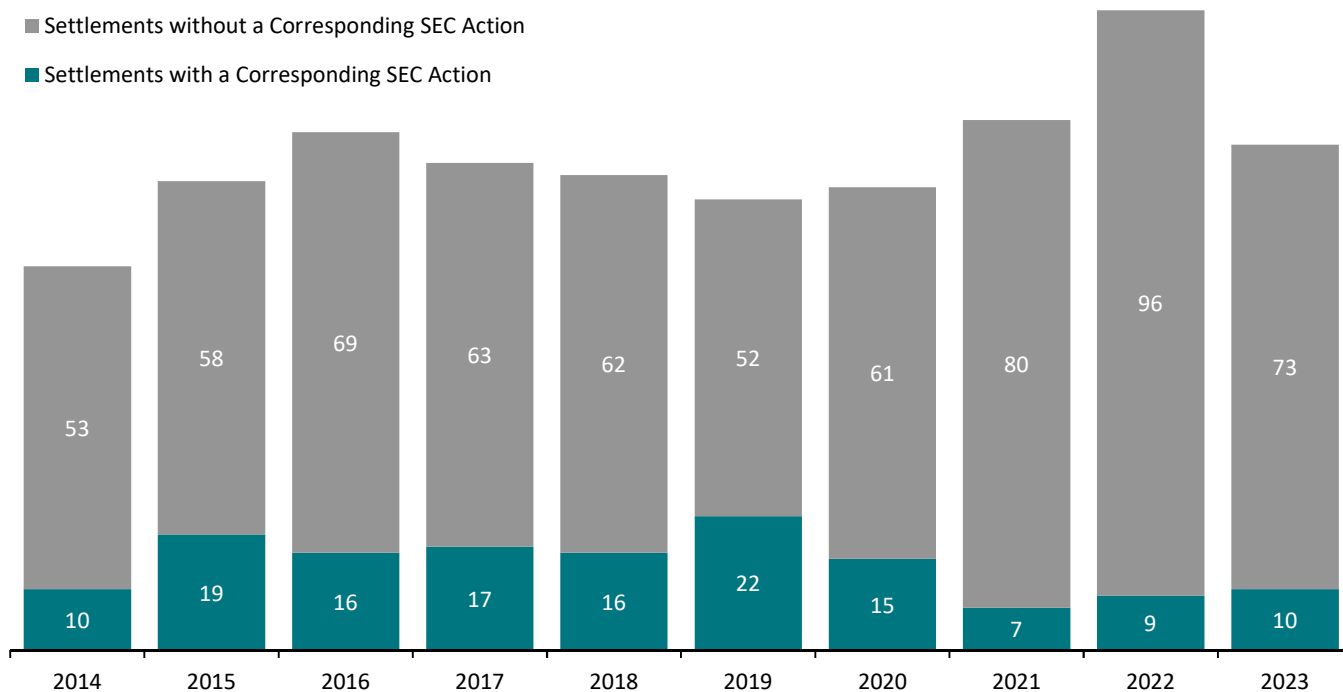


Corresponding SEC Actions

- The percentage of settled cases in 2023 involving a corresponding SEC action was 12%. This represents a slight rebound from 2021 and 2022, when this percentage was less than 10%, but is still well below the prior nine-year average of 19%.
- Historically, cases with a corresponding SEC action have typically been associated with substantially higher settlement amounts.¹⁴ However, this pattern did not hold in 2023 when, for the third time in the past 10 years, the median settlement amount for cases with a corresponding SEC action was less than that for cases without such an action.
- Among 2023 settled cases that involved a corresponding SEC action, 70% also had an institutional investor as a lead plaintiff, up from 33% in 2022.

Over the past 10 years, nearly 75% of settled cases involving SEC actions also involved a restatement of financial statements or alleged GAAP violations.

Figure 10: Frequency of SEC Actions
 2014–2023



Institutional Investors

As discussed in prior reports, increasing institutional investor participation as lead plaintiff in securities litigation was a focus of the Reform Act.¹⁵ Indeed, in years following passage of the Reform Act, institutional investor involvement as lead plaintiffs did increase, particularly in cases with higher “simplified tiered damages.”

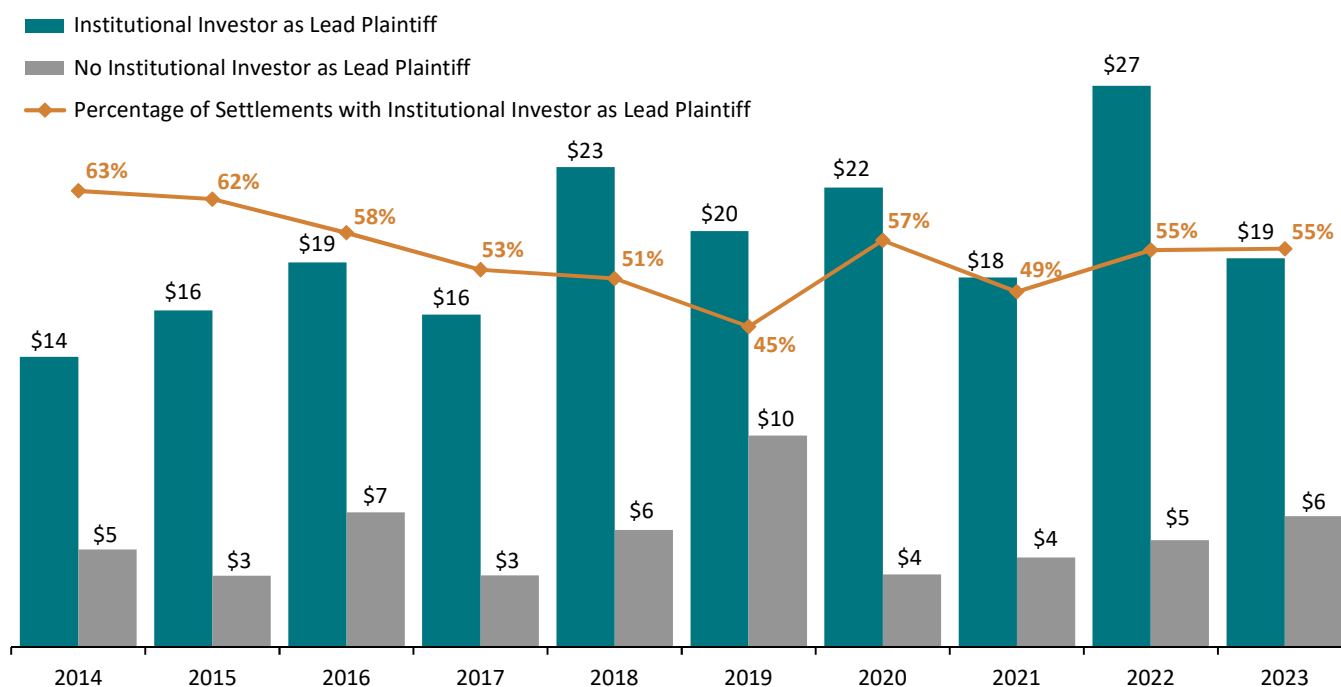
- In 2023, for cases involving an institutional investor as lead plaintiff, median “simplified tiered damages” and median total assets were two times and nine times higher, respectively, than the median values for cases without an institutional investor as a lead plaintiff.

- In 2023, a public pension plan served as lead plaintiff in nearly two-thirds of cases with an institutional lead plaintiff.
- Institutional investor participation as lead plaintiff continues to be associated with particular plaintiff counsel. For example, in 2023 an institutional investor served as a lead plaintiff in over 88% of settled cases in which Robbins Geller Rudman & Dowd LLP (“Robbins Geller”) and/or Bernstein Litowitz Berger & Grossmann LLP (“Bernstein Litowitz”) served as lead or co-lead plaintiff counsel. In contrast, institutional investors served as lead plaintiff in 21% of cases in which The Rosen Law Firm, Pomerantz LLP, or Glancy Prongay & Murray LLP served as lead or co-lead plaintiff counsel.

All nine mega settlements in 2023 included an institutional investor as lead plaintiff.

Figure 11: Median Settlement Amounts and Institutional Investors 2014–2023

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented.

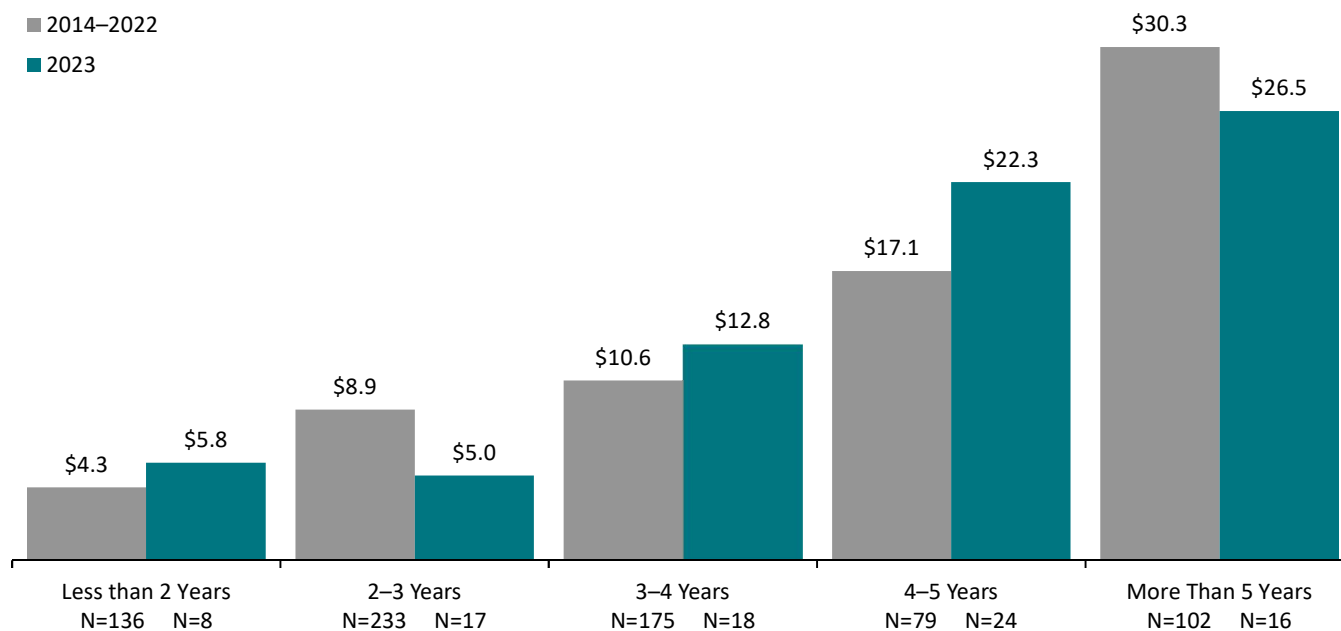
Time to Settlement and Case Complexity

- Overall, less than one-third of cases settled in 2023 settled within three years of filing.
- Cases involving an institutional lead plaintiff continued to take longer to settle. In particular, cases settled in 2023 with an institutional lead plaintiff had a median time to settle of over 4.2 years compared to 3.4 years for cases without an institutional lead plaintiff.
- In 2023, the median time to settle for cases with GAAP allegations was almost a year longer than the median for cases without GAAP allegations.
- Historically, cases with The Rosen Law Firm, Pomerantz LLP, or Glancy Prongay & Murray LLP as lead or co-lead plaintiff counsel settled within three years of case filing. However, cases settled in 2023 with these firms acting as plaintiff counsel collectively took 3.9 years to settlement, a level reached in only one other year (2009). These three law firms were lead or co-lead plaintiff counsel in approximately 30% of cases in 2023.
- The presence of Robbins Geller as lead or co-lead plaintiff counsel is associated with a longer duration between filing and settlement. Cases settled in 2023 with Robbins Geller acting as lead or co-lead plaintiff counsel (28% of settled cases) had a median time to settle of 4.1 years compared to 3.5 years for cases in which the law firm was not involved.¹⁶
- The number of docket entries can be viewed as a proxy for the time and effort expended by plaintiff counsel and/or case complexity. Median docket entries in 2023 (142) increased only slightly from 2022 (138).

The median time from filing to settlement hearing date in 2023 (3.7 years) was up nearly 17% from 2022.

Figure 12: Median Settlement by Duration from Filing Date to Settlement Hearing Date 2014–2023

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented. “N” refers to the number of cases.

Case Stage at the Time of Settlement

Using data obtained through collaboration with Stanford Securities Litigation Analytics (SSLA), this report analyzes settlements in relation to the stage in the litigation process at the time of settlement.

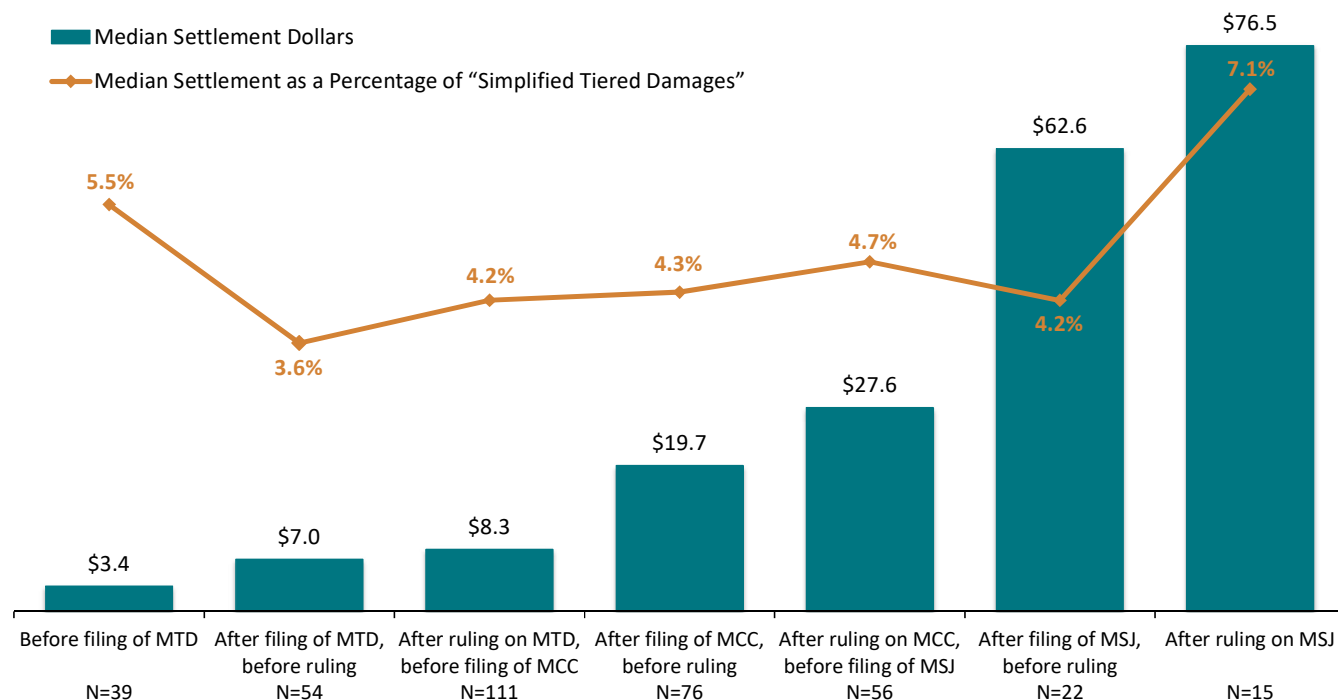
- Cases settling at later stages continue to be larger in terms of total assets and “simplified tiered damages.”
- For example, both median total assets and median “simplified tiered damages” for cases that settled in 2023 after the ruling on a motion for class certification were over two times the respective medians for cases that settled in 2023 prior to such a motion being ruled on.
- In the five-year period from 2019 through 2023, over 90% of cases settled prior to the filing of a motion for summary judgment.

- In 2023, cases settling at later stages continued to include an institutional lead plaintiff at a higher percentage. Specifically, 68% of cases that settled after the filing of a motion for class certification involved an institutional lead plaintiff compared to 41% of cases that settled prior to the filing of such a motion.

In 2023, the percentage of cases settling prior to the filing of a motion to dismiss continued to decline—from 14% of cases in 2019 to 7% of cases in 2023.

Figure 13: Median Settlement Dollars and Resolution Stage at Time of Settlement 2019–2023

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented. “N” refers to the number of cases. MTD refers to “motion to dismiss,” MCC refers to “motion for class certification,” and MSJ refers to “motion for summary judgment.” This analysis is limited to cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

Cornerstone Research's Settlement Analysis

This research applies regression analysis to examine the relations between settlement outcomes and certain securities case characteristics. Regression analysis is employed to better understand the factors that are important for estimating what cases might settle for, given the characteristics of a particular securities class action.

Determinants of Settlement Outcomes

Based on the research sample of cases that settled from January 2006 through December 2023, important determinants of settlement amounts include the following:

- “Simplified tiered damages”
- Maximum Dollar Loss (MDL)—the dollar-value change in the defendant issuer’s market capitalization from its class period peak to the first trading day without inflation
- The most recently reported total assets prior to the settlement hearing date for the defendant issuer
- Number of entries on the lead case docket
- Whether there were accounting allegations
- Whether there was an SEC action with allegations similar to those included in the underlying class action complaint, as evidenced by a litigation release or an administrative proceeding against the issuer, officers, directors, or other defendants
- Whether there were criminal charges against the issuer, officers, directors, or other defendants with allegations similar to those included in the underlying class action complaint
- Whether there was a derivative action with allegations similar to those included in the underlying class action complaint

- Whether, in addition to Rule 10b-5 claims, Section 11 claims were alleged and were still active prior to settlement
- Whether the issuer has been delisted from a major exchange and/or has declared bankruptcy (i.e., whether the issuer was “distressed”)
- Whether an institutional investor acted as lead plaintiff
- Whether securities other than common stock/ADR/ADS were included in the alleged class

Cornerstone Research analyses show that settlements were higher when “simplified tiered damages,” MDL, issuer defendant asset size, or the number of docket entries was larger, or when Section 11 claims were alleged in addition to Rule 10b-5 claims.

Settlements were also higher in cases involving accounting allegations, a corresponding SEC action, criminal charges, an accompanying derivative action, an institutional investor lead plaintiff, or securities in addition to common stock included in the alleged class.

Settlements were lower if the issuer was distressed.

More than 75% of the variation in settlement amounts can be explained by the factors discussed above.

Research Sample

- The database compiled for this report is limited to cases alleging Rule 10b-5, Section 11, and/or Section 12(a)(2) claims brought by purchasers of a corporation's common stock. The sample contains only cases alleging fraudulent inflation in the price of a corporation's common stock.
- Cases with alleged classes of only bondholders, preferred stockholders, etc., cases alleging fraudulent depression in price, and mergers and acquisitions cases are excluded. These criteria are imposed to ensure data availability and to provide a relatively homogeneous set of cases in terms of the nature of the allegations.
- The current sample includes nearly 2,200 securities class actions filed after passage of the Reform Act (1995) and settled from 1996 through 2023. These settlements are identified based on a review of case activity collected by Securities Class Action Services LLC (SCAS).¹⁷
- The designated settlement year, for purposes of this report, corresponds to the year in which the hearing to approve the settlement was held.¹⁸ Cases involving multiple settlements are reflected in the year of the most recent partial settlement, provided certain conditions are met.¹⁹

Data Sources

In addition to SCAS, data sources include Dow Jones Factiva, Bloomberg, the Center for Research in Security Prices (CRSP) at University of Chicago Booth School of Business, Standard & Poor's Compustat, Refinitiv Eikon, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, Stanford Securities Litigation Analytics (SSLA), Securities Class Action Clearinghouse (SCAC), and public press.

Endnotes

- ¹ Reported dollar figures and corresponding comparisons are adjusted for inflation; 2023 dollar equivalent figures are presented in this report.
- ² “Simplified tiered damages” are calculated for cases that settled in 2006 or later, following the U.S. Supreme Court’s 2005 landmark decision in *Dura Pharmaceuticals Inc. v. Broudo*, 544 U.S. 336. “Simplified tiered damages” is based on the stock-price declines associated with the alleged corrective disclosure dates that are described in the settlement plan of allocation.
- ³ Comparison to “all-time” refers to the inception of Cornerstone Research’s database of post–Reform Act settlements beginning in 1996.
- ⁴ The “simplified tiered damages” approach used for purposes of this settlement research does not examine the mix of information associated with the specific dates listed in the plan of allocation, but simply applies the stock price movements on those dates to an estimate of the “true value” of the stock during the alleged class period (or “value line”). This proxy for damages utilizes an estimate of the number of shares damaged based on reported trading volume and the number of shares outstanding. Specifically, reported trading volume is adjusted using volume reduction assumptions based on the exchange on which the issuer defendant’s common stock is listed. No adjustments are made to the underlying float for institutional holdings, insider trades, or short-selling activity during the alleged class period. Because of these and other simplifying assumptions, the damages measures used in settlement benchmarking may differ substantially from damages estimates developed in conjunction with case-specific economic analysis.
- ⁵ Laarni T. Bulan, Ellen M. Ryan, and Laura E. Simmons, *Estimating Damages in Settlement Outcome Modeling*, Cornerstone Research (2017).
- ⁶ MDL is the dollar-value change in the defendant issuer’s market capitalization from its class period peak to the first trading day without inflation.
- ⁷ Catherine J. Galley, Nicholas D. Yavorsky, Filipe Lacerda, and Chady Gemayel, *Approved Claims Rates in Securities Class Actions: Evidence from 2015–2018 Rule 10b-5 Settlements*, Cornerstone Research (2020). Data on “plaintiff-estimated damages” is made available to Cornerstone Research through collaboration with Stanford Securities Litigation Analytics (SSLA). SSLA tracks and collects data on private shareholder securities litigation and public enforcements brought by the SEC and the U.S. Department of Justice (DOJ). The SSLA dataset includes all traditional class actions, SEC actions, and DOJ criminal actions filed since 2000. Available on a subscription basis at <https://sla.law.stanford.edu/>.
- ⁸ The statutory purchase price is the lesser of the security offering price or the security purchase price. Prior to the first complaint filing date, the statutory sales price is the price at which the security was sold. After the first complaint filing date, the statutory sales price is the greater of the security sales price or the “value” of the security on the first complaint filing date. For purposes of “simplified statutory damages,” the “value” of the security on the first complaint filing date is assumed to be the security’s closing price on this date. Similar to “simplified tiered damages,” the estimation of “simplified statutory damages” makes no adjustments to the underlying float for institutional holdings, insider trades, or short-selling activity.
- ⁹ As noted in prior reports, the March 2018 U.S. Supreme Court decision in *Cyan Inc. v. Beaver County Employees Retirement Fund (Cyan)* held that ‘33 Act claim securities class actions could be brought in state court. While ‘33 Act claim cases had often been brought in state courts before *Cyan*, filing rates in state courts increased substantially following this ruling. This trend reversed, however, following the March 2020 Delaware Supreme Court decision in *Salzberg v. Sciabacucchi* upholding the validity of federal forum-selection provisions in corporate charters. See, for example, *Securities Class Action Filings—2021 Year in Review*, Cornerstone Research (2022).
- ¹⁰ The two sub-categories of accounting issues analyzed in Figure 8 of this report are (1) restatements—cases involving a restatement (or announcement of a restatement) of financial statements, and (2) accounting irregularities.
- ¹¹ *Accounting Class Action Filings and Settlements—2023 Review and Analysis*, Cornerstone Research, forthcoming in spring 2024.
- ¹² To be considered an accompanying (or parallel) derivative action, the derivative action must have underlying allegations that are similar or related to the underlying allegations of the securities class action and either be active or settling at the same time as the securities class action.
- ¹³ *Parallel Derivative Action Settlement Outcomes*, Cornerstone Research (2022).
- ¹⁴ As noted in prior reports, it could be that the merits in such cases are stronger, or simply that the presence of a corresponding SEC action provides plaintiffs with increased leverage when negotiating a settlement. For purposes of this research, an SEC action is evidenced by the presence of a litigation release or an administrative proceeding posted on www.sec.gov involving the issuer defendant or other named defendants with allegations similar to those in the underlying class action complaint.
- ¹⁵ See, for example, *Securities Class Action Settlements—2006 Review and Analysis*, Cornerstone Research (2007); Michael A. Perino, “Have Institutional Fiduciaries Improved Securities Class Actions? A Review of the Empirical Literature on the PSLRA’s Lead Plaintiff Provision,” St. John’s Legal Studies Research Paper No. 12-0021 (2013).
- ¹⁶ Although Robbins Geller is associated with a longer duration to settlement, its presence as lead or co-lead plaintiff counsel is not associated with significantly higher settlements as a percentage of “simplified tiered damages.”
- ¹⁷ Available on a subscription basis. For further details see <https://www.issgovernance.com/securities-class-action-services/>.
- ¹⁸ Movements of partial settlements between years can cause differences in amounts reported for prior years from those presented in earlier reports.
- ¹⁹ This categorization is based on the timing of the settlement hearing date. If a new partial settlement equals or exceeds 50% of the then-current settlement fund amount, the entirety of the settlement amount is re-categorized to reflect the settlement hearing date of the most recent partial settlement. If a subsequent partial settlement is less than 50% of the then-current total, the partial settlement is added to the total settlement amount and the settlement hearing date is left unchanged.

Appendices

Appendix 1: Settlement Percentiles

(Dollars in millions)

Year	Average	10th	25th	Median	75th	90th
2014	\$23.5	\$2.2	\$3.7	\$7.7	\$17.0	\$64.4
2015	\$50.6	\$1.7	\$2.8	\$8.4	\$20.9	\$120.9
2016	\$89.6	\$2.4	\$5.3	\$10.9	\$41.9	\$185.4
2017	\$22.9	\$1.9	\$3.2	\$6.5	\$19.0	\$44.0
2018	\$78.7	\$1.8	\$4.4	\$13.7	\$30.0	\$59.6
2019	\$33.6	\$1.7	\$6.7	\$13.1	\$23.8	\$59.6
2020	\$64.9	\$1.6	\$3.8	\$11.5	\$23.8	\$62.8
2021	\$23.1	\$1.9	\$3.5	\$9.3	\$20.1	\$65.9
2022	\$37.9	\$2.1	\$5.2	\$13.5	\$36.4	\$74.8
2023	\$47.3	\$3.0	\$5.0	\$15.0	\$33.3	\$101.0

Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented.

Appendix 2: Settlements by Select Industry Sectors

2014–2023

(Dollars in millions)

Industry	Number of Settlements	Median Settlement	Median “Simplified Tiered Damages”	Median Settlement as a Percentage of “Simplified Tiered Damages”
Financial	91	\$17.8	\$313.3	5.3%
Technology	106	\$9.4	\$318.2	4.3%
Pharmaceuticals	122	\$8.5	\$242.5	3.9%
Telecommunication	28	\$11.4	\$381.0	4.4%
Retail	51	\$15.2	\$350.4	4.6%
Healthcare	21	\$10.1	\$240.4	6.0%

Note: Settlement dollars and “simplified tiered damages” are adjusted for inflation; 2023 dollar equivalent figures are presented. “Simplified tiered damages” are calculated only for cases involving Rule 10b-5 claims (whether alone or in addition to other claims).

Appendix 3: Settlements by Federal Circuit Court 2014–2023

(Dollars in millions)

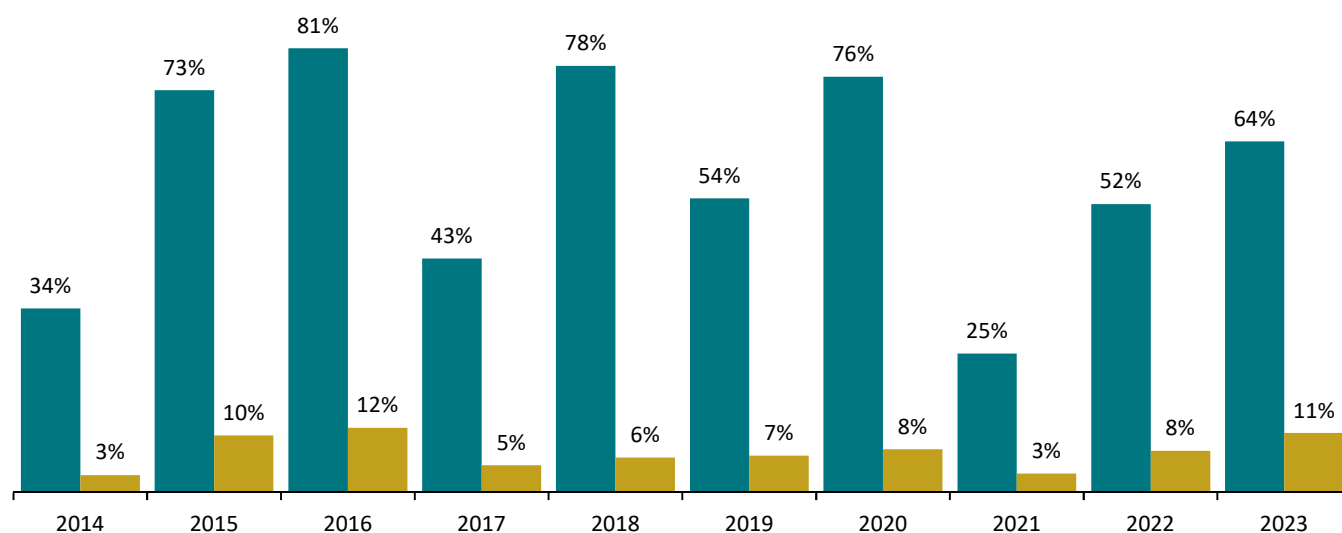
Circuit	Number of Settlements	Median Settlement	Median Settlement as a Percentage of “Simplified Tiered Damages”
First	20	\$14.1	2.8%
Second	212	\$8.9	4.9%
Third	85	\$7.3	4.9%
Fourth	23	\$24.5	3.9%
Fifth	38	\$11.7	4.7%
Sixth	35	\$15.8	6.7%
Seventh	40	\$18.0	3.7%
Eighth	14	\$48.3	4.6%
Ninth	190	\$9.0	4.4%
Tenth	19	\$12.4	5.3%
Eleventh	36	\$13.7	4.7%
DC	4	\$27.9	2.2%

Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented. Settlements as a percentage of “simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

Appendix 4: Mega Settlements 2014–2023

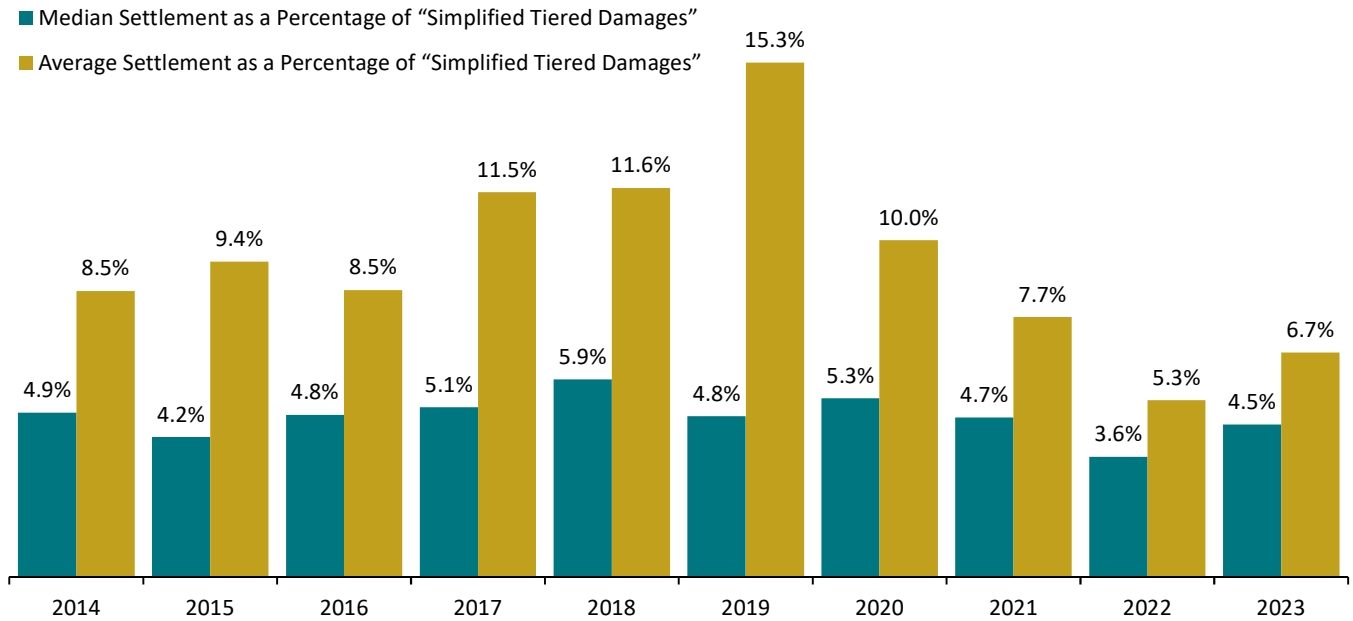
■ Total Mega Settlement Dollars as a Percentage of All Settlement Dollars

■ Number of Mega Settlements as a Percentage of All Settlements



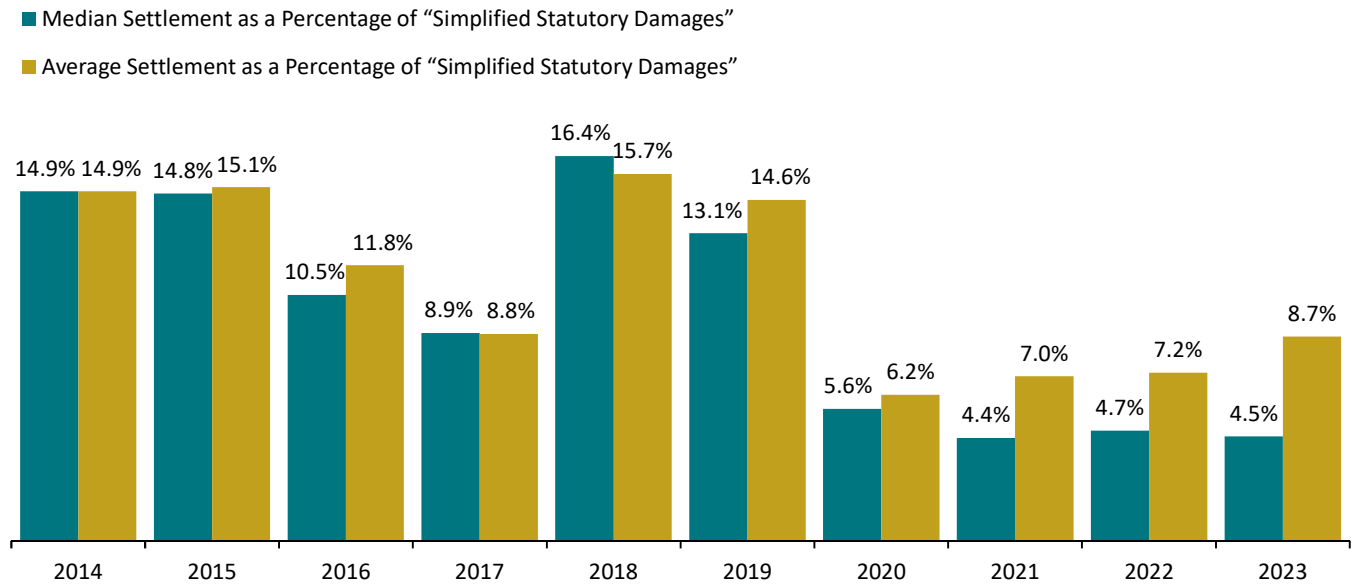
Note: Mega settlements are defined as total settlement funds equal to or greater than \$100 million.

**Appendix 5: Median and Average Settlements as a Percentage of “Simplified Tiered Damages”
2014–2023**



Note: “Simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

**Appendix 6: Median and Average Settlements as a Percentage of “Simplified Statutory Damages”
2014–2023**

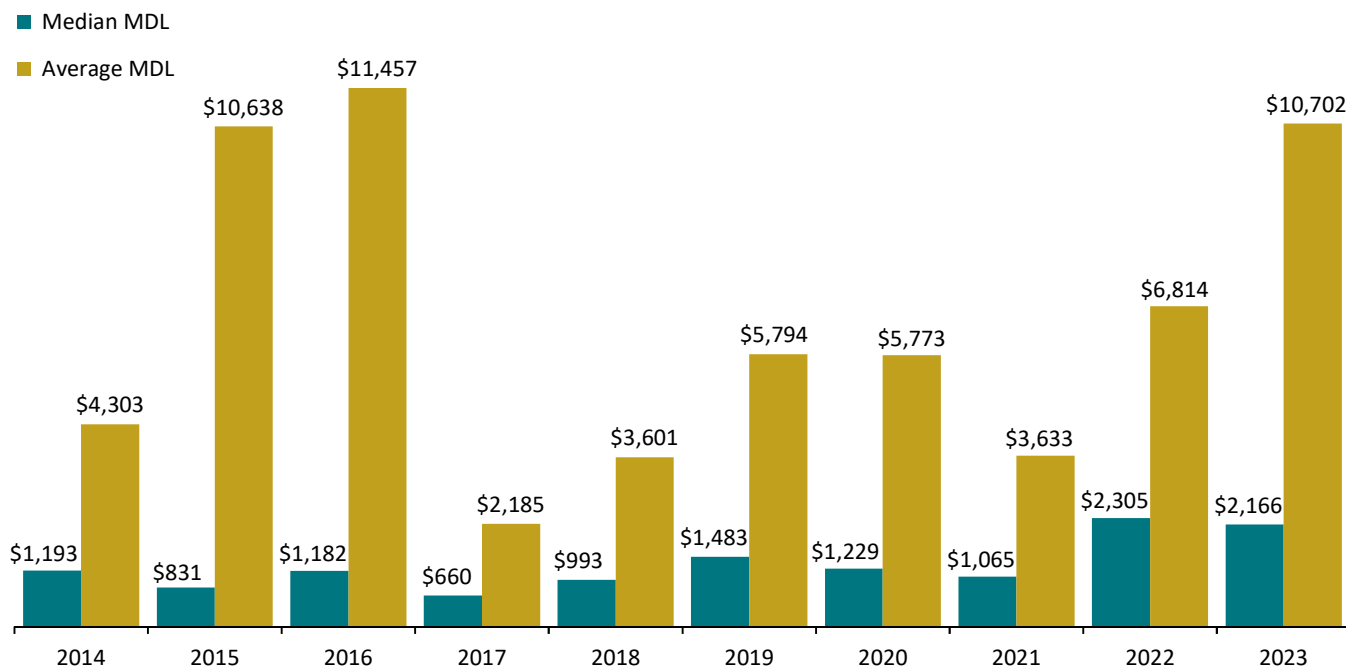


Note: “Simplified statutory damages” are calculated only for cases alleging Section 11 (’33 Act) claims and no Rule 10b-5 claims.

Appendix 7: Median and Average Maximum Dollar Loss (MDL)

2014–2023

(Dollars in millions)

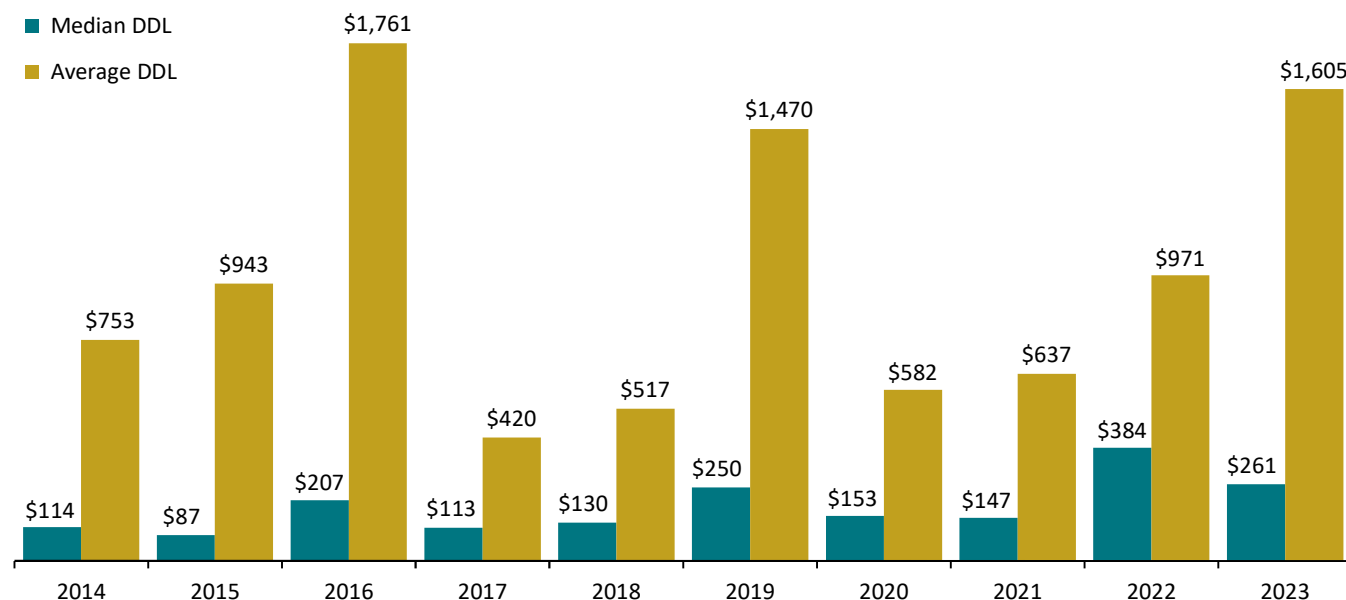


Note: MDL is adjusted for inflation based on class period end dates; 2023 dollar equivalents are presented. MDL is the dollar-value change in the defendant issuer’s market capitalization from its class period peak to the first trading day without inflation. This analysis excludes cases alleging ‘33 Act claims only.

Appendix 8: Median and Average Disclosure Dollar Loss (DDL)

2014–2023

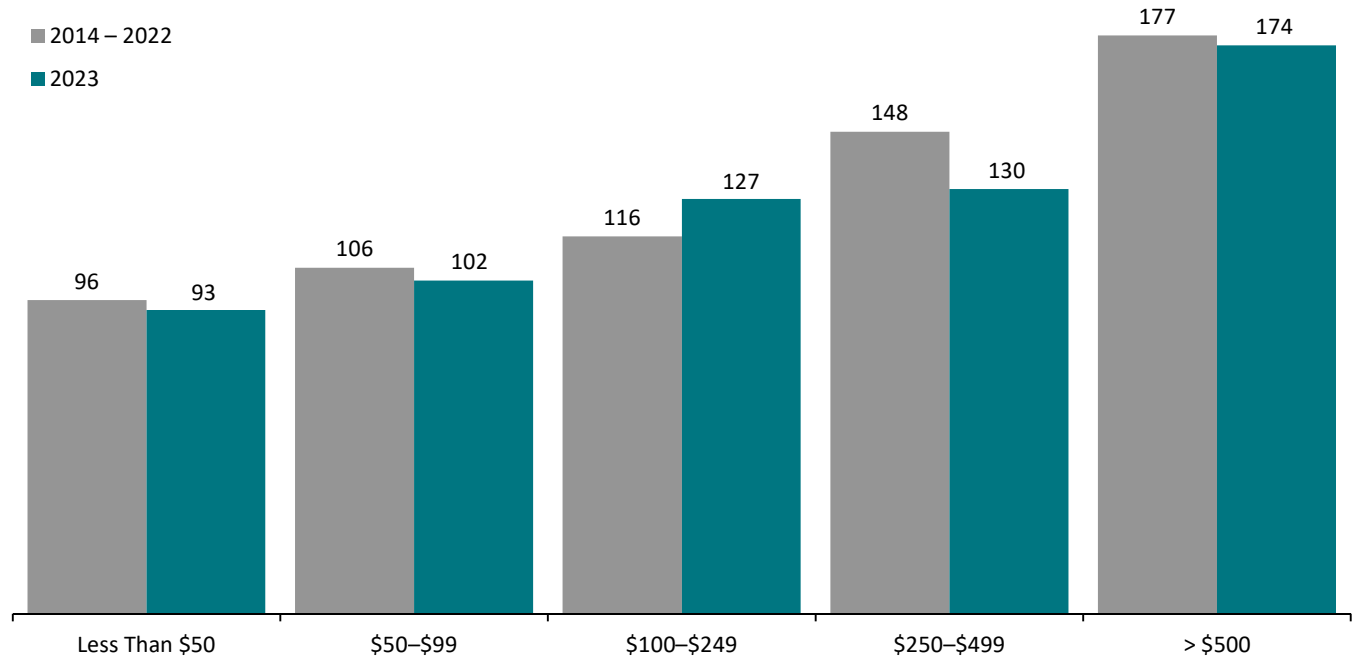
(Dollars in millions)



Note: DDL is adjusted for inflation based on class period end dates; 2023 dollar equivalents are presented. DDL is the dollar-value change in the defendant firm’s market capitalization between the end of the class period to the first trading day without inflation. This analysis excludes cases alleging ‘33 Act claims only.

Appendix 9: Median Docket Entries by “Simplified Tiered Damages” Range
2014–2023

(Dollars in millions)



Note: “Simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

About the Authors

Laarni T. Bulan

Ph.D., Columbia University; M.Phil., Columbia University; B.S., University of the Philippines

Laarni Bulan is a principal in Cornerstone Research's Boston office, where she specializes in finance. Her work has focused on securities and other complex litigation addressing class certification, damages, and loss causation issues; mergers and acquisitions (M&A) and firm valuation; and corporate governance, executive compensation, and risk management issues. She has also consulted on cases related to insider trading, market manipulation and trading behavior, financial institutions and the credit crisis, derivatives, foreign exchange, and securities clearing and settlement.

Dr. Bulan has published notable academic articles in peer-reviewed journals. Her research covers topics in dividend policy, capital structure, executive compensation, corporate governance, and real options. Prior to joining Cornerstone Research, Dr. Bulan had a joint appointment at Brandeis University as an assistant professor of finance in its International Business School and in the economics department.

Laura E. Simmons

Ph.D., University of North Carolina at Chapel Hill; M.B.A., University of Houston; B.B.A., University of Texas at Austin

Laura Simmons is a senior advisor with Cornerstone Research. She has more than 25 years of experience in economic consulting. Dr. Simmons has focused on damages and liability issues in securities class actions, as well as litigation involving the Employee Retirement Income Security Act (ERISA). She has also managed cases involving financial accounting, valuation, and corporate governance issues. She has served as a testifying expert in litigation involving accounting analyses, securities case damages, ERISA matters, and research on securities lawsuits.

Dr. Simmons's research on pre- and post-Reform Act securities litigation settlements has been published in a number of reports and is frequently cited in the public press and legal journals. She has spoken at various conferences and appeared as a guest on CNBC addressing the topic of securities case settlements. She has also published in academic journals, including research focusing on the intersection of accounting and litigation. Dr. Simmons was previously an accounting faculty member at the Mason School of Business at the College of William & Mary. From 1986 to 1991, she was an accountant with Price Waterhouse.

The authors gratefully acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research in the writing and preparation of this annual update. The views expressed herein do not necessarily represent the views of Cornerstone Research.

The authors request that you reference Cornerstone Research in any reprint of the information or figures included in this report.

Please direct any questions and requests for additional information to the settlement database administrator at settlementdatabase@cornerstone.com.

Cornerstone Research

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EXHIBIT 5

EXHIBIT 5**N.D. CAL. PROCEDURAL GUIDANCE FOR CLASS ACTION SETTLEMENTS
COMPLIANCE CHECKLIST¹***In re QuantumScope Securities Class Action Litigation*, Case No. 3:21-cv-00058-WHO (N.D. Cal.)**Definitions:**

“Stip.” refers to the Stipulation of Settlement dated June 11, 2024;

“Prelim. Appr. Order” refers to the proposed form of Preliminary Approval Order, at Ex. A to the Stipulation;

“Notice” refers to the proposed form of Notice, at Ex. A-1 to the Stipulation;

“Brief” refers to Plaintiffs’ Brief in Support of Motion for Preliminary Approval;

“Decl.” refers to the Declaration of Nicholas I. Porritt, dated June 11, 2024;

“Walter Decl.” refers to the Declaration of Adam Walter dated June 11, 2024.

N.D. Cal. Procedural Guidance for Class Action Settlements Items to Address at Preliminary Approval	Notes/Explanations/References
1. INFORMATION ABOUT THE SETTLEMENT	
(a) Any differences between the settlement class and the class proposed in the operative complaint (or, if a class has been certified, the certified class) and an explanation as to why the differences are appropriate.	There are no differences between the settlement class and the class proposed in the operative complaint.
(b) Any differences between the claims to be released and the claims in the operative complaint (or, if a class has been certified, the claims certified for class treatment) and an explanation as to why the differences are appropriate.	The claims to be released are the same as the claims in the operative complaint.
(c) The class recovery under the settlement (including details about and the value of injunctive relief), the potential class recovery if plaintiffs had fully	Nature of settlement recovery discussed in Brief at pp. 10-17. <i>See</i> Decl. at ¶¶ 31-42; Notice at pp. 8-9.

¹ See Northern District of California’s Procedural Guidance for Class Action Settlements at <https://www.cand.uscourts.gov/forms/procedural-guidance-for-class-action-settlements/>

N.D. Cal. Procedural Guidance for Class Action Settlements Items to Address at Preliminary Approval	Notes/Explanations/References
prevailed on each of their claims, claim by claim, and a justification of the discount applied to the claims.	
(d) Any other cases that will be affected by the settlement, an explanation of what claims will be released in those cases if the settlement is approved, the class definitions in those cases, their procedural posture, whether plaintiffs' counsel in those cases participated in the settlement negotiations, a brief history of plaintiffs' counsel's discussions with counsel for plaintiffs in those other cases before and during the settlement negotiations, an explanation of the level of coordination between the two groups of plaintiffs' counsel, and an explanation of the significance of those factors on settlement approval. If there are no such cases, counsel should so state.	There are no other cases that will be affected by the settlement.
(e) The proposed allocation plan for the settlement fund.	Decl. at ¶¶60-61; Brief at pp. 18-19; Notice at pp. 13-21.
(f) If there is a claim form, an estimate of the expected claim rate in light of the experience of the selected claims administrator and/or counsel based on comparable settlements, the identity of the examples used for the estimate, and the reason for the selection of those examples.	Walter Decl. at ¶¶11-12, Ex. B; <i>see</i> Decl. at ¶67.
(g) In light of Ninth Circuit case law disfavoring reversions, whether and under what circumstances money originally designated for class recovery will revert to any defendant, the expected and potential amount of any such reversion, and an explanation as to why a reversion is appropriate.	There is no reversion contemplated by the Settlement. <i>See</i> Stip. at ¶ 2.3 (Settlement is non-recapture, <i>i.e.</i> it is not a claims-made settlement).
2. SETTLEMENT ADMINISTRATION	
<ul style="list-style-type: none"> Identify proposed settlement administrator. 	A.B. Data

N.D. Cal. Procedural Guidance for Class Action Settlements Items to Address at Preliminary Approval	Notes/Explanations/References
<ul style="list-style-type: none"> Identify the settlement administrator selection process. 	Competitive bidding among three qualified firms. Decl. ¶64
<ul style="list-style-type: none"> Identify how many settlement administrators submitted proposals. 	Three submissions Decl. ¶ 64
<ul style="list-style-type: none"> Identify what methods of notice and claims payment were proposed. 	Individual, publication & internet Notice, and payment by check; <i>see</i> Walter Decl. ¶¶4-13.
<ul style="list-style-type: none"> Identify lead counsel's firm's history of engagements with the settlement administrator over the last two years. 	Decl. ¶65; Walter Decl. ¶2
<ul style="list-style-type: none"> Address the settlement administrator's procedures for securely handling class member data (including technical, administrative, and physical controls; retention; destruction; audits; crisis response; etc.). 	Walter Decl. ¶15. Ex. A at pp. 7-8.
<ul style="list-style-type: none"> Address the settlement administrator's acceptance of responsibility and maintenance of insurance in case of errors. 	Walter Decl. ¶15.
<ul style="list-style-type: none"> Address the settlement administrator's anticipated administrative costs. 	Walter Decl. ¶13.
<ul style="list-style-type: none"> Address the reasonableness of the settlement administrator's costs in relation to the value of the settlement. 	Decl. ¶64; Walter Decl. ¶13.
<ul style="list-style-type: none"> Address who will pay the settlement administrator's costs. 	Stip. at ¶4.2; Decl. ¶64; Walter Decl. ¶14.
3. NOTICE	
<ul style="list-style-type: none"> The parties should ensure that the class notice is easily understandable, in light of the class members' communication patterns, education levels, and language needs. 	<i>See</i> Notice (providing summary of contents and providing information regarding the Settlement in Q&A format)
<ul style="list-style-type: none"> The notice should include contact information for class counsel to answer questions. 	Notice at p. 25
<ul style="list-style-type: none"> The notice should include the address for a website, maintained by the claims administrator or class counsel, that lists key deadlines and has links to the notice, claim form (if any), preliminary approval order, motions for preliminary and final approval and 	Notice at pp. 3, 12, 13, 24

N.D. Cal. Procedural Guidance for Class Action Settlements Items to Address at Preliminary Approval	Notes/Explanations/References
for attorneys' fees, and any other important documents in the case.	
<ul style="list-style-type: none"> The notice should include instructions on how to access the case docket via PACER or in person at any of the court's locations. 	Notice at pp. 23, 24
<ul style="list-style-type: none"> The notice should state the date and time of the final approval hearing and clearly state that the date may change without further notice to the class. Class members should be advised to check the settlement website or the Court's PACER site to confirm that the date has not been changed. 	Notice at pp. 23, 24
<ul style="list-style-type: none"> Explanation of how the Notice distribution plan is effective. 	Walter Decl. at ¶¶4-10
<ul style="list-style-type: none"> Class counsel should consider the following ways to increase notice to class members: identification of potential class members through third-party data sources; use of text messages and social media to provide notice to class members; hiring a marketing specialist; providing a settlement website that estimates claim amounts for each specific class member and updating the website periodically to provide accurate claim amounts based on the number of participating class members; and distributions to class members via direct deposit. 	Class members to be identified through stock transfer records and distribution of notice to Claims Administrator's existing database of broker-dealers (<i>see</i> Stipulation at ¶ 4.3; <i>see</i> Walter Decl. at ¶¶4-10)
<ul style="list-style-type: none"> The notice distribution plan should rely on U.S. mail, email, and/or social media as appropriate to achieve the best notice that is practicable under the circumstances, consistent with Federal Rule of Civil Procedure 23(c)(2). If U.S. mail is part of the notice distribution plan, the notice envelope should be designed to enhance the chance that it will be opened. 	<i>See</i> Walter Decl. at ¶¶4-10

<p style="text-align: center;">N.D. Cal. Procedural Guidance for Class Action Settlements Items to Address at Preliminary Approval</p>	<p style="text-align: center;">Notes/Explanations/References</p>
<p>• Inclusion of suggested language for class notice:</p> <p style="padding-left: 40px;">This notice summarizes the proposed settlement. For the precise terms of the settlement, please see the settlement agreement available at www._____.com, by contacting class counsel at _____, 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, [insert appropriate Court location here], between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.</p> <p style="text-align: center;">PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK’S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.</p>	<p><i>See</i> Notice at pp. 24-25 (providing similar language)</p>
<p>4. OPT-OUTS</p>	
<p>• The notice should instruct class members who wish to opt out of the settlement to send a letter, setting forth their name and information needed to be properly identified and to opt out of the settlement, to the settlement administrator and/or the person or entity designated to receive opt outs. It should require only the information needed to opt out of the settlement and no extraneous information or hurdles. The notice should clearly advise class members of the deadline, methods to opt out, and the consequences of opting out.</p>	<p>Notice at p. 22</p>
<p>5. OBJECTIONS</p>	
<p>• Objections must comply with Federal Rule of Civil Procedure 23(e)(5).</p>	<p><i>See</i> Notice at pp. 22-24 (“plain English” equivalent)</p>

<p style="text-align: center;">N.D. Cal. Procedural Guidance for Class Action Settlements Items to Address at Preliminary Approval</p>	<p style="text-align: center;">Notes/Explanations/References</p>
<ul style="list-style-type: none"> The notice should instruct class members who wish to object to the settlement to send their written objections only to the court. All objections will be scanned into the electronic case docket, and the parties will receive electronic notices of filings. The notice should make clear that the court can only approve or deny the settlement and cannot change the terms of the settlement. The notice should clearly advise class members of the deadline for submission of any objections. 	<p><i>See Notice at pp. 22-24 (except that, as is customary in securities cases, Notice instructs objectors to also provide copies of objections to Lead Counsel so that timely responses can be prepared).</i></p>
<ul style="list-style-type: none"> Inclusion of suggested language for class notice: <p style="margin-left: 40px;">“You can ask the Court to deny approval by filing an objection. You can’t ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out, and the lawsuit will continue. If that is what you want to happen, you should object.</p> <p style="margin-left: 40px;">Any objection to the proposed settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number (_____ v. _____, Case No. _____), (b) be submitted to the Court either by filing them electronically or in person at any location of the United States District Court for the Northern District of California or by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, [insert appropriate Court location here], and (c) be filed or postmarked on or before _____.”</p> 	<p><i>See Notice at pp. 22-24 (substantially equivalent language).</i></p>

N.D. Cal. Procedural Guidance for Class Action Settlements Items to Address at Preliminary Approval	Notes/Explanations/References
6. ATTORNEYS' FEES	
<ul style="list-style-type: none"> • Include information about the fees and costs (including expert fees) class counsel intend to request. 	Brief at pp. 15-17; Decl. at ¶¶45, 53, 69; Notice at pp. 3, 21; Stip. at ¶¶ 1.4, 2.2, 6.2.
<ul style="list-style-type: none"> • Include information about class counsel's lodestar calculation (including total hours). 	Brief at pp. 15-17; Decl. at ¶¶68-69
<ul style="list-style-type: none"> • Include information about class counsel's resulting multiplier in the motion for preliminary approval. 	Brief at pp. 15-17; Decl. at ¶¶68-69
<ul style="list-style-type: none"> • In a common fund case, the parties should include information about the relationship between the amount of the common fund, the requested fee, and the lodestar. 	Brief at pp. 15-17; Decl. at ¶¶68-69
<ul style="list-style-type: none"> • To the extent counsel base their fee request on having obtained injunctive relief and/or other non-monetary relief for the class, counsel should discuss the benefit conferred on the class. 	<i>Not applicable</i>
7. SERVICE AWARDS	
<ul style="list-style-type: none"> • Parties should include information about the service awards they intend to request as well as a summary of the evidence supporting the awards in the motion for preliminary approval. 	Brief at p. 17; Stip. at ¶¶1.6, 2.2; Notice at pp. 3, 22; Decl. at ¶53
<ul style="list-style-type: none"> • In general, unused funds allocated to incentive awards should be distributed to the class pro rata or awarded to cy pres recipients. 	Stip. at ¶4.15
8. CY PRES AWARDEES	
<ul style="list-style-type: none"> • If the settlement contemplates a cy pres award, the parties should identify their chosen cy pres recipients, if any, and how those recipients are related to the subject matter of the lawsuit and the class members' claims. 	To be approved by Court if further redistributions to class members are no longer practicable; <i>see</i> Stip. at ¶ 4.15

N.D. Cal. Procedural Guidance for Class Action Settlements Items to Address at Preliminary Approval	Notes/Explanations/References
<ul style="list-style-type: none"> The parties should also identify any relationship they or their counsel have with the proposed cy pres recipients. 	<i>Not applicable</i>
<ul style="list-style-type: none"> In general, unused funds allocated to attorneys' fees, service awards, settlement administration costs, and class member payments should be distributed to the class pro rata if feasible, or else awarded to cy pres recipients or to the relevant government authorities. 	<i>See Stip. at ¶ 4.15</i>
9. TIMELINE	
<ul style="list-style-type: none"> The parties should ensure that class members have at least thirty-five days to opt out or object to the settlement and the motion for attorney's fees and costs. 	Brief at pp. 24-25
10. CLASS ACTION FAIRNESS ACT (CAFA) AND SIMILAR REQUIREMENTS	
<ul style="list-style-type: none"> The parties should address whether CAFA notice is required and, if so, when it will be given. 	<i>See Stip. at ¶4.3</i>
<ul style="list-style-type: none"> In addition the parties should address substantive compliance with CAFA. 	<i>See Stip. at ¶ 4.3</i>
<ul style="list-style-type: none"> In addition, the parties should address whether any other required notices to government entities or others have been provided, such as notice to the Labor & Workforce Development Agency (LWDA) pursuant to the Private Attorneys General Act (PAGA). 	<i>Not Applicable</i>
11. COMPARABLE OUTCOMES	
Lead class counsel should provide information about comparable cases, including settlements and litigation outcomes.	<i>See Brief at p. 11; Decl. at ¶ 54</i>
Lead class counsel should provide the following information for as many as feasible (and at least one) comparable class settlements (i.e., settlements involving the same or similar claims, parties, issues):	
<ul style="list-style-type: none"> The claims being released, the total settlement fund, the total number of class members, the total number 	<i>See Decl. at ¶ 67</i>

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<p align="center">N.D. Cal. Procedural Guidance for Class Action Settlements Items to Address at Preliminary Approval</p>	<p align="center">Notes/Explanations/References</p>
<p>of class members to whom notice was sent, the method(s) of notice, the number and percentage of claim forms submitted, the average recovery per class member or claimant, the amounts distributed to cy pres recipients, the administrative costs, the attorneys’ fees and costs, the total exposure if the plaintiffs had prevailed on every claim.</p>	
<ul style="list-style-type: none"> Where class members are entitled to non-monetary relief, such as discount coupons or debit cards or similar instruments, the number of class members availing themselves of such relief and the aggregate value redeemed by the class members and/or by any assignees or transferees of the class members’ interests. 	<p align="center"><i>Not Applicable</i></p>
<ul style="list-style-type: none"> Where injunctive and/or other non-monetary relief has been obtained, discuss the benefit conferred on the class. 	<p align="center"><i>Not Applicable</i></p>

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

In re QuantumScape Securities Litigation

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

**DECLARATION OF ADAM D. WALTER IN
SUPPORT OF PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF PROPOSED
CLASS ACTION SETTLEMENT**

1 I, Adam D. Walter, declare and state as follows:

2 1. I am a Director of A.B. Data, Ltd. (“A.B. Data”), a nationally recognized class action
3 administration firm. At the request of Plaintiffs’ Counsel, I am submitting this declaration to provide
4 the Court with information about the proposed procedures and methods to be used to provide notice
5 of the Settlement to the Class as well as the administration of the claims process in the above-
6 captioned action (“Action”). The following statements are based on my personal knowledge and
7 information provided by other A.B. Data employees working under my supervision, and if called on
8 to do so, I could and would testify competently thereto.¹

9 2. A.B. Data has successfully implemented notification and claims administration
10 programs in hundreds of class actions. Members of our team have administered many of the most
11 noteworthy securities class action settlements in recent years, including *In re AIG Securities*
12 *Litigation*, No. 04 Civ. 8141 (S.D.N.Y.); *In re Countrywide Financial Corp. Securities Litigation*,
13 No. 07 Civ. 05295 (C.D. Cal.); *In re Fannie Mae 2008 Securities Litigation*, No. 08 Civ. 7831
14 (S.D.N.Y.); *In re General Electric Co. Securities Litigation*, No. 09 Civ. 1951 (S.D.N.Y.); and *In re*
15 *Facebook, Inc., IPO Securities & Derivative Litigation*, MDL No. 12-2389 (S.D.N.Y.), including
16 many in the Northern District of California, including *SEB Investment Management AB v. Symantec*
17 *Corp.*, Case No. C 18-02902-WHA and *In re RH, Inc. Securities Litigation*, Case No. 4:17-00554-
18 YGR. More information on A.B. Data’s qualifications and experience can be found on our website
19 at www.abdataclassaction.com. A detailed description of A.B. Data’s background and capabilities,
20 including lists of representative cases and clients, is attached as Exhibit A.

21 3. Plaintiffs’ Counsel selected A.B. Data to serve as Claims Administrator for this
22 Action, subject to the approval of the Court, after we submitted a detailed proposal in response to
23 their request for proposal. A.B. Data’s proposal included information on its proposed pricing for
24 the engagement including its per-claim fees for claims processing and per-unit fees for others costs

25 _____
26 ¹ Unless otherwise indicated, capitalized terms shall have their meaning as defined in the
27 Stipulation and Agreement of Settlement, dated June 11, 2024 (the “Stipulation”).

1 such as printing notices, mailing, telephone, and website services. In the past two years, Levi &
2 Korsinsky, LLP has engaged A.B. Data eight times in the following cases *Christakis Vrakas, et al.*
3 *v. United States Steel Corporation, et al.*, Civil Action No. 17-579 (W.D. Pa.); *In re Restoration*
4 *Robotics, Inc. Securities Litigation*, Case No. 5:18-cv-03712-EJD (N.D. Cal. – San Jose Division);
5 *In re Aqua Metals, Inc. Securities Litigation*, Case No. 4:17-cv-07142 (N.D. Cal.); *Pope v. Navient*
6 *Corporation, et al.*, Case No. 17-8373-RBK (D.N.J.); *Kohl v. Loma Negra Copania Industrial*
7 *Argentina Sociedad Anonima, et al.*, No. 653114-2018 (N.Y. Sup. Ct.); *Ferraro Family Foundation,*
8 *et al. v. Corcept Therapeutics, Inc., et al.*, Case No. 19-cv-01372-LHK (N.D. Cal. – San Jose
9 Division); *Poirier v. Bakkt Holdings, Inc. f/k/a VIH Impact Acquisition Holdings, et al.*, No. 1:22-
10 cv-02283-EK-PK (E.D.N.Y.); and *In re Humanigen, Inc. Securities Litigation*, No. 2:22-cv-05258-
11 WJM (D.N.J.).

12 4. The proposed notice plan for the Settlement in this matter uses customary procedures
13 that have been widely adopted in securities class action and which have been designed to provide
14 direct mail notification to all investors who are members of the Class and who can be identified with
15 reasonable effort, as well as additional notice through publication in relevant publications and over
16 the Internet.

17 5. As set forth in the proposed Order Preliminarily Approving Settlement and Providing
18 for Notice (the “Order”), within ten (10) business days of the date of entry of the Order,
19 QuantumScape shall provide or cause to be provided to A.B. Data in electronic format (at no cost to
20 the Settlement Fund, Plaintiffs’ Counsel, or the Claims Administrator) a list (consisting of names
21 and addresses) of the record holders or purchasers of QuantumScape common stock during the Class
22 Period, to the extent reasonably available to QuantumScape.

23 6. Thereafter, by twenty (20) business days after entry of this Order (which date shall
24 be the (“Notice Date”), A.B. Data will mail the Postcard Notice (the “Postcard Notice”) to (a) all
25 record holders or purchasers identified by QuantumScape and (b) a list of the largest and most
26 common banks, brokers, and nominees (“Nominees”) who may have purchased QuantumScape
27 common stock for the beneficial ownership of other persons and entities.

1 7. The Postcard Notice that A.B. Data mails to Nominees informing the Nominees that
2 if they purchased or otherwise acquired QuantumScape common stock during the Class Period for
3 the benefit of another person or entity they must: (a) within ten (10) calendar days of receipt of the
4 Notice, request from A.B. Data sufficient copies of the Postcard Notice to forward to all such
5 beneficial owners and within ten (10) calendar days of receipt of those Postcard Notice forward them
6 to all such beneficial owners; or (b) within ten (10) calendar days of receipt of the Postcard Notice,
7 send a list of the names, mailing addresses, and, if available, email addresses, of all such beneficial
8 owners to the A.B. Data, in which event A.B. Data shall promptly mail the Postcard Notice to such
9 beneficial owners.

10 8. Simultaneously with the initial mailing of the Postcard Notice, A.B. Data will
11 establish a settlement website, www.QuantumScapeSettlement.com, where Class Members can
12 access and download copies of the Notice, the Claim Form, the Stipulation, and other documents
13 related to the Settlement.

14 9. In addition, as set forth in the Order, A.B. Data will cause a copy of the Summary
15 Notice to be published once in *Investor's Business Daily* and to be transmitted once over the *PR*
16 *NewsWire* within ten (10) business days after the Notice Date.

17 10. A.B. Data will also send the Depository Trust Company (“DTC”) a Notice and Claim
18 Form for the DTC to publish on its Legal Notice System (“LENS”). LENS provides DTC
19 participants the ability to search and download legal notices as well as receive email alerts based on
20 particular notices or particular CUSIPs once a legal notice is posted.

21 11. Based on the trading volume of QuantumScape common stock during the Class
22 Period, A.B. Data estimates that it will mail a total of approximately 100,000 copies of the Postcard
23 Notice to potential Class Members and nominees. Based on A.B. Data’s experience, we expect
24 approximately 30,000 claims to be submitted (which equates to 30% of the 100,000 expected
25 mailings).

26 12. The Northern District of California’s *Procedural Guidance for Class Action*
27 *Settlements* requests information regarding a previous distribution for at least one of Plaintiffs’
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1 Counsel's past comparable class action settlements. The chart attached hereto as Exhibit B provides
2 the requested information for three recent securities class action settlements in which Levi &
3 Korsinsky, LLP served as Lead Counsel or co-Lead Counsel and for which A.B. Data served as the
4 claims administrator. The cases cited in Exhibit B also provide examples to support A.B. Data's
5 estimate of a 30% claim filing rate when compared to the number of notices mailed.

6 13. Based on A.B. Data's experience with securities settlements with similar numbers of
7 shareholders, we estimate that administering the settlement notice, claims processing, and settlement
8 distribution aspects of this proposed settlement will generate professional services fees and expenses
9 of approximately \$300,000, as well as \$50,000 in expected fees and expenses, including postage,
10 charged by brokers and nominees for providing names and addresses of potential Class Members or
11 for forwarding the Postcard Notice to their clients. The will cover the activities A.B. Data will
12 undertake if the Settlement Agreement receives final approval and the distribution of mailed
13 settlement checks to Authorized Claimants is undertaken, including the activities related thereto.
14 Accordingly, A.B. Data estimates that the total Notice and Administration Costs will be
15 approximately \$350,000, which is approximately 0.7% of the proposed Settlement Amount. In A.B.
16 Data's experience, the notice process, claims process, and estimated fees and expenses outlined
17 above are reasonable in relation to the value of the settlement, and consistent with those incurred in
18 other securities settlements of similar size and complexity.

19 14. According to the Stipulation, these expenses will be paid from the Settlement Fund,
20 subject to the order of the Court.

21 15. I also note that the updated Northern District of California *Procedural Guidance for*
22 *Class Action Settlements* recommends inquiring into the proposed Claims Administrator's
23 procedures for securely handling class member data (including technical, administrative, and
24 physical controls; retention; destruction; audits; crisis response; etc.), the settlement administrator's
25 acceptance of responsibility and maintenance of insurance in case of errors. In this regard, A.B.
26 Data has numerous data control systems and procedures in place to protect the security of class
27 member data that we believe meet or exceed relevant industry standards. See Exhibit A at 7-8. In
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1 addition, the firm maintains professional liability errors and omissions insurance coverage of up to
2 \$50 million; maintains a fidelity bond for employee dishonesty losses that is unlimited as to the
3 number of occurrences, up to \$10 million per occurrence per year (plus additional computer fraud
4 and wire transfer communication fraud coverages for limits of \$3 million each); and maintains
5 network and information security liability coverage of up to \$30 million.

6 I declare under penalty of perjury that the foregoing is true and
7 correct. Executed on June 11, 2024, in Palm Beach Gardens, Florida.

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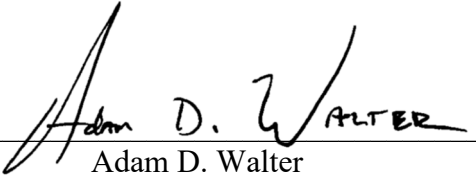

Adam D. Walter

EXHIBIT A

**Class
Action
Administration**



Headquarters

600 A.B. Data Drive
Milwaukee, WI 53217
P: 866-217-4470
F: 414-961-3099

New York

One Battery Park Plaza
32nd Floor
New York, NY 10004
P: 646-290-9137

Washington DC

915 15th St., NW, Ste. 300
Washington, DC 20005
P: 202-618-2900
F: 202-462-2085

Florida

5080 PGA Boulevard, Ste. 209
Palm Beach Gardens, FL 33418
P: 561-336-1801
F: 561-252-7720


Israel

19 Weissburg Street
Tel Aviv 69358
Israel
P: +972 (3) 720-8782




CAPABILITIES

About A.B. Data


 Founded in 1981, **A.B. Data has earned a reputation** for expertly managing the complexities of class action administration in consumer, antitrust, securities, Securities and Exchange Commission (SEC) enforcement actions, and ERISA, Attorneys General, employment, civil rights, insurance, environmental, wage and hour, and other class action cases. **A.B. Data's work in all aspects of class action administration** has been perfected by decades of experience in hundreds of class action cases involving billions of dollars in total settlements. Dedicated professionals deliver **A.B. Data's all-inclusive services**, working in partnership with its clients to administer their class action cases effectively, efficiently, and affordably, regardless of size or scope.

A.B. Data offers unmatched resources and capacity and is capable of expertly administering any class action notice, settlement, and/or fund administration. Whether notifying millions of class members in the United States or throughout the world, processing millions of claims, distributing payments digitally via A.B. Data's Digital PayPortalSM, or printing and distributing millions of checks, **A.B. Data matches its talent and technology** to the specific needs of its clients, delivering unparalleled service on time and on budget without ever compromising quality.

Location, Ownership Structure

 **A.B. Data is an independently owned**, more than 40-year-old, Milwaukee, Wisconsin-based company that prides itself on its vast expertise and industry-leading innovations. We like to remind our clients and partners that we're not just a class action administration company, but a group of experienced, dedicated professionals who believe that relationships are just as important as the accurate and timely management of class action administrations. In other words, we are people who do business with people.

Services

 **Every A.B. Data client is deserving of the best job we can put forward.** A.B. Data makes class action administration easy for our clients with clarity, convenience, and efficiency. Our priority is to navigate the intricacies of our clients' matters and deliver successful results by using our solid expertise, advanced technology, and top-quality products and services. We pay attention to the details and get it right the first time.

We aim to provide our clients the full experience of a truly collaborative working relationship. It is why we believe much of our success originates from our philosophy of "people doing business with people."

Services

All Digital — From Notice to Distribution

A.B. Data is uniquely positioned to design, implement, and maintain notice and settlement administration programs using an innovative, "all-digital" approach that replaces the more traditional and less efficient methods of administration, such as newspaper ads, mailed notices, and paper checks. Many of our recent proposed notice plans and claim programs utilize the latest technologies such as microtargeted digital ads for notice, streamlined online claims, and distributing settlement funds electronically using a digital paywall. These methods provide significant cost savings, are consistent with the amendments to Rule 23 that are now in effect, and importantly provide much-needed alignment of class action notice and administration with current consumer behaviors.

Pre-Settlement Consultation

The pre-settlement consultation is a collaborative session designed to help A.B. Data clients prepare a stronger case. Our support teams simplify the task of sorting through a maze of documents during investigation and discovery, streamlining the process and preserving fund assets. From there, we assist with fully interactive media packages for court presentations and settlement negotiations. A.B. Data works closely with our clients, offering expert testimony on documents, processing, class and notice manageability, and proposed plans of allocation.

Media Services

A.B. Data continues to earn our reputation as the early innovator in integrating advanced micro-targeting techniques, including contextual targeting, behavioral targeting, and predictive modeling. Coupled with inventive digital media strategies to drive claims, case-specific banner ad development, class member research, and comScore analysis services, our multi-tiered media programs are designed to cost-effectively deliver notice to potential class members and increase claims rates.

Notice Administration

In A.B. Data, clients have a comprehensive resource with a depth of experience in direct notice. Our compliance and understanding of Rule 23 of the Federal Rules of Civil Procedure are crucial in meeting the "plain language" legal requirements for any campaign. From our sophisticated digital media capabilities and extensive global experience with class member research, our experts create notice documents that are easily understandable and cost-efficient to produce. We consult with our clients to deliver notice documents from multi-page, mailed, or emailed notice packets to concise postcards that establish the most influential and cost-effective means of communicating with potential claimants.

Claims Processing

A.B. Data continues to bring game-changing technologies to improve the speed and precision in claims processing. Our robust system for online claims submissions allows us to meticulously verify data and documentation, preserve and authenticate claims, and calculate and verify settlement amounts. In addition, our data network infrastructure includes on-site data storage, backup, contingency plans, and security for electronic and hard copy claim filings. It is all part of a total commitment to be the most innovative and comprehensive resource in the industry. At A.B. Data, we take pride in having the in-house capacity to process millions of pages, as well as the organizational integrity to treat every claim as if it were the only one.

Contact Center

A.B. Data's Contact Center is comprised of a full staff that is trained on and equipped with online and telecommunication systems to monitor and connect with class members. Associates routinely monitor class member communication for all class action administrations, including antitrust, consumer, and securities.

Utilizing monitoring software, associates watch multiple social media channels simultaneously, allowing for instantaneous routing of inquiries and interaction with claimants. Detailed and concise analytical reports outlining Contact Center activities are always provided.

Our Contact Center and case websites are capable of handling millions of class member engagements, as recently displayed in a campaign which garnered over 1.2 million website visits in two months and had more than 72,500 Facebook engagements. Facebook comments and threads are monitored and claimants are guided to the website for more information. Google AdWords and display advertising have also brought hundreds of thousands of visitors to various case websites.

A.B. Data's Contact Center also has Spanish language associates in-house and we can accommodate any language, given proper lead time. Traditional call center facilities are also available, if needed.

Case Websites

We offer a state-of-the-art technology platform that supports every step of our class action administration process. Our expert marketing professionals design customized case-specific websites that provide potential class members easy access to case information, critical documents, important deadlines, as well as the capability to file claim forms and register for future mailings about the case. Claimants can use the website to elect to receive their settlement payments by mail or by one of several digital payment options, all accessible by mobile devices.

Settlement Fund Distribution

From complete escrow services to establishment of qualified settlement funds, check printing and mailing, electronic cash or stock distribution and tax services, A.B. Data has always provided a full-service solution to Settlement Fund Distribution. Our IT team has decades of experience in developing and implementing fast, secure databases and claims administration systems that ensure class members receive the correct amount in their settlement disbursement. Today's digital capabilities allow even greater convenience for class members. In certain instances, claimants can now elect to

instantaneously receive settlement payments through popular digital-payment options, such as PayPal, Amazon, and virtual debit cards.

A.B. Data's Leadership



A.B. Data's administration team is composed of the following key executives, who collectively have decades of experience settling and administering class actions:

Bruce A. Arbit, Co-Managing Director and one of the founders of the A.B. Data Group, serves as Chairman of the Board and oversees the day-to-day operations of the A.B. Data Group of companies, employing almost 400 people in the United States and Israel. Mr. Arbit is also Chairman of the Board of Integrated Mail Industries, Ltd. and has served as a member of the Board of Directors of University National Bank and State Financial Bank. He is the past Chairman of Asset Development Group, Inc., Home Source One, and American Deposit Management and is a member of the National Direct Marketing Association, the Direct Marketing Fundraising Association, and the American Association of Political Consultants. He was named 1996 Direct Marketer of the Year by the Wisconsin Direct Marketing Association.

A.B. Data's work in class action litigation support began with the Court selecting A.B. Data to oversee the restitution effort in the now-famous Swiss Banks Class Action Case, the International Commission on Holocaust Era Insurance Claims, and every other Holocaust Era Asset Restitution program, in which it was the company's job to identify, contact, and inform survivors of the Holocaust. A.B. Data delivered by reaching out to millions of people in 109 countries who spoke more than 30 languages. Since those days, Mr. Arbit has guided the class action division through phenomenal growth and success. Today, A.B. Data manages hundreds of administrations annually that distributes billions of dollars to class members.

Thomas R. Glenn, President, Mr. Glenn's management of A.B. Data's Class Action Administration Company includes designing and implementing notice plans and settlement administration programs for antitrust, securities, and Securities and Exchange Commission settlements and SEC disgorgement fund distributions, as well as consumer, employment, insurance, and civil rights class actions. Mr. Glenn previously served as Executive Vice President at Rust Consulting and has more than 30 years of executive leadership experience.

Eric Miller, Senior Vice President, as a key member of A.B. Data's Class Action Administration Leadership Team, oversees the Case Management Department and supervises the operations and procedures of all of A.B. Data's class action administration cases. Mr. Miller is recognized in the class action administration industry as an expert on securities, SEC, consumer, product recall, product liability, general antitrust, pharmaceutical antitrust, and futures contract settlements, to name a few settlement types. Prior to joining A.B. Data, Mr. Miller served as the Client Service Director for Rust Consulting, responsible there for its securities practice area. He has more than 20 years of operations, project management, quality assurance, and training experience in the class action administration industry. In addition, Mr. Miller manages A.B. Data's office in Palm Beach Gardens, Florida.

Eric Schachter, Senior Vice President, is a member of A.B. Data's Class Action Administration Leadership Team. He has over 15 years of experience in the legal settlement administration services industry. Mr. Schachter's responsibilities include ensuring successful implementation of claims administration services for A.B. Data's clients in accordance with settlement agreements, court orders, and service agreements. He also works closely with Project Managers to develop plans of administration to provide the highest level of effective and efficient delivery of work product. A frequent speaker on claims administration innovation and best practices at industry events nationwide, Mr. Schachter has a bachelor's degree in sociology from Syracuse University, earned his law degree at Hofstra University School of Law, and was previously an associate at Labaton Sucharow LLP in New York City.

Elaine Pang, Vice President, Media, oversees the Media Department and is responsible for the direction, development, and implementation of media notice plans for A.B. Data's clients. Ms. Pang brings more than 15 years of experience in developing and implementing multifaceted digital and traditional media for high profile complex legal notice programs. She uses her experience in class actions and advertising to provide the best practicable notice plans for large scale campaigns across domestic and international regions, and she leverages her expertise to better understand the evolving media landscape and utilize cutting-edge technology and measurement tools. Prior to entering the class action industry, Ms. Pang worked with many leading reputable brands, including General Mills, Air Wick, Jet-Dry, Comedy Central, Madison Square Garden, Radio City Music Hall, and Geox. She earned her MBA from Strayer University and holds a BS in Marketing from Pennsylvania State University. Ms. Pang's credentials include Hootsuite Social Marketing Certification, Google Adwords and Analytics Certification, and IAB Digital Media Buying and Planning Certification.

Paul Sauberer, Vice President of Quality, is responsible for overseeing quality assurance and process management, working diligently to mitigate risk, ensure exceptional quality control, and develop seamless calculation programming. Mr. Sauberer brings more than 20 years of experience as a quality assurance specialist with a leading claims-processing company where he developed extensive knowledge in securities class action administration. He is recognized as the class action administration industry's leading expert on claims and settlement administrations of futures contracts class actions.

Justin Parks, Vice President, is a member of A.B. Data's Class Action Administration Leadership Team. Mr. Parks brings extensive experience in client relations to A.B. Data's business development team. Mr. Parks has over 15 years of experience in the legal settlement administration services industry and has successfully managed and consulted on notice plans and other administrative aspects in hundreds of cases. Mr. Parks is uniquely experienced in Data Privacy matters, having consulted with clients on numerous matters stemming from data breaches as well as violations of the Illinois Biometric Information Privacy Act (BIPA), including some of the first ever Biometric Privacy related settlements in history. Mr. Parks' knowledge and understanding of the class action industry, as well as his client relationship skills, expand A.B. Data's capacity to achieve its business development and marketing goals effectively.

Steve Straub, Senior Director of Operations, started with A.B. Data in 2012 as a Claims Administrator. He moved through the ranks within the company where he spent the past five years as Senior Project Manager managing many of the complex commodities cases such as *In re LIBOR-Based Financial Instruments Antitrust Litigation*, *In re London Silver Fixing, Ltd. Antitrust Litigation*, and *Laydon v. Mizuho Bank, Ltd., et al.* Mr. Straub's performance in these roles over the past ten years, along with his comprehensive knowledge of company and industry practices and first-person experience leading the project management team, has proven him an invaluable member of the A.B. Data team.

In his role as Claimant Operations Director, his responsibilities include developing efficiencies within the operations center, which includes mailroom, call center, and claims processing areas. His areas of expertise include business process development, strategic/tactical operations planning and implementation, risk analysis, budgeting, business expansion, growth planning and implementation, cost reduction, and profit, change, and project management. Mr. Straub is well-versed in the administration of securities, consumer, and antitrust class action settlements. He earned his Juris Doctor degree from Seton Hall University School of Law in Newark, New Jersey.

Jack Ewashko, Director of Client Services, brings twenty years of industry and brokerage experience to his role with A.B. Data. He is an accomplished client manager adept at facilitating proactive communications between internal and outside parties to ensure accurate and timely deliverables. Mr. Ewashko previously held positions at two claim administration firms where he oversaw the securities administration teams and actively managed numerous high-profile matters, including the \$2.3 billion foreign exchange litigation. He notably served as Vice President, FX and Futures Operations at Millennium Management, a prominent global alternative investment management firm. As he progressed through trading, analytic, management, and consultancy roles at major banks and brokerage firms, Mr. Ewashko gained hands-on experience with vanilla and exotic securities products, including FX, commodities, mutual funds, derivatives, OTC, futures, options, credit, debt, and equities products. In the financial sector, he also worked closely with compliance and legal teams to ensure accuracy and conformity with all relevant rules and regulations regarding the marketing and sale of products, as well as the execution and processing of trades. He has held Series 4, Series 6, Series 7, and Series 63 licenses, and has been a member of the Futures Industry Association (FIA) and Financial Industry Regulatory Authority (FINRA). Mr. Ewashko earned his Bachelor of Business Administration from Long Island University, Brooklyn, New York.

Brian Devery, Director of Client Services, brings more than a decade of experience in class action administration and project management, as well as over two decades of experience as an attorney (ret.). Mr. Devery currently focuses on consumer, antitrust, employment, and other non-securities based administrations. In addition to driving project administration, he is focused on the implementation of process improvement, streamlining, and automation. Mr. Devery is admitted to practice law in State and Federal Courts of New York with his Juris Doctorate earned from the Maurice A. Deane School of Law at Hofstra University, Hempstead, New York.

Adam Walter, PMP, Director of Client Services, has nearly fifteen years of experience managing the administration of securities class action settlements and SEC disgorgements totaling more than \$4 billion. He has managed settlement programs in engagements involving some of the largest securities class action settlements and is a key contributor to the development of administration strategies that meet the evolving needs of our clients. His responsibilities include developing case administration strategies to ensure that all client and court requirements and objectives are met, overseeing daily operations of case administrations, ensuring execution of client deliverables, providing case-related legal and administration support to class counsel, overseeing notice dissemination programs, implementing complex claims-processing and allocation methodologies, establishing quality assurance and quality control procedures, and managing distribution of settlement funds. Mr. Walter holds a bachelor's degree in business administration from Florida Atlantic University, Boca Raton, Florida. He also has been an active member of the Project Management Institute since 2010 and is PMP®-certified.

Eric Nordskog, Director of Client Services, started with A.B. Data in 2012 on the operations team, managing dozens of team leads and claims administrators in the administration of legal cases and actions. In 2017, Mr. Nordskog was promoted to Project Manager, due in part to his proven ability to add consistency and efficiency to the e-claim filing process with new streamlined processes and audit practices. Today, as Senior Project Manager, he directs many of A.B. Data's securities, insurance, and

consumer cases. He regularly oversees the administration of large insurance cases, such as two recent Cigna Insurance matters that involved complex calculations and over one million class members each. He is also the primary hiring and training manager for new project managers and coordinators. Mr. Nordskog earned his Juris Doctor degree from Marquette University Law School, Milwaukee, in 2001.

Eric Schultz, MCSE, Information Technology Manager and Security Team Chairperson, has been with A.B. Data for more than 19 years, and is currently responsible for overseeing all information technology areas for all A.B. Data divisions across the United States and abroad, including network infrastructure and architecture, IT operations, data security, disaster recovery, and all physical, logical, data, and information systems security reviews and audits required by our clients or otherwise. As a Microsoft Certified Systems Engineer (MCSE) with more than 25 years of experience in information technology systems and solutions, Mr. Schultz has developed specializations in network security, infrastructure, design/architecture, telephony, and high-availability network systems.

Secure Environment



A.B. Data's facilities provide the highest level of security and customization of security procedures, including:

- A Secure Sockets Layer server
- Video monitoring
- Limited physical access to production facilities
- Lockdown mode when checks are printed
- Background checks of key employees completed prior to hire
- Frequency of police patrol – every two hours, with response time of five or fewer minutes
- Disaster recovery plan available upon request

Data Security



A.B. Data is committed to protecting the confidentiality, integrity, and availability of personal identifying information and other information it collects from our clients, investors, and class members and requires that its employees, subcontractors, consultants, service providers, and other persons and entities it retains to assist in distributions do the same. A.B. Data has developed an Information Security Policy, a suite of policies and procedures intended to cover all information security issues and bases for A.B. Data, and all of its divisions, departments, employees, vendors, and clients. A.B. Data has also recently taken the necessary, affirmative steps toward compliance with the EU's General Data Protection Regulation and the California Consumer Privacy Act.

A.B. Data has a number of high-profile clients, including the Securities and Exchange Commission (SEC), the United States Department of Justice, the Attorneys General of nearly all 50 states, other agencies of the United States government, and the Government of Israel, as well as direct banking and payment services companies with some of the most recognized brands in United States financial services and some of the largest credit card issuers in the world.

We are therefore frequently subjected to physical, logical, data, and information systems security reviews and audits. We have been compliant with our clients' security standards and have also been determined to be compliant with ISO/IEC 27001/2 and Payment Card Industry (PCI) data-security standards, the Gramm-Leach-Bliley Act (GLB) of 1999, the National Association of Insurance Commissioners (NAIC) Regulations, the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and the Health Information Technology for Economic and Clinical Health Act (HITECH).

The Government of Israel has determined that A.B. Data is compliant with its rigorous security standards in connection with its work on Project HEART (Holocaust Era Asset Restitution Taskforce).

A.B. Data's fund distribution team has been audited by EisnerAmper LLP and was found compliant with class action industry standards and within 99% accuracy. EisnerAmper LLP is a full-service advisory and accounting firm and is ranked the 15th-largest accounting firm in the United States.

In addition, as part of PCI compliance requirements, A.B. Data has multiple network scans and audits from third-party companies, such as SecurityMetrics and 403 Labs, and is determined to be compliant with each of them.

Fraud Prevention and Detection



A.B. Data is at the forefront of class action fraud prevention.

A.B. Data maintains and utilizes comprehensive proprietary databases and procedures to detect fraud and prevent payment of allegedly fraudulent claims.

We review and analyze various filing patterns across all existing cases and claims. Potential fraudulent filers are reported to our clients as well as to the appropriate governmental agencies where applicable.

Representative Class Action Engagements



A.B. Data and/or its team members have successfully administered hundreds of class actions, including many major cases. Listed below are just some of the most representative or recent engagements.

Consumer & Antitrust Cases

- *In re EpiPen Marketing, Sales Practices and Antitrust Litigation*
- *In re Broiler Chicken Antitrust Litigation - Commercial (Indirect)*
- *In re Broiler Chicken Antitrust Litigation - Indirect*
- *In re Broiler Chicken Antitrust Litigation - Direct*
- *In re Pork Antitrust Litigation - Directs*
- *In re Pork Antitrust Litigation - Indirects*

- *Peter Staley, et al. v. Gilead Sciences, Inc., et al.*
- *In re: Opana ER Antitrust Litigation*
- *In re Ranbaxy Generic Drug Application Antitrust Litigation*
- *In re Valeant Pharmaceuticals Int'l, Inc. Third-Party Payor Litigation*
- *Staley, et al., v. Gilead Sciences*
- *In Re: Generic Pharmaceuticals Pricing Antitrust Litigation – Direct Purchasers*
- *Beef Direct Purchaser Antitrust Litigation*
- *BCBSM, Inc. v. Vyera Pharmaceuticals, et al. (Daraprim)*
- *In re Automobile Antitrust Cases I and II*
- *Olean Wholesale Grocery Cooperative, Inc., et al. v. Agri Stats, Inc., et al. (Turkey)*
- *Integrated Orthopedics, Inc., et al. v. UnitedHealth Group, et al.*
- *In Re: Restasis (Cyclosporine Ophthalmic Emulsion) Antitrust Litigation*
- *Vista Healthplan, Inc., et al. v. Cephalon, Inc., et al. (Provigil)*
- *Jeffrey Koenig, et al. v. Vizio, Inc.*
- *Wit, et al. v. United Behavioral Health*
- *Weiss, et al. v. SunPower Corporation*
- *Smith, et al. v. FirstEnergy Corp., et al.*
- *Resendez, et al. v. Precision Castparts Corp. and PCC Structural, Inc.*
- *Julian, et al. v. TTE Technology, Inc., dba TCL North America*
- *Eugenio and Rosa Contreras v. Nationstar Mortgage LLC*
- *Phil Shin, et al. v. Plantronics, Inc.*
- *In re: Qualcomm Antitrust Litigation*
- *In re Resistors Antitrust Litigation*
- *The Hospital Authority of Metropolitan Government of Nashville and Davidson County, Tennessee v. Momenta Pharmaceuticals, Inc. and Sandoz Inc. ("Lovenox Antitrust Matter")*
- *William Kivett, et al. v. Flagstar Bank, FSB, and DOES 1-100, inclusive*
- *Adelphia, Inc. v. Heritage-Crystal Clean, Inc.*
- *LLE One, LLC, et al. v. Facebook, Inc.*
- *Bach Enterprises, Inc., et al. v. Advanced Disposal Services South, Inc., et al.*
- *JWG Inc., et al. v. Advanced Disposal Services Jacksonville, L.L.C., et al.*
- *State of Washington v. Motel 6 Operating L.P. and G6 Hospitality LLC*
- *In re GSE Bonds Antitrust Litigation*
- *Wave Lengths Hair Salons of Florida, Inc., et al. v. CBL & Associates Properties, Inc., et al.*
- *In re Loestrin 24 FE Antitrust Litigation*
- *Office of the Attorney General, Department of Legal Affairs, State of Florida v. Pultegroup, Inc. and Pulte Home Company, LLC*
- *In re Cigna-American Specialties Health Administration Fee Litigation*
- *In re: Intuniv Antitrust Litigation*
- *High Street, et al. v. Cigna Corporation, et al.*
- *Gordon Fair, et al. v. The Archdiocese of San Francisco, San Mateo, and Marin County*
- *Bizzarro, et al. v. Ocean County Department of Corrections, et al.*
- *Meeker, et al. v. Bullseye Glass Co.*
- *MSPA Claims 1, LLC v. Ocean Harbor Casualty Insurance Company*
- *Tennille v. Western Union Company - Arizona*
- *Garner, et al. v. Atherotech Holdings, Inc. and Garner, et al. v. Behrman Brothers IV, LLC, et al.*
- *Robinson, et al. v. Escallate, LLC*
- *Josefina Valle and Wilfredo Valle, et al. v. Popular Community Bank f/k/a Banco Popular North America*
- *Vision Construction Ent., Inc. v. Waste Pro USA, Inc. and Waste Pro USA, Inc. and Waste Pro of Florida, Inc.*

- *Plumley v. Erickson Retirement Communities, et al.*
- *In re London Silver Fixing, Ltd. Antitrust Litigation*
- *Ploss v. Kraft Foods Group, Inc. and Mondelēz Global LLC*
- *In re Mexican Government Bonds Antitrust Litigation*
- *In re Ready-Mixed Concrete Antitrust Litigation*
- *In re: Marine Hose Antitrust Litigation*
- *Iowa Ready Mixed Concrete Antitrust Litigation*
- *In re Potash Antitrust Litigation (II)*
- *In re Evanston Northwestern Healthcare Corp. Antitrust Litigation*
- *In re Polyurethane Foam Antitrust Litigation*
- *In re LIBOR-Based Financial Instruments Antitrust Litigation*
- *In re Lorazepam and Clorazepate Antitrust Litigation*
- *In re Cardizem CD Antitrust Litigation*
- *Vista Healthplan, Inc., and Ramona Sakiestewa v. Bristol-Myers Squibb Co., and American BioScience, Inc.*
- *In re Lupron Marketing and Sales Practices Litigation*
- *In re Terazosin Hydrochloride Antitrust Litigation*
- *In re Warfarin Sodium Antitrust Litigation*
- *Rosemarie Ryan House, et al. v. GlaxoSmithKline PLC and SmithKline Beecham Corporation*
- *Carpenters and Joiners Welfare Fund, et al. v. SmithKline Beecham*
- *New Mexico United Food and Commercial Workers Union's and Employers' Health and Welfare Trust Fund, et al. v. Purdue Pharma L.P.*
- *In Re Pharmaceutical Industry Average Wholesale Price Litigation*
- *Alma Simonet, et al. v. SmithKline Beecham Corporation, d/b/a GlaxoSmithKline*
- *In re Relafen Antitrust Litigation*
- *In Re Remeron Direct Purchaser Antitrust Litigation*
- *In re TriCor Indirect Purchasers Antitrust Litigation*
- *Nichols, et al., v. SmithKline Beecham Corporation*
- *In re: DDAVP Indirect Purchaser Antitrust Litigation*

Securities Cases

- *Plymouth County Retirement Association v. Spectrum Brands Holdings, Inc., et al.*
- *Tung, et al. v. Dycom Industries, Inc., et al.*
- *Boutchard., et al. v. Gandhi, et al. ("Tower/e-Minis")*
- *MAZ Partners LP v. First Choice Healthcare Solutions, Inc.*
- *SEB Investment Management AB, et al. v. Symantec Corporation, et al.*
- *In re Impinj, Inc. Securities Litigation*
- *In re Netshoes Securities Litigation*
- *Yellowdog Partners, LP, et al. v. Curo Group Holdings Corp., et al.*
- *In re Brightview Holdings, Inc. Securities Litigation*
- *In re Obalon Therapeutics, Inc. Securities Litigation*
- *In re Willis Towers Watson PLC Proxy Litigation*
- *In re Blue Apron Holdings, Inc. Securities Litigation*
- *In re: Qudian Inc. Securities Litigation*
- *Plymouth County Contributory Retirement System v. Adamas Pharmaceuticals, et al.*
- *In re Perrigo Company PLC Securities Litigation*
- *Enriquez, et al. v. Nabriva Therapeutics PLC, et al.*
- *Teamsters Local 456 Pension Fund, et al. v. Universal Health Services, Inc., et al.*
- *Olenik, et al. v. Earthstone Energy, Inc.*

- *Shenk v. Mallinckrodt plc, et al.*
- *In re The Allstate Corp. Securities Litigation*
- *Christopher Vataj v. William D. Johnson, et al.* (PG&E Securities II)
- *Kirkland v. WideOpenWest, Inc.*
- *Oklahoma Police Pension and Retirement System v. Sterling Bancorp, Inc.*
- *In re Uxin Limited Securities Litigation*
- *City of Hallandale Beach Police Officers' & Firefighters' Personnel Retirement Trust v. Ergen, et al.* (Echostar)
- *Lewis v. YRC Worldwide Inc., et al.*
- *Tomaszewski v. Trevena, Inc., et al.*
- *In re Restoration Robotics, Inc. Securities Litigation*
- *Public Employees' Retirement Systems of Mississippi, et al. v. Treehouse Foods, Inc., et al.*
- *Ronald L. Jackson v. Microchip Technology, Inc., et al.*
- *In re Micro Focus International plc Securities Litigation*
- *In re Dynagas LNG Partners LP Securities Litigation*
- *Weiss, et al. v. Burke, et al.* (Nutraceutical)
- *Yaron v. Intersect ENT, Inc., et al.*
- *Utah Retirement Systems v. Healthcare Services Group, Inc., et al.*
- *In re PPDAl Group Inc. Securities Litigation*
- *In re: Evoqua Water Technologies Corp. Securities Litigation*
- *In re Aqua Metals, Inc. Securities Litigation*
- *St. Lucie County Fire District Firefighters' Pension Trust Fund v. Southwestern Energy Company*
- *In re CPI Card Group Inc. Securities Litigation*
- *Arkansas Teacher Retirement System, et al. v. Alon USA Energy, Inc., et al.*
- *In re TAL Education Group Securities Litigation*
- *GCI Liberty Stockholder Litigation*
- *In re SciPlay Corporation Securities Litigation*
- *In re Allergan Generic Drug Pricing Securities Litigation*
- *In re Vivint Solar, Inc. Securities Litigation*
- *In re YayYo Securities Litigation*
- *In re JPMorgan Treasury Futures Spoofing Litigation*
- *Searles, et al. v. Crestview Partners, LP, et al.* (Capital Bank)
- *In re Lyft, Inc. Securities Litigation*
- *In re Aegean Marine Petroleum Network, Inc. Securities Litigation*
- *In re JPMorgan Precious Metals Spoofing Litigation*
- *In re Pivotal Software, Inc. Securities Litigation*
- *Longo, et al. v. OSI Systems, Inc., et al.*
- *In re Homefed Corporation Stockholder Litigation*
- *Pierrelouis v. Gogo Inc., et al.*
- *Pope v. Navient Corporation, et al.*
- *In re Merit Medical Systems, Inc. Securities Litigation*
- *In re Frontier Communications Corporation Stockholder Litigation*
- *Holwill v. AbbVie Inc.*
- *Budicak, Inc., et al. v. Lansing Trade Group, LLC, et al.* (SRW Wheat Futures)
- *Yannes, et al. v. SCWorx Corporation*
- *In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations*
- *In re Myriad Genetics, Inc. Securities Litigation*
- *In re Chicago Bridge & Iron Co. N.V. Securities Litigation*
- *The Arbitrage Fund, et al. v. William Petty, et al.* (Exactech)
- *In re Columbia Pipeline Group, Inc. Merger Litigation*

- *Martinek v. AmTrust Financial Services, Inc.*
- *City of Pittsburgh Comprehensive Municipal Pension Trust Fund, et al. v. Benefitfocus, Inc., et al.*
- *In re: Evoqua Water Technologies Corp. Securities Litigation*
- *Laydon v. Mizuho Bank, Ltd., et al.*
- *Lomingkit, et al. v. Apollo Education Group, Inc., et al.*
- *In re Caraco Pharmaceutical Laboratories, Ltd. Shareholder Litigation*
- *Norfolk County Retirement System, et al. v. Community Health Systems, Inc., et al.*
- *Chester County Employees' Retirement Fund v. KCG Holdings, Inc., et al.*
- *Oklahoma Law Enforcement Retirement System, et al. v. Adeptus Health Inc., et al.*
- *Di Donato v. Insys Therapeutics, Inc., et al.*
- *Lundgren-Wiedinmyer, et al. v. LJM Partners, Ltd, et al.*
- *Martin, et al. v. Altisource Residential Corporation, et al.*
- *Stephen Appel, et al. v. Apollo Management, et al.*
- *In re Medley Capital Corporation Stockholder Litigation*
- *Forman, et al. v. Meridian BioScience, Inc., et al.*
- *Public Employees' Retirement System of Mississippi, et al. v. Endo International PLC, et al.*
- *In Re Flowers Foods, Inc. Securities Litigation*
- *Jiangchen, et al. v. Rentech, Inc., et al.*
- *In re Liberty Tax, Inc. Stockholder Litigation*
- *In re RH, Inc. Securities Litigation*
- *Lazan v. Quantum Corporation, et al.*
- *Nabhan v. Quantum Corporation, et al.*
- *Edmund Murphy III, et al. v. JBS S.A.*
- *Public Employees' Retirement System of Mississippi, et al. v. Sprouts Farmers Market, Inc., et al.*
- *In re Starz Stockholder Litigation*
- *Judith Godinez, et al. v. Alere Inc., et al.*
- *Rahman and Giovagnoli, et al. v. GlobalSCAPE, Inc., et al.*
- *Arthur Kaye, et al. v. ImmunoCellular Therapeutics, Ltd., et al.*
- *In re CPI Card Group Inc. Securities Litigation*
- *Daniel Aude, et al. v. Kobe Steel, Ltd., et al.*
- *In re Quality Systems, Inc. Securities Litigation*
- *Cooper, et al. v. Thoratec Corporation, et al.*
- *Washtenaw County Employees' Retirement System, et al. v. Walgreen Co., et al.*
- *Elkin v. Walter Investment Management Corp., et al.*
- *In Re CytRx Corporation Securities Litigation*
- *Ranjit Singh, et al. v. 21Vianet Group, Inc., et al.*
- *In re PTC Therapeutics, Inc. Securities Litigation*
- *Securities and Exchange Commission v. Mark A. Jones*
- *In re Sequans Communications S.A. Securities Litigation*
- *In re Henry Schein, Inc. Securities Litigation*
- *Ronge, et al. v. Camping World Holdings, Inc., et al.*
- *Oklahoma Firefighters Pension & Retirement System v. Lexmark International, Inc.*
- *Christakis Vrakas, et al. v. United States Steel Corporation, et al.*
- *Emerson et al. v. Mutual Fund Series Trust, et al. ("Catalyst")*
- *In re Fannie Mae 2008 Securities Litigation*
- *In re Anadarko Petroleum Corporation Class Action Litigation*
- *Ge Dandong, et al., v. Pinnacle Performance Limited, et al.*
- *In Re: Rough Rice Commodity Litigation*
- *Xuechen Yang v. Focus Media Holding Limited et al.*
- *In re Massey Energy Co. Securities Litigation*

- *In re Swisher Hygiene, Inc.*
- *The City of Providence vs. Aeropostale, Inc., et al.*
- *In re Metrologic Instruments, Inc. Shareholders Litigation*
- *Public Pension Fund Group v. KV Pharmaceutical Company et al.*
- *Pension Trust Fund for Operating Engineers, et al. v. Assisted Living Concepts, Inc., et al.*
- *In re Lehman Brothers Equity/Debt Securities Litigation*
- *In re: Platinum and Palladium Commodities Litigation (Platinum/Palladium Physical Action)*
- *In re: Platinum and Palladium Commodities Litigation (Platinum/Palladium Futures Action)*
- *In re General Electric Co. Securities Litigation*
- *In re CNX Gas Corporation Shareholders Litigation*
- *Oscar S. Wyatt, Jr. et al. v. El Paso Corporation, et al.*
- *In re Par Pharmaceutical Securities Litigation*
- *In re Par Pharmaceutical Companies, Inc. Shareholders Litigation*
- *In re Delphi Financial Group Shareholders Litigation*
- *In re SLM Corporation Securities Litigation*
- *In re Del Monte Foods Company Shareholder Litigation*
- *Leslie Niederklein v. PCS Edventures!.com, Inc. and Anthony A. Maher*
- *In re Beckman Coulter, Inc. Securities Litigation*
- *Michael Rubin v. MF Global, Ltd., et al.*
- *Allen Zametkin v. Fidelity Management & Research Company, et al.*
- *In re BP Prudhoe Bay Royalty Trust Securities Litigation*
- *Police and Fire Retirement System of the City of Detroit et al. v. SafeNet, Inc., et al.*
- *In re Limelight Networks, Inc. Securities Litigation*
- *In re Gilead Sciences Securities Litigation*
- *In re ACS Shareholder Litigation, Consolidated C.A. No. 4940-VCP*
- *Lance Provo v. China Organic Agriculture, Inc., et al.*
- *In re LDK Solar Securities Litigation*

Labor & Employment Cases

- *Verizon OFCCP Settlement*
- *Alvarez, et al. v. GEO Secure Services, LLC*
- *Sartena v. Meltwater FLSA*
- *Carmen Alvarez, et al. v. Chipotle Mexican Grill, Inc., et al.*
- *Turner, et al. v. Chipotle Mexican Grill, Inc.*
- *Long, et al. v. Southeastern Pennsylvania Transportation Authority*
- *Matheson, et al. v. TD Bank, N.A.*
- *Ludwig, et al. v. General Dynamics Information Technology, Inc., et al.*
- *Bedel, et al. v. Liberty Mutual Group Inc.*
- *Irene Parry, et al. v. Farmers Insurance Exchange, et al.*
- *Maldonado v. The GEO Group, Inc.*
- *Alderman and Maxey v. ADT, LLC*
- *Albaceet v. Dick's Sporting Goods*
- *Rodriguez v. The Procter & Gamble Company*
- *Adekunle, et al. v. Big Bang Enterprises, Inc. d/b/a The Revenue Optimization Companies*
- *Gorski, et al. v. Wireless Vision, LLC*
- *Lopez, et al. v. New York Community Bank, et al.*
- *Hamilton, et al. v. The Vail Corporation, et al.*
- *Eisenman v. The Ayco Company L.P.*
- *Matheson v. TD Bank, N.A.*

- *Simon v. R.W. Express LLC, d/b/a Go Airlink NYC*
- *Perez v. Mexican Hospitality Operator LLC, d/b/a Cosme*
- *Shanahan v. KeyBank, N.A.*
- *Loftin v. SunTrust Bank*
- *Alvarez v. GEO Secure Services, LLC*
- *Weisgarber v. North American Dental Group, LLC*
- *Talisa Borders, et al. v. Wal-mart Stores, Inc.*
- *Reale v. McClain Sonics Inc., et al.*
- *Larita Finisterre and Songhai Woodard, et al. v. Global Contact Services, LLC*
- *Adebisi Bello v. The Parc at Joliet*
- *Garcia, et al. v. Vertical Screen, Inc.*
- *Brook Lemma and Matthieu Hubert, et al. v. 103W77 Partners LLC, et al. ("Dovetail Settlement")*
- *American Federation of Government Employees, Local 1145 v. Federal Bureau of Prisons, U.S. Penitentiary, Atlanta, Georgia*
- *Lisa Ferguson, Octavia Brown, et al. v. Matthew G. Whitaker, Acting AG, DOJ Bureau of Prisons ("USP Victorville")*
- *American Federation of Government Employees, Local 2001 v. Federal Bureau of Prisons, Federal Correctional Institution, Fort Dix, New Jersey*
- *American Federation of Government Employees, Local 506 v. U.S. Department of Justice, Federal Bureau of Prisons, U.S. Penitentiary Coleman II, Coleman, Florida*
- *Vargas v. Sterling Engineering*
- *Rosenbohm v. Verizon*
- *Alex Morgan, et al. v. United States Soccer Federation, Inc.*
- *Iskander Rasulev v. Good Care Agency, Inc.*
- *Kyndl Buzas, et al., v. Phillips 66 Company and DOES 1 through 10*
- *American Federation of Government Employees, Local 408 v. U.S. Dept. of Justice, Federal Bureau of Prisons, Federal Correctional Complex, Butner, NC*
- *In re 2014 Avon Products, Inc. ERISA Litigation*
- *In re Eastman Kodak ERISA Litigation*
- *Taronica White, et al. v. Attorney General Loretta Lynch, Department of Justice*
- *Lisa Ferguson, et al. v. Acting Attorney General Matthew Whitaker, Department of Justice*
- *Melissa Compere v. Nusret Miami, LLC, et al.*
- *Abelar v. American Residential Services, L.L.C., Central District of California*
- *Flores, et al. v. Eagle Diner Corp., et al., Eastern District of Pennsylvania*
- *Michael Furman v. Godiva Chocolatier, Inc., 15th Judicial Circuit, Palm Beach County, Florida*
- *Finisterre et. al v. Global Contact Services, LLC, New York State Supreme Court, Kings County*
- *McGuire v. Intelident Solutions, LLC, et al., Middle District of Florida, Tampa Division*
- *Duran De Rodriguez, et al. v. Five Star Home Health Care Agency, Inc. et al., Eastern District of New York*

Data Breach/BIPA Cases

- *Hunter v. J.S.T. Corp. BIPA Settlement*
- *Atkinson, et al. v. Minted, Inc.*
- *Rosenbach, et al. v. Six Flags Entertainment Corporation and Great America LLC*
- *Pratz, et al. v. MOD Super Fast Pizza, LLC*
- *The State of Indiana v. Equifax Data Breach Settlement*
- *In re: Vizio, Inc. Consumer Privacy Litigation*
- *In re: Google, Inc. Street View Electronic Communications Litigation*
- *Devin Briggs and Bobby Watson, et al. v. Rhinoag, Inc. ("Briggs Biometric Settlement")*
- *Trost v. Pretium Packaging L.L.C.*

- *In re: Barr, et al. v. Drizly, LLC f/k/a Drizly, Inc., et al.*

Telephone Consumer Protection Act (TCPA) Cases

- *Perrong, et al. v. Orbit Energy & Power, LLC*
- *Baldwin, et al. v. Miracle-Ear, Inc.*
- *Floyd and Fabricant, et al. v. First Data Merchant Services LLC, et al.*
- *Hoffman, et al. v. Hearing Help Express, Inc., et al.*
- *Lowe and Kaiser, et al. v. CVS Pharmacy, Inc., et al.*
- *Johansen v. HomeAdvisor, Inc., et al.*
- *Charvat, et al. v. National Holdings Corporation*
- *Hopkins, et al. v. Modernize, Inc.*
- *Diana Mey vs. Frontier Communications Corporation*
- *Matthew Donaca v. Dish Network, L.L.C.*
- *Matthew Benzion and Theodore Glaser v. Vivint, Inc.*
- *John Lofton v. Verizon Wireless (VAW) LLC, et al.*
- *Lori Shamblin v. Obama for America, et al.*
- *Ellman v. Security Networks*

For More Information

For more detailed information regarding A.B. Data's experience, services, or personnel, please see our website at www.abdataclassaction.com.

EXHIBIT B

Exhibit B

**Data from Previous Comparable Securities Class Action Settlements
in which Levi & Korsinsky, LLP Served as Lead Counsel and A.B. Data Served as Claims
Administrator**

	<i>In re U.S. Steel Consolidated Cases, Civil Action No. 17-579 (W.D. Pa.)</i>	<i>In re Navient Corporation Securities Litigation, Case No. 1:17-cv-08373-RBK-AMD (D.N.J)</i>	<i>In re Restoration Robotics, Inc. Securities Litigation, Case No. 5:18-cv-03712-EJD (N.D. Cal. – San Jose Division)</i>
Lead Plaintiff(s)	Christakis Vrakas	Jesse Wayne Pritchard	Edgardo Guerrini
Claims Asserted	Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder	Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder	Violations of Sections 11 and 15 of the Securities Act of 1933
Total Settlement Fund	\$40 million	\$7.5 million	\$4.5 million
Total Number of Class Members	315,798	83,765	12,974
Total Number of Class Members to whom Notice was Sent¹	315,798	83,765	12,974
Method of Notice	First Class Mail & Publication Notice	First Class Mail & Publication Notice	First Class Mail & Publication Notice
Number and Percentage of Claims Submitted (compared to Notices mailed)	65,081 Claims (21%)	34,035 Claims (41%)	1,222 Claims (10%)
Eligible Claimants	12,270	12,346	700
Average Recovery Per Claimant²	\$364	\$115	\$2,380
Average Payment Per Eligible Claimant	\$2,429	\$1,059	\$9,164
Median Payment Per Eligible Claimant	\$104	\$51	\$1,509
Amounts Distributed to Cy Pres Recipients³	\$0	\$0	\$0
Notice and Administration Costs	\$759,596.88 (1.9%)	\$173,575.17 (2.3%)	\$97,207.34 (2.1%)
Attorneys' Fees	\$13,333,333.33 (33.33%)	\$2,500,000 (30%)	\$2,670,000 (33%)

Attorneys' Expenses	\$2,711,338.12 (6.7%)	\$988,508.88 (0.56%)	\$64,351.32 (0.8%)
Non-monetary Relief	N/A	N/A	N/A

Notes

1. "Total Number of Class Members" and "Total Number of Class Members to Whom Notice Was Sent" are the same because in each case because A.B. Data mailed notice to all investors found on the shareholder lists that the defendant corporations provided to plaintiffs' counsel or that brokers and nominees provided. No other, more definitive list of class members is available for these types of cases.
2. The average recovery per claimant, average payment per eligible claimant, and median payment are based on recoveries through the initial distribution to eligible claimants in each of these cases. The median payment was calculated by excluding claims that were not eligible for a payment because they fell below the \$10 minimum payment provision.
3. As in the present Action, residual funds will be distributed to a *cy pres* recipient in each case only after all cost-effective rounds of distributions to Authorized Claimants have been completed. Those subsequent rounds are still in process in these cases.