UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

NIZAR SAMI AYOUB, on behalf of himself and a class of similarly situated investors, Plaintiff, v. SPECTRUM PHARMACEUTICALS, INC., THOMAS J. RIGA, and FRANCOIS J. LEBEL, Defendants.	Case No. 1:22-cv-10292 (VEC) (Consolidated)

MEMORANDUM OF LAW IN SUPPORT OF LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION, AND IN OPPOSITION TO *PRO SE* PLAINTIFF AND FORMER LEAD PLAINTIFF STEVEN B. CHRISTIANSEN'S OBJECTION TO THE SETTLEMENT

TABLE OF CONTENTS

Page(s)

TABLE OF AUTHORITIES iii

PRELIMINARY STATEMENT 1

ARGUMENT 4

I. THE PROPOSED SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE, AND WARRANTS FINAL APPROVAL 4

A. The Law Favors and Encourages Settlement of Class Action Litigation 4

B. The Standards for Final Approval 5

C. Lead Plaintiff and Lead Counsel Have Adequately Represented the Class 7

D. The Settlement Was Reached After Robust Arm's-Length Negotiations 8

E. The Relief Provided by the Settlement Is Adequate 9

1. The Complexity, Expense, and Likely Duration of the Litigation Support Approval of the Settlement 9

2. The Risks of Establishing Liability and Damages Support Approval of the Settlement 11

(a) The Risks of Achieving and Maintaining Class Certification 11

(b) Risks Related to Proving Liability: Falsity and Scienter 13

(c) Risks Related to Proving Loss Causation and Damages 15

F. The Effective Process for Distributing Relief to the Class 16

G. The Anticipated Attorneys' Fees and Expenses Are Reasonable 17

H. The Relief Provided in the Settlement Is Adequate Taking Into Account All Agreements Related to the Settlement 17

I. Application of the Remaining *Grinnell* Factors Support Approval 18

1. The Ability of Defendants to Withstand a Greater Judgment 18

2. The Reaction of the Class to Date 19

3. The Stage of the Proceedings and the Amount of Information Available to Counsel Support Approval of the Settlement.....20

4. The Range of Reasonableness of the Settlement Amount in Light of the Best Possible Recovery and All the Attendant Risks of Litigation Supports Approval of the Settlement 20

II. THE PLAN OF ALLOCATION FOR THE PROCEEDS OF THE SETTLEMENT IS FAIR AND REASONABLE AND SHOULD BE APPROVED.....22

III. NOTICE SATISFIED RULE 23 AND DUE PROCESS 23

CONCLUSION.....25

TABLE OF AUTHORITIES

Page(s)

Cases

Anixter v. Home-Stake Prod. Co.,
77 F.3d 1213 (10th Cir. 1996) 11

Carson v. Am. Brands, Inc.,
450 U.S. 79 (1981) 11

Christiansen v. Spectrum Pharms., Inc.,
No. 22-CV-10292 (VEC), 2024 WL 246020 (S.D.N.Y. Jan. 23, 2024) 13

City of Detroit v.Grinnell Corp.,
495 F.2d 448 (2d Cir. 1974) 6, 9, 11, 17

City of Providence v. Aeropostale, Inc.,
No. 11 Civ. 7132(CM)(GWG), 2014 WL 1883494 (S.D.N.Y. May 9, 2014), *aff'd*,
Arbuthnot v. Pierson, 607F. App'x 73 (2d Cir. 2015) 9

D'Amato v. Deutsche Bank,
236 F.3d 78 (2d Cir. 2001) 8, 19

Ebbert v. Nassau Cnty.,
No. CV 05–5445(AKT), 2011 WL 6826121 (E.D.N.Y. Dec. 22, 2011) 12

Goldberger v. Integrated Res., Inc.,
209 F.3d 43 (2d Cir. 2000) 6

Hicks v. Morgan Stanley,
No. 01 Civ. 10071(RJH), 2005 WL 2757792 (S.D.N.Y. Oct. 24, 2005) 21

In re Advanced Battery Techs., Inc. Sec. Litig.,
298 F.R.D. 171 (S.D.N.Y. 2014) 24

In re AOL Time Warner, Inc. Sec. "ERISA" Litig.,
No. MDL 1500, 2006 WL 903236 (S.D.N.Y. Apr. 6, 2006) 22

In re Austrian & German Bank Holocaust Litig.,
80 F. Supp. 2d 164 (S.D.N.Y. 2000) 11

In re Barrick Gold Sec. Litig.,
314 F.R.D. 91 (S.D.N.Y. 2016) 7

In re Bear Stearns Cos., Inc. Sec., Derivative, & ERISA Litig.,
909 F. Supp. 2d 259 (S.D.N.Y. 2012) 6, 9, 18, 22

In re Citigroup Inc. Sec. Litig.,
No. 09 MD 2070(SHS), 2014 WL 2112136 (S.D.N.Y. May 20, 2014).....5

In re Elan Sec. Litig.,
385 F. Supp. 2d 363 (S.D.N.Y. 2005).....8

In re Facebook, Inc. IPO Sec. & Derivative Litig.,
MDL No. 12–2389, 2015 WL 6971424 (S.D.N.Y. Nov. 9, 2015), *aff'd*,
674 F. App'x 37 (2d Cir. 2016).....8, 9

In re FLAG Telecom Holdings, Ltd. Sec. Litig.,
No. 02–CV–3400 (CM)(PED), 2010 WL 4537550 (S.D.N.Y. Nov. 8, 2010).....22

In re Giant Interactive Grp., Inc. Sec. Litig.,
279 F.R.D. 151 (S.D.N.Y. 2011).....23

In re Gilat Satellite Networks, Ltd.,
No. CV-02-1510, 2007 WL 1191048 (E.D.N.Y. Apr. 19, 2007).....9

In re Glob. Crossing Sec. & ERISA Litig.,
225 F.R.D. 436 (S.D.N.Y. 2004).....6, 11, 19

In re IMAX Sec. Litig.,
283 F.R.D. 178 (S.D.N.Y. 2012).....16, 22

In re Initial Pub. Offering Sec. Litig.,
671 F. Supp. 2d 467 (S.D.N.Y. 2009).....22

In re Luxottica Grp. S.p.A. Sec. Litig.,
233 F.R.D. 306 (E.D.N.Y. 2006).....10

In re Merrill Lynch & Co., Inc. Rsch. Reps. Sec. Litig.,
246 F.R.D. 156 (S.D.N.Y. 2007).....19, 21, 23

In re Merrill Lynch & Co., Inc. Rsch. Reps. Sec. Litig.,
No. 02 MDL 1484(JFK), 2007 WL 4526593 (S.D.N.Y. Dec. 20, 2007).....21

In re PaineWebber Ltd. P'ships Litig.,
171 F.R.D. 104 (S.D.N.Y. 1997), *aff'd*, 117 F.3d 721 (2d Cir. 1997).....20, 22

In re Payment Card Interchange Fee & Merch. Disc. Antitrust Litig.,
330 F.R.D. 11 (E.D.N.Y. 2019).....7, 9

In re Polaroid ERISA Litig.,
240 F.R.D. 65 (S.D.N.Y. 2006).....7

In re PPDAI Grp. Inc. Sec. Litig.,
No. 18-CV-6716 (TAM), 2022 WL 198491 (E.D.N.Y. Jan. 21, 2022).....7

In re Telik, Inc. Sec. Litig.,
576 F. Supp. 2d 570 (S.D.N.Y. 2008) 10, 13

Moses v. New York Times Co.,
79 F.4th 235 (2d Cir. 2023) 5

Newman v. Stein,
464 F.2d 689 (2d Cir. 1972) 20

Robbins v. Koger Props., Inc.,
116 F.3d 1441 (11th Cir. 1997) 10

Strougo ex rel. Brazilian Equity Fund v. Bassini,
258 F. Supp. 2d 254 (S.D.N.Y. 2003) 10

Teachers' Ret. Sys. of La. v. A.C.L.N. Ltd.,
No. 01–CV–11814(MP), 2004 WL 1087261 (S.D.N.Y. May 14, 2004) 20

Thompson v. Metro. Life Ins. Co.,
216 F.R.D. 55 (S.D.N.Y. 2003) 6

Vaccaro v. New Source Energy Partners L.P.,
No. 15-CV-8954, 2017 WL 6398636 (S.D.N.Y. Dec. 14, 2017) 19

Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.,
396 F.3d 96 (2d Cir. 2005) ..... *passim*

Zimmerman v. Paramount Glob.,
No. 23-CV-2409 (VSB), 2025 WL 763734 (S.D.N.Y. March 11, 2025) 8

Statutes

15 U.S.C. § 78u-4 ..... 1, 2, 23

Rules

Fed. R. Civ. P. 23 ..... *passim*

Other Authorities

Ayoub v. Spectrum Pharms., Inc.,
No. 26-2004, Dkt. 1.1 (2d Cir. July 22, 2026) 4

Edward Flores, Svetlana Starykh and Ivelina Velikova, Nat'l Econ. Rsch. Assocs.,
Recent Trends in Securities Class Action Litigation: 2025 Full-Year Review (2026) 21

Feierstein v. Correvio Pharma Corp.,
No. 1:19-cv-11361, ECF No. 71 (S.D.N.Y. May 19, 2021) 21, 24

In re LightInTheBox Holding Co., Sec. Litig.,
No. 1:13-cv-06016, ECF No. 96 (S.D.N.Y. May 8, 2015).....21

In re Mindbody Inc. Sec. Litig.,
No. 1:19-cv-08331, ECF No. 145 (S.D.N.Y. Oct. 27, 2022) 21

Samit v. CBS Corp.,
No. 18-CV-7796, ECF No. 225 (S.D.N.Y. Nov. 7, 2022) 21

Lead Plaintiff Nizar Sami Ayoub ("Mr. Ayoub" or "Lead Plaintiff"), on behalf of himself and all other members of the settlement Class, respectfully submits this memorandum of law in support of his motion for: (i) final approval of the proposed Settlement of the above-captioned consolidated action (the "Action" or the "Litigation"); and (ii) approval of the proposed Plan of Allocation for distribution of the Net Settlement Fund; and (iii) in opposition to *pro se* plaintiff and former lead plaintiff Steven B. Christiansen's ("Mr. Christiansen") objection to the Settlement.[1]

PRELIMINARY STATEMENT

As set forth in the Stipulation, Lead Plaintiff has agreed to settle all claims asserted, or that could have been asserted, against Defendants in the Litigation and related claims, in exchange for $7,000,000 (the "Settlement Amount"), for the benefit of the Class. The result is a favorable outcome representing a recovery of between 18.7% and 29.9% of recoverable damages. The Settlement was reached only after prolonged, arm's-length settlement negotiations—including two in-person mediation sessions. On June 22, 2026, the Court preliminarily approved the settlement, certified the Class for settlement purposes only, and directed that notice be disseminated. ECF No.

[1] Unless otherwise noted, capitalized terms have the meanings ascribed to them in the Stipulation of Settlement, dated June 1, 2026 (the "Stipulation") (ECF No. 190-1), Ex. 1 to the Campisi Declaration (defined below). Citations to "¶" in this memorandum refer to paragraphs of the Declaration of Jeffrey P. Campisi in Support of (1) Lead Plaintiff's Motion for Final Approval of Class Action Settlement and Plan of Allocation, and in Opposition to *Pro Se* Plaintiff and Former Lead Plaintiff Steven B. Christiansen's Objection to the Settlement and (2) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Expenses, and Award to Lead Plaintiff Under 15 U.S.C. § 78u-4(a)(4), dated October 16, 2026 (the "Campisi Declaration" or "Campisi Decl."), filed herewith, unless otherwise noted.

All exhibits are annexed to the Campisi Declaration. For clarity, citations to exhibits that themselves have attached exhibits will be referenced as "Ex. _-_." The first numerical reference is to the designation of the entire exhibit attached to the Campisi Declaration and the second reference is to the exhibit designation within the exhibit itself.

199.[2]

As described below and in the accompanying Campisi Declaration, the decision to settle was well-informed by more than three years of contentious and hard-fought litigation involving, among other things: filing a detailed Consolidated Class Action Complaint for Violations of the Federal Securities Laws (ECF No. 67) (the "Complaint") after extensive research and analysis, opposing Defendants' comprehensive motion to dismiss the Complaint, which the Court partially granted and partially denied; moving for class certification; extensive discovery, involving the production of more than 970,000 pages of documents by Defendants and nonparties, preparing for 12 depositions, retaining a professional with expertise in market efficiency and damages; engaging with professionals with experience in U.S. Food and Drug Administration ("FDA") policies and procedures, and participating in two mediation sessions.

Kaplan Fox & Kilsheimer LLP ("Kaplan Fox" or "Lead Counsel"), which has extensive experience and expertise in prosecuting securities class actions, believes that the Settlement represents a very favorable resolution of this complex litigation in light of the specific risks of continued litigation, particularly the challenges inherent in certifying the Class, surviving Defendants' likely summary judgment motions, *Daubert* motions and prevailing at trial.

Mr. Ayoub, who was actively involved in the Litigation and diligently represented the Class, has approved the Settlement. *See* Declaration of Lead Plaintiff Nizar Sami Ayoub in Support of (1) Lead Plaintiff's Motion for Final Approval of Class Action Settlement and Plan of Allocation, and (2) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Expenses, and Award to Lead Plaintiff Under 15 U.S.C. § 78u-4(a)(4) (the "Ayoub Decl."),

[2] Nothing has changed to alter the propriety of the Court's preliminary certification of the Class for settlement purposes only in the Preliminary Approval Order.

Campisi Decl. Ex. 2, ¶ 13. Accordingly, Mr. Ayoub respectfully requests that the Court grant final approval of the Settlement. Additionally, the Plan of Allocation, developed by Lead Counsel with the assistance of Lead Plaintiff's damages expert, is a fair and reasonable method for distributing the Net Settlement Fund and should also be approved by the Court.

To date, the Court-appointed Claims Administrator, Strategic Claims Services ("SCS"), sent 48,803 notices (either via a mailed Postcard Notice or an emailed electronic link to the Notice and Proof of Claim) to potential Class Members, and published the Summary Notice in *The Wall Street Journal* and over the internet using *GlobeNewswire*. *See* Declaration of Josephine Bravata Concerning: (A) Mailing of Postcard Notice and Proof of Claim; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion and Objections Received to Date (the "Mailing Decl."), dated October 15, 2026, Campisi Decl., Ex. 3, ¶¶ 9, 11. Lead Counsel understands that, as of October 15, 2026, approximately 6,392 claims have been filed. Any new claims will be addressed in the reply papers. Lead Counsel has received no valid requests for exclusion and no objections to the Settlement or Plan of Allocation, other than from Mr. Christiansen.

Mr. Christiansen objects to the Settlement and asserts that it "is far too little to cover investors[']losses." ECF Nos. 217, 218.[3] His objections to the Settlement Amount are meritless and fail to consider the risks of continued litigation. Campisi Decl. ¶¶ 100-01. Mr. Christiansen's objections rest on the legally erroneous premise that a class action settlement must approximate an estimate of maximum recoverable damages in order to satisfy Rule 23. Rule 23 does not require

[3] Previously Mr. Christiansen filed motions that were, in effect, premature objections. Mr. Christiansen filed: (1) a Motion to Declare Proposed Settlement Null & Void (ECF No. 193) and (2) a Motion for Court-Ordered Settlement. ECF No. 196. The Preliminary Approval Order denied Mr. Christiansen's motions as premature. ECF No. 199 at 13. On July 8, 2026, Mr. Christiansen filed a "MOTION FOR DISCLOSURES/AUDIT OF THE SETTLEMENT ADMINISTRATION & EQUITABLE ACCOUNTING" that, in essence, repeated his objections to the Settlement. ECF Nos. 201-04.

that a settlement provide full damages recovery, nor does it require the Court to conduct an independent equitable accounting or audit merely because a class member disagrees with the amount of the compromise. Under Rule 23, the relevant inquiry is whether the settlement is fair, reasonable, and adequate and in the best interest of the Class in light of the risks of continued litigation, including risks relating to liability, loss causation, class certification, damages, trial, and appeal. *Id.* ¶ 102.

Mr. Christiansen does not address any of these considerations and offers only conclusory assertions that are unsupported by evidence. He offers no evidence of fraud, collusion, inadequate representation, notice deficiencies, administrative misconduct, or any flaw in the settlement allocation methodology. *Id.* ¶ 103.[4] As discussed below, courts in this District have overruled similarly unsupported objections that settlement amounts are insufficient. The Court should likewise overrule Mr. Christiansen's objections and find the Settlement is fair, reasonable, and adequate and in the best interest of the Class in light of the risks of continued litigation.

ARGUMENT

I. THE PROPOSED SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE, AND WARRANTS FINAL APPROVAL

A. The Law Favors and Encourages Settlement of Class Action Litigation

Public policy favors the settlement of disputed claims among private litigants, particularly in class actions. *See Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.*, 396 F.3d 96, 116-17 (2d Cir. 2005)

[4] The Court denied Mr. Christiansen's motions to disqualify Mr. Ayoub as Lead Plaintiff because Mr. Christiansen's assertions were contradicted by facts in the record. ECF Nos. 207, 210. An interlocutory appeal was subsequently filed in the U.S. Court of Appeals for the Second Circuit. *See Ayoub v. Spectrum Pharms., Inc.*, 26-2004 (2d Cir. July 22, 2026). Christiansen never filed an appearance in the Second Circuit, and he failed to pay the required appellate fees. *See id.*, Dkt. 11-13. On July 31, 2026, Lead Plaintiff filed a motion to dismiss the appeal. On October 7, 2026, the Second Circuit entered an order dismissing the appeal for Christiansen's "failure to pay fee."

("We are mindful of the 'strong judicial policy in favor of settlements, particularly in the class action context.'"), *superseded by* Fed. R. Civ. P. 23(e)(2), *as recognized in Moses v. New York Times Co.*, 79 F.4th 235, 243 (2d Cir. 2023).[5] This policy would be well-served by approval of the Settlement of this complex securities class action, which, absent resolution, could consume years of additional resources of the Court and, likely, the Court of Appeals for the Second Circuit.

B. The Standards for Final Approval

Rule 23(e) of the Federal Rules of Civil Procedure provides that a class action settlement must be presented to the Court for approval. The Settlement should be approved if the Court finds it "fair, reasonable, and adequate." Fed. R. Civ. P. 23(e)(2). In ruling on final approval of a class settlement, courts in the Second Circuit have held that a court should examine both the negotiating process leading to the settlement, and the settlement's substantive terms. *See Visa*, 396 F.3d at 116; *In re Citigroup Inc. Sec. Litig.*, No. 09 MD 2070(SHS), 2014 WL 2112136, at *2-3 (S.D.N.Y. May 20, 2014).

Pursuant to the amendments to Rule 23(e)(2), a court may approve a settlement as "fair, reasonable, and adequate" after considering the following four factors:

> (A) whether the class representatives and class counsel have adequately represented the class;
>
> (B) whether the proposal was negotiated at arm's length;
>
> (C) whether the relief provided for the class is adequate, taking into account:
>
> > i. the costs, risks, and delay of trial and appeal;
> >
> > ii. the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;

[5] All internal quotations and citations are omitted unless otherwise stated.

iii. the terms of any proposed award of attorneys' fees, including timing of payment; and

iv. any agreement required to be identified under Rule 23(e)(3); and

(D) whether the proposal treats class members equitably relative to each other.

Additionally, courts in the Second Circuit consider the following factors set forth in *City of Detroit v. Grinnell Corp*. in evaluating a class action settlement:

> (1) the complexity, expense and likely duration of the litigation; (2) the reaction of the class to the settlement; (3) the stage of the proceedings and the amount of discovery completed; (4) the risks of establishing liability; (5) the risks of establishing damages; (6) the risks of maintaining the class action through the trial; (7) the ability of the defendants to withstand a greater judgment; (8) the range of reasonableness of the settlement fund in light of the best possible recovery; [and] (9) the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation.

495 F.2d 448, 463 (2d Cir. 1974), *abrogated on other grounds by Goldberger v. Integrated Res., Inc.*, 209 F.3d 43 (2d Cir. 2000); *see also In re Bear Stearns Cos., Inc. Sec., Derivative, & ERISA Litig.*, 909 F. Supp. 2d 259, 265-66 (S.D.N.Y. 2012); *see also* Section 7.B (Approval of Class Action Settlements), Individual Practices in Civil Cases, Valerie Caproni, U.S.D.J. (rev. Mar. 17, 2025). "In finding that a settlement is fair, not every factor must weigh in favor of settlement, 'rather the court should consider the totality of these factors in light of the particular circumstances.'" *In re Glob. Crossing Sec. & ERISA Litig.*, 225 F.R.D. 436, 456 (S.D.N.Y. 2004) (quoting *Thompson v. Metro. Life Ins. Co.*, 216 F.R.D. 55, 61 (S.D.N.Y. 2003)).

As demonstrated herein, the Settlement satisfies the factors set forth in Rule 23(e)(2) and *Grinnell*, and accordingly, final approval is warranted.[6]

[6] Lead Plaintiff will discuss the fairness, reasonableness, and adequacy of the Settlement principally in relation to the Rule 23(e)(2) factors and will also discuss the application of relevant, non-duplicative factors traditionally considered by the Second Circuit. The Advisory Committee

C. Lead Plaintiff and Lead Counsel Have Adequately Represented the Class

In determining whether to approve a class action settlement, the court should consider whether the "class representatives and class counsel have adequately represented the class." Fed. R. Civ. P. 23(e)(2)(A); *see also In re Barrick Gold Sec. Litig.*, 314 F.R.D. 91, 99 (S.D.N.Y. 2016) (noting that "the adequacy requirement 'entails inquiry as to whether: 1) plaintiffs' interests are antagonistic to the interest of other members of the class and 2) plaintiffs' attorneys are qualified, experienced and able to conduct the litigation.'").

Lead Plaintiff and Lead Counsel have adequately represented the Class. Lead Plaintiff, like all other members of the Class, purchased Spectrum common stock during the Class Period when its value was allegedly artificially inflated by Defendants' allegedly false and misleading statements. Thus, the claims of the Class and Lead Plaintiff would prevail or fail in unison, and the common objective of maximizing recovery from Defendants aligns the interests of Lead Plaintiff and all members of the Class. *See, e.g.*, *In re Polaroid ERISA Litig.*, 240 F.R.D. 65, 77 (S.D.N.Y. 2006) ("Where plaintiffs and class members share the common goal of maximizing recovery, there is no conflict of interest between the class representatives and other class members.").

Moreover, Lead Plaintiff was an active and informed participant in the litigation who: (i) regularly communicated with Lead Counsel regarding the posture and progress of the Litigation;

Notes to the 2018 amendments to the Federal Rules of Civil Procedure indicate that the Rule 23(e)(2) factors are not intended to "displace" any factor previously adopted by the Court of Appeals, but "rather to focus the court and the lawyers on the core concerns of procedure and substance that should guide the decision whether to approve the proposal." Fed. R. Civ. P. 23(e)(2) Advisory Committee Notes to 2018 Amendments; *In re Payment Card Interchange Fee & Merch. Disc. Antitrust Litig.*, 330 F.R.D. 11, 29 (E.D.N.Y. 2019) (stating "the new Rule 23(e) factors [ ] add to, rather than displace, the [Second Circuit] factors."); *In re PPDAI Grp. Inc. Sec. Litig.*, No. 18-CV-6716 (TAM), 2022 WL 198491, at *8 n.10 (E.D.N.Y. Jan. 21, 2022) (noting significant overlap between relevant Second Circuit case law and Rule 23(e)(2) factors).

(ii) reviewed pleadings and motions filed in the Litigation; (iii) participated in settlement discussions; (iv) traveled from Arizona to New York to participate in the second mediation; and (v) evaluated and approved the proposed Settlement. *See* Campisi Decl., Ex. 2, ¶¶ 3-12.

Additionally, Lead Plaintiff benefitted from the advice of knowledgeable counsel well-versed in shareholder class action litigation and securities fraud cases. During the course of the litigation, Lead Counsel developed a deep understanding of the facts of the case and the merits of the claims. *See generally* Campisi Declaration. Moreover, Kaplan Fox is highly qualified and experienced in securities litigation, as set forth in its firm resume (*see* Campisi Decl., Ex. 4-C) and successfully conducted the litigation against skilled opposing counsel.[7] Accordingly, the Class has been, and remains, well represented.

D. The Settlement Was Reached After Robust Arm's-Length Negotiations

In weighing approval of a class-action settlement, the Court must consider whether the settlement "was negotiated at arm's length." Fed. R. Civ. P. 23(e)(2)(B). It should be reached "between experienced, capable counsel after meaningful discovery." *Visa*, 396 F.3d at 116; *In re Facebook, Inc. IPO Sec. & Derivative Litig.*, MDL No. 12–2389, 2015 WL 6971424, at *3 (S.D.N.Y. Nov. 9, 2015), *aff'd*, 674 F. App'x 37 (2d Cir. 2016). Additionally, "[c]ourts have recognized a presumption of fairness when a settlement is reached with the assistance of an independent mediator." *Zimmerman v. Paramount Glob.*, No. 23-CV-2409 (VSB), 2025 WL 763734, at *4 (S.D.N.Y. March 11, 2025); *D'Amato v. Deutsche Bank*, 236 F.3d 78, 85 (2d Cir. 2001) (noting that "mediator's involvement in pre-certification settlement negotiations helps to ensure that the proceedings were free of collusion and undue pressure"); *In re Elan Sec. Litig.*, 385 F. Supp. 2d 363, 369 (S.D.N.Y. 2005) (applying presumption of fairness where the settlement was

[7] Defendants were represented by two well-regarded firms, Baker Botts L.L.P. and Paul Hastings LLP.

"the product of, among other things, [a] two-day settlement conference" before mediator).

The Settlement merits approval because it was achieved after thorough arm's-length negotiations between well-informed and experienced counsel under the supervision of an experienced mediator. Campisi Decl. ¶¶ 54-63. As discussed in the Campisi Declaration, the Parties and their counsel had a well-honed understanding of the strengths and weaknesses of the case before agreeing to settle. The judgment of Lead Counsel—a leading securities class action litigation law firm with decades of experience in the area—that the Settlement is in the best interests of the Class is also entitled to "great weight." *City of Providence v. Aeropostale, Inc.*, No. 11 Civ. 7132(CM)(GWG), 2014 WL 1883494, at *5 (S.D.N.Y. May 9, 2014), *aff'd*, *Arbuthnot v. Pierson*, 607 F. App'x 73 (2d Cir. 2015).

E. The Relief Provided by the Settlement Is Adequate

The Court must also consider whether "the relief provided for the class is adequate, taking into account . . . the costs, risks, and delay of trial and appeal," as well as other relevant factors. Fed. R. Civ. P. 23(e)(2)(C)(i). "This assessment implicates several *Grinnell* factors, including: (i) the complexity, expense and likely duration of the litigation; (ii) the risks of establishing liability; (iii) the risks of establishing damages; and (iv) the risks of maintaining the class through the trial." *In re Payment Card*, 330 F.R.D. at 36.

1. The Complexity, Expense, and Likely Duration of the Litigation Support Approval of the Settlement

Securities class actions like this one are by their nature highly complex, and district courts have long recognized that "[a]s a general rule, securities class actions are 'notably difficult and notoriously uncertain' to litigate." *In re Facebook*, 2015 WL 6971424, at *3; *Bear Stearns*, 909 F. Supp. 2d at 266. In fact, "[s]ecurities class actions are generally complex and expensive to prosecute[,]" *In re Gilat Satellite Networks, Ltd.*, No. CV-02-1510, 2007 WL 1191048, at *10

(E.D.N.Y. Apr. 19, 2007) and thus "readily lend themselves to compromise because of the difficulties of proof, the uncertainties of the outcome, and the typical length of the litigation." *In re Luxottica Grp. S.p.A. Sec. Litig*., 233 F.R.D. 306, 310 (E.D.N.Y. 2006).

This case was no exception. As discussed in detail in the Campisi Declaration, the case involved unique and intricate issues regarding falsity, scienter, loss causation, and damages in connection with allegations that Defendants misled investors into believing that there was a reasonable chance of accelerated FDA approval for pozi, a developmental cancer drug. Campisi Decl., ¶ 11, § IV. Certifying a class, prevailing on summary judgment, and then achieving a litigated verdict (and sustaining any such verdict on appeal) would have been a very challenging, expensive, time-consuming, and uncertain undertaking.

The trial of the claims here would have required expert testimony on issues regarding, among other things, loss causation and damages under the Exchange Act. Courts routinely observe that disputes requiring dueling expert testimony are particularly difficult for plaintiffs to litigate. *See, e.g., In re Telik, Inc. Sec. Litig.*, 576 F. Supp. 2d 570, 579-80 (S.D.N.Y. 2008) (in a "'battle of experts,' it is virtually impossible to predict with any certainty which testimony would be credited…"). Of course, even if Lead Plaintiff had prevailed at summary judgment and trial, it is virtually certain that appeals would be taken, which would have, at best, delayed any recovery. *See Strougo ex rel. Brazilian Equity Fund v. Bassini*, 258 F. Supp. 2d 254, 261 (S.D.N.Y. 2003) ("[E]ven if a shareholder or class member was willing to assume all the risks of pursuing the actions through further litigation . . . the passage of time would introduce yet more risks . . . and would, in light of the time value of money, make future recoveries less valuable than this current recovery."). At worst, there was the possibility that the verdict could be reversed by the trial court or on appeal. *See, e.g., Robbins v. Koger Props., Inc.*, 116 F.3d 1441, 1449 (11th Cir. 1997)

(reversing $81 million jury verdict and dismissing case with prejudice in securities action); *Anixter v. Home-Stake Prod. Co.*, 77 F.3d 1213, 1215 (10th Cir. 1996) (overturning plaintiffs' verdict obtained after two decades of litigation). By contrast, the Settlement provides a certain benefit to the Class without the risk and delays of continued litigation.

2. The Risks of Establishing Liability and Damages Support Approval of the Settlement

In assessing the fairness, reasonableness, and adequacy of a settlement, courts should consider the "risks of establishing liability, . . . [and] the risks of establishing damages." *Grinnell*, 495 F.2d at 463. In most cases, this will be the most important factor for a court to consider in its analysis of a proposed settlement. *See id.* at 455 ("The most important factor is the strength of the case for plaintiffs on the merits, balanced against the amount offered in settlement."). In assessing this factor, the Court is not required to "decide the merits of the case or resolve unsettled legal questions," *Carson v. Am. Brands, Inc.*, 450 U.S. 79, 88 n.14 (1981), or to "foresee with absolute certainty the outcome of the case[,]" *In re Austrian & German Bank Holocaust Litig.*, 80 F. Supp. 2d 164, 177 (S.D.N.Y. 2000). "[R]ather, the Court need only assess the risks of litigation against the certainty of recovery under the proposed settlement." *Glob. Crossing*, 225 F.R.D. at 459.

While Lead Plaintiff and Lead Counsel believe the claims asserted against Defendants are meritorious, they recognize that the Action presented several substantial obstacles with respect to class certification, as well as establishing both liability and damages. Campisi Decl., § IV. Here, in particular, Defendants would have vigorously challenged Lead Plaintiff on falsity, scienter, loss causation and damages.

(a) The Risks of Achieving and Maintaining Class Certification

As discussed in the Campisi Declaration, ¶¶ 47-53, Lead Plaintiff's motion for certification of a class of investors who purchased Spectrum common stock during the period May 12 through

September 22, 2022 (the "Class Period") was pending, and not fully briefed, when the Parties agreed to settle. Defendants had not yet submitted their opposition to Lead Plaintiff's motion. However, Lead Plaintiff understood that Defendants would have tenaciously contested Lead Plaintiff's efforts to certify a Class covering the full Class Period by arguing that the Class Period should end on September 20, 2022. Campisi Decl. ¶ 66.

Lead Plaintiff anticipated that Defendants would argue the disclosure on September 20, 2022, disclosed the negative material facts that the Complaint alleges Defendants failed to disclose, and that the disclosure and stock drop on September 23, 2022, were not a corrective disclosure. Specifically, Defendants would argue that although the Complaint alleges a class period extending through the September 22, 2022 ODAC meeting, the "truth" was fully revealed by the ODAC briefing document released on September 19, 2022 ("FDA Briefing Document"), which disclosed both that no patients had yet been enrolled in the Pinnacle Study and that the FDA had expressed concerns about the appropriate dosage for pozi. As a result, there was risk that the class period would end on September 20—the first day of trading following the release of the FDA Briefing Document, which would limit potential recoverable damages to a portion of the stock price drop on September 20, 2022 ($0.40 per share) and could not include the additional price drop on September 23, 2022 ($0.20 per share). *Id.* ¶67.

There was significant uncertainty regarding how the Court would rule on certifying the class period or whether certification would be maintained through a potential trial and appeal, militating in favor of settlement. Class certification can be reviewed and modified at any time by a court before final judgment. *See* Fed. R. Civ. P. 23(c)(1)(C) ("An order that grants or denies class certification may be altered or amended before final judgment."). The Settlement avoids any uncertainty with respect to class certification and the risks of maintaining Class certification

through trial and on appeal. *See Ebbert v. Nassau Cnty.*, No. CV 05–5445(AKT), 2011 WL 6826121, at *12 (E.D.N.Y. Dec. 22, 2011) (risk of de-certification of the certified class supported approval of Settlement).

(b) Risks Related to Proving Liability: Falsity and Scienter

At summary judgment and trial, Defendants would strenuously maintain that Lead Plaintiff could not establish that Defendants' statements were false and misleading or that Defendants acted with scienter as required by the Exchange Act. Campisi Decl., ¶¶ 70-76, 82-83. "Proving a defendant's state of mind is hard in any circumstances." *Telik*, 576 F. Supp. 2d at 579. Indeed, at trial, Lead Plaintiff would have to establish that Defendants consciously or recklessly made false or misleading statements. *See Christiansen v. Spectrum Pharms., Inc.*, No. 22-CV-10292 (VEC), 2024 WL 246020, at *14 (S.D.N.Y. Jan. 23, 2024).

At summary judgment and trial, Defendants would likely argue that Lead Plaintiff failed to establish that Defendants' statements were materially false and misleading. For example, as to Mr. Riga's reference to "alignment" with the FDA on dosing (May 12, 2022 statement), Defendants would assert that Spectrum was accurately reporting that it had discussed its choice of dosage for the Pinnacle Study with the FDA and that the FDA had agreed that Spectrum should go forward with the Pinnacle Study at the 8 mg BID dose rather than the 16 mg QD dose. Furthermore, Defendants would highlight that the FDA Briefing Document supports this defense because it states Spectrum and the FDA "agreed that the 8 mg BID regimen as the starting dosage was preferable in the confirmatory trial." Defs. Mot. to Dismiss, ECF No. 70 at 4. Moreover, Defendants would argue that Mr. Riga expressly noted that "the FDA could have additional questions on dosing" at the ODAC meeting. Thus, Defendants' argument would be that, read in context, Mr. Riga's statements were not misleading and made clear that the FDA had not endorsed the 8 mg BID dosage or assured Spectrum that its proposed dosage would be accepted. Campisi

Decl. ¶ 70.

Regarding the statement about patients "being randomized" in the Pinnacle Study, Defendants would assert that it was intended, was understood by most analysts, as a description of the Pinnacle Study's design, that the statement was not intended to convey any information about the status of patient enrollment in the Pinnacle Study, and that Spectrum's documents show that the Spectrum employees responsible for drafting and editing this statement intended for the statement to be a description of the Pinnacle Study's design. Lead Plaintiff believes he has responses to these arguments, but the issue would have been factually contentious. Campisi Decl. ¶¶ 71-72.

Additionally, Defendants would have argued that there is no evidence that Defendants Riga or Lebel personally benefitted from the alleged fraud or otherwise had any personal motive to defraud the Company's investors, that they increased their stock holdings during the alleged Class Period, and that Riga never sold a single share of Spectrum stock. Thus, Defendants would argue that their economic interests were completely aligned with those of Spectrum's other shareholders. Campisi Decl. ¶ 74.

While Lead Plaintiff believes he could have established that Defendants were aware of the true information regarding the lack of enrollment of patients in and dosage for the Pinnacle Study, he would have faced strong arguments from Riga and Lebel that the statements they made were not intended to mislead. Lead Plaintiff believes he has responses to these arguments, but the issue would have been factually contentious. Campisi Decl. ¶¶ 75-76.

In short, it was far from certain that Lead Plaintiff would be able to prove the falsity of Defendants' statements and Defendants' scienter through summary judgment and at trial, militating in favor of a settlement.

(c) Risks Related to Proving Loss Causation and Damages

With respect to loss causation, Defendants would have likely argued that the alleged misstatements were made in May 2022, and there is no evidence that they had any effect on Spectrum's stock price. Campisi Decl., ¶¶ 77-81. Specifically, Defendants would argue that when the "corrective" disclosures were made, they were buried with other non-fraud-related-information, including the disclosure that FDA's advisory committee, ODAC, would be considering a new, competing drug as an available alternative when it was considering pozi, and that the Class cannot recover as damages the inevitable price decline following news of an adverse regulatory decision. If such arguments were accepted by the Court at summary judgment or by a jury, in whole or part, they would have dramatically limited any recovery for the Class. Campisi Decl. ¶¶ 77-78.

The ultimate matter of proving damages would have also been a highly contested issue for the fact finder at trial, with the Parties putting forth widely diverging and complex expert evidence. Campisi Decl. ¶ 79.

Lead Counsel, with the assistance of Lead Plaintiff's experts, has estimated classwide damages of approximately $37.4 million, if liability were established with respect to all of the allegedly false statements/omissions alleged in the Complaint during the Class Period. However, if Lead Plaintiff only prevailed on the September 20, 2022 disclosure, estimated classwide damages would decrease to approximately $23.4 million. Here, the lower end of the damages range was a real possibility given the disclosure on September 23, 2022 related to the results of the ODAC vote, and the FDA Briefing Document had already been disclosed on September 19, 2022. Campisi Decl. ¶¶ 80-81.

While Lead Counsel would work extensively with Lead Plaintiff's damages expert with a view towards presenting compelling arguments to the jury and prevailing at trial, Defendants

would have put forth well-qualified experts of their own who were likely to opine that the class suffered little or no damages. As courts have long recognized, the substantial uncertainty as to which side's experts might be credited by a jury presents a serious litigation risk. *See In re IMAX Sec. Litig.*, 283 F.R.D. 178, 193 (S.D.N.Y. 2012) ("[I]t is well established that damages calculations in securities class actions often descend into a battle of experts.").

Given all of these risks with respect to proving falsity, scienter, loss causation, and damages, Lead Plaintiff and Lead Counsel respectfully submit that it is in the best interests of the Class to accept the certain and substantial benefit conferred by the Settlement.

F. The Effective Process for Distributing Relief to the Class

Rule 23(e)(2)(C)(ii) instructs courts to consider whether the relief provided to the class is adequate in light of the "effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims." The proceeds of the Settlement will be distributed with the assistance of an experienced claims administrator, SCS.

SCS will employ a well-tested protocol for the processing of claims in a securities class action. Namely, a potential Class member will submit, either by mail or online using the Settlement website, the Court-approved Proof of Claim and Release. *See* Stipulation, ¶ 5.4. Based on the trade information provided by claimants, SCS will determine each claimant's eligibility to participate by, among other things, calculating their respective "recognized claims" based on the Court-approved Plan of Allocation, and ultimately determine each eligible claimant's *pro rata* portion of the Net Settlement Fund. *See id.* ¶ 5.6. Claimants will be notified of any defects or conditions of ineligibility and given the chance to contest the rejection of their claims and remedy any curable defects. *Id.* ¶ 5.7. Any claim disputes that cannot be resolved will be presented to the Court for a determination. *Id.* ¶ 5.8. After the Settlement reaches its Effective Date (*id.* ¶ 1.11) and the claims process is complete, Lead Plaintiff will seek Court approval to distribute the Net Settlement Fund.

If approval is granted, the Net Settlement Fund will be distributed to Authorized Claimants (*id.* ¶ 1.1) as described in the Stipulation. *Id*. ¶ 5.10.

G. The Anticipated Attorneys' Fees and Expenses Are Reasonable

As discussed in the Fee and Expense Application and supporting memorandum of law, the proposed attorneys' fees of 25% of the Settlement Fund, to be paid as ordered by the Court, are reasonable in light of the efforts of Lead Counsel and the risks in the litigation. Moreover, the fact that approval of attorneys' fees is entirely separate from approval of the Settlement and neither Lead Plaintiff nor Lead Counsel may terminate the Settlement based on the Court's ruling on attorneys' fees and/or litigation expenses militates in favor of finding the Settlement fair and reasonable.

H. The Relief Provided in the Settlement Is Adequate Taking Into Account All Agreements Related to the Settlement

Rule 23(e)(2)(C)(iv) requires the disclosure of any agreement between the Parties in connection with the proposed Settlement. On June 1, 2026, the Parties entered into the Stipulation and a confidential Supplemental Agreement Regarding Requests for Exclusion (the "Supplemental Agreement"). Stipulation, ¶ 7.3. The Supplemental Agreement sets forth the conditions under which Spectrum has the option to terminate the Settlement in the event that requests for exclusion from the Class exceed a certain agreed-upon threshold. It is standard in securities class actions to keep the Supplemental Agreement confidential to avoid incentivizing the formation of a group of opt-outs for the sole purpose of leveraging a larger individual settlement, to the detriment of the Class. The Supplemental Agreement and the Stipulation are the only agreements concerning the Settlement entered into by the Parties.

I. Application of the Remaining *Grinnell* Factors Supports Approval

1. The Ability of Defendants to Withstand a Greater Judgment

The ability of a defendant to pay a judgment greater than the amount offered in settlement is relevant to whether the settlement is fair. *Grinnell*, 495 F.2d at 463. As alleged in the Complaint, Spectrum was in a precarious financial condition and needed to raise cash. Spectrum was on track to run out of cash by the end of 2022 and issued a going concern warning, indicating that the Company may go out of business. Compl. ¶ 156. After Spectrum's stock price crashed at the end of the Class Period, Spectrum sold itself to Assertio Holdings, Inc. ("Assertio") and delisted its stock.[8]

Moreover, continued litigation would have further depleted the directors' and officers' liability insurance ("D&O") proceeds available to contribute to the Settlement Amount. Campisi Decl. ¶ 86. Spectrum's D&O insurance is a wasting asset, meaning that every dollar spent on defense costs reduces the amount of insurance available to fund a settlement or judgment. *Id.* If the Litigation were to continue through expert work, depositions, summary judgment, and trial preparation, defense counsel fees and litigation expenses would be paid from the same insurance limits that would otherwise be available to resolve the Litigation. *Id.* The available proceeds would continue to erode as defense costs are incurred, creating a strong incentive to resolve the litigation before insurance is exhausted. *Id.*

Therefore, these facts raise questions about Defendants' ability to withstand a greater judgment if the case continued. In other words, without a Settlement, there exists the real possibility that Lead Plaintiff would spend years litigating the verdict and obtain an uncollectible

[8] In June 2026, Assertio merged with Zydus Lifesciences Ltd. *See* https://www.businesswire.com/news/home/20260616901266/en/Assertio-Announces-Completion-of-Merger-with-Zydus-Lifesciences-and-Fundamental-Change-and-Make-Whole-Fundamental-Change-Relating-to-its-Outstanding-6.50-Convertible-Senior-Notes-due-2027 (last visited Oct. 14, 2026).

judgment.

2. The Reaction of the Class to Date

The reaction of the class to a proposed settlement is a significant factor to be weighed in considering its fairness and adequacy. *See, e.g.*, *Bear Stearns*, 909 F. Supp. 2d at 266-67.

While the deadline set by the Court for Class Members to object or request exclusion (October 30, 2026) has not yet passed, Lead Plaintiff is aware of one objection filed by Mr. Christiansen. To date, no objections to the Plan of Allocation have been received and no valid requests for exclusion have been received. As provided in the Preliminary Approval Order, Lead Plaintiff will file reply papers no later than November 13, 2026, addressing any objections and any additional requests for exclusion.

As outlined above, Mr. Christiansen's objections are meritless.

Courts in this District have overruled similarly unsupported objections that settlement amounts are insufficient. *See, e.g.*, *In re Merrill Lynch & Co., Inc. Rsch. Reps. Sec. Litig.*, 246 F.R.D. 156, 168 (S.D.N.Y. 2007) (overruling objection asserting settlement is "unreasonably low and is not in the investors class' best interests" because they were "conclusory statements" and insufficient to weigh against approval of the settlement as fair and reasonable); *Glob. Crossing*, 225 F.R.D. at 457 (overruling objections "to the size of the settlement."); *D'Amato*, 236 F.3d at 85 (affirming district court's rejection of objections to settlement based on "conclusory and speculative allegations and statements outside the record" and "conclusory statement that his interests are being inadequately represented"); *Vaccaro v. New Source Energy Partners L.P.*, No. 15-CV-8954, 2017 WL 6398636, at *5 (S.D.N.Y. Dec. 14, 2017) (objection to $2.85 million settlement representing 6.5% of maximum recoverable damages claiming that defendants could "fund a more generous settlement" overruled because of the costs and risks plaintiffs faced in litigating case). Campisi Decl. ¶ 104.

Because Mr. Christiansen's objections fail to identify any defect in the settlement process or demonstrate that the proposed settlement falls outside the range of reasonableness, they provide no basis to deny final approval and they should be overruled in their entirety. *Id.* ¶ 105.

3. The Stage of the Proceedings and the Amount of Information Available to Counsel Support Approval of the Settlement

Here, as detailed in the Campisi Declaration, Lead Counsel conducted a robust investigation; prepared a comprehensive class action complaint; successfully opposed, in part, Defendants' motion to dismiss; moved for certification of the Class; engaged in extensive and thorough discovery, involving the production of more than 970,000 pages of documents by Defendants and nonparties, preparing for 12 depositions, and retaining a professional with expertise in market efficiency and damages; engaged with professionals with experience in FDA policies and procedures; and prepared for and participated in a rigorous mediation process, involving two mediation sessions. *See generally* Campisi Decl., § III.

Armed with this substantial base of knowledge, Lead Plaintiff was in a position to balance the proposed settlement against a well-educated assessment of the likelihood of overcoming the risks of litigation. Accordingly, Lead Plaintiff and Lead Counsel respectfully submit that they had "a clear view of the strengths and weaknesses of their case[]" and the range of possible outcomes at trial. *Teachers' Ret. Sys. of La. v. A.C.L.N. Ltd.*, No. 01–CV–11814(MP), 2004 WL 1087261, at *3 (S.D.N.Y. May 14, 2004). Thus, the Court should find that this factor also supports approval.

4. The Range of Reasonableness of the Settlement Amount in Light of the Best Possible Recovery and All the Attendant Risks of Litigation Supports Approval of the Settlement

Courts agree that the determination of a "reasonable" settlement "is not susceptible [to] a mathematical equation yielding a particularized sum." *In re PaineWebber Ltd. P'ships Litig.*, 171 F.R.D. 104, 130 (S.D.N.Y. 1997), *aff'd*, 117 F.3d 721 (2d Cir. 1997). Instead, "in any case there

is a range of reasonableness with respect to a settlement…." *Newman v. Stein*, 464 F.2d 689, 693 (2d Cir. 1972).

Here, as discussed above and in the Campisi Declaration (*see* ¶¶ 5-6, 80), the Settlement recovers between approximately 18.7% and 29.9% of Lead Counsel's estimation of likely recoverable damages. This percentage range of recovery is well above the recovery range of settlements that have been approved in this District. *See, e.g.*, *Feierstein v. Correvio Pharma Corp.*, No. 1:19-cv-11361, ECF No. 71 (S.D.N.Y. May 19, 2021) (Caproni, J.) (approving settlement representing 5.01-8.14% of estimated damages); *Samit v. CBS Corp.*, No. 18-CV-7796, ECF No. 225 (S.D.N.Y. Nov. 7, 2022) (Caproni, J.) (approving settlement representing 7-9% of estimated damages); *In re Mindbody Inc. Sec. Litig*., No. 1:19-cv-08331, ECF No. 145 (S.D.N.Y. Oct. 27, 2022) (Caproni, J.) (approving settlement representing 2.2-7.3% of estimated damages); *In re LightInTheBox Holding Co., Sec. Litig.*, No. 1:13-cv-06016, ECF No. 96 (S.D.N.Y. May 8, 2015) (Caproni, J.) (approving settlement representing approximately 5% of estimated damages); *In re Merrill Lynch & Co., Inc. Rsch. Reps. Sec. Litig.*, No. 02 MDL 1484(JFK), 2007 WL 4526593, at *11 (S.D.N.Y. Dec. 20, 2007) (approving settlement representing between 2.15% and 4.07% of estimated damages); *Hicks v. Morgan Stanley*, No. 01 Civ. 10071(RJH), 2005 WL 2757792, at *7 (S.D.N.Y. Oct. 24, 2005) (finding a settlement representing 3.8% of plaintiffs' estimated damages to be within range of reasonableness); *In re Merrill Lynch*, 246 F.R.D. at 167 (approving settlement that was "between approximately 3% and 7% of estimated damages"); *see also* Edward Flores, Svetlana Starykh, and Ivelina Velikova, *Recent Trends in Securities Class Action Litigation: 2025 Full-Year Review*, at 27 (National Economic Research Associates, Inc. (NERA 2026), Ex. 5 (demonstrating that, in cases with $20-$49 million in investor losses, average settlement value is 5.2% of losses).

Considering the risks of continued litigation, including the unpredictability of motion practice, a lengthy and complex trial, and the inevitable appellate process that would follow with the risk of reversal, the proposed Settlement is a significant result and falls squarely within the "range of reasonableness." *Visa*, 396 F.3d at 119 ("[t]here is a range of reasonableness with respect to a settlement—a range which recognizes the uncertainties of law and fact in any particular case and the concomitant risks and costs necessarily inherent in taking any litigation to completion"). Moreover, factoring in the present time value of money against these litigation risks and delays further supports finding the Settlement within the range of reasonableness. *See In re AOL Time Warner, Inc. Sec. "ERISA" Litig.*, No. MDL 1500, 2006 WL 903236, at *13 (S.D.N.Y. Apr. 6, 2006) ("the benefit of the Settlement will…. be realized far earlier than a hypothetical post-trial recovery").

Thus, by all applicable measures, the Settlement is a significant recovery for the Class and well within the range of reasonableness. Therefore, the Court should grant final approval.

II. THE PLAN OF ALLOCATION FOR THE PROCEEDS OF THE SETTLEMENT IS FAIR AND REASONABLE AND SHOULD BE APPROVED

A plan for allocating settlement proceeds, like the settlement itself, should be approved if it is fair, reasonable, and adequate. *See IMAX*, 283 F.R.D. at 192; *Bear Stearns*, 909 F. Supp. 2d at 270. A plan of allocation with a "rational basis" satisfies this requirement. *In re FLAG Telecom Holdings, Ltd. Sec. Litig.*, No. 02–CV–3400 (CM)(PED), 2010 WL 4537550, at *21 (S.D.N.Y. Nov. 8, 2010); *In re Initial Pub. Offering Sec. Litig.*, 671 F. Supp. 2d 467, 497 (S.D.N.Y. 2009). A plan of allocation that reimburses class members based on the relative strength and value of their claims is reasonable. *See IMAX*, 283 F.R.D. at 192. However, a plan of allocation does not need to be tailored to fit each and every class member with "mathematical precision." *PaineWebber*, 171 F.R.D. at 133.

Here, the proposed Plan of Allocation, which was developed by Lead Counsel in consultation with Lead Plaintiff's damages expert, provides a fair and reasonable method to allocate the Net Settlement Fund among Class members who submit valid claims. The Plan is set forth in full in the Notice. *See* Campisi Decl. Ex. 3-A, ¶ 23. The Plan provides for distribution of the Net Settlement Fund among Authorized Claimants on a *pro rata* basis based on their "Recognized Loss Amounts," calculated according to the Plan's formulas. Campisi Decl. § VI.

The sum of a claimant's Recognized Loss Amounts will be the claimant's "Recognized Claim." If the aggregate amount of Recognized Claims is greater than the Net Settlement Fund, each Claimant will receive a settlement equal to their *pro rata* share of the Net Settlement Fund. Lead Counsel believes that the Plan of Allocation provides a fair and reasonable method to equitably allocate the Net Settlement Fund. *See In re Giant Interactive Grp., Inc. Sec. Litig.*, 279 F.R.D. 151, 163 (S.D.N.Y. 2011) ("[i]n determining whether a plan of allocation is fair, courts look primarily to the opinion of counsel"). Moreover, as noted above, to date, no objections to the Plan of Allocation have been received.

III. NOTICE SATISFIED RULE 23 AND DUE PROCESS

Notice to class members of a settlement satisfies Rule 23(e) and due process where it "fairly apprise[s] the prospective members of the class of the terms of the proposed settlement and of the options that are open to them in connection with the proceedings." *Visa*, 396 F.3d at 114 (discussing Rule 23(e)(1)). Notice need not be perfect or received by every class member but instead must be reasonable under the circumstances. *See* Fed. R. Civ. P. 23(e)(1)(B) ("The court must direct notice in a reasonable manner to all class members who would be bound by the [settlement] proposal."); *Visa*, 396 F.3d at 114. Notice is adequate if the average class member understands the terms of the proposed settlement and the options the class member has. *See In re Merrill Lynch*, 246 F.R.D. at 166.

The Court-approved notice satisfies Rule 23(e) and due process, as well as the specific requirements of Rule 23(c)(2)(B) and the PSLRA, 15 U.S.C. § 78u-4(a)(7), by apprising Class Members of important information including, among other things: (i) a detailed explanation of the Action and the claims asserted; (ii) the definition of the Class; (iii) the amount of the Settlement; (iv) an explanation of the reasons why the Settlement is proposed; (v) a statement indicating the attorneys' fees and costs that will be sought; (vi) a description of Class Members' right to opt out or to object, including the deadlines and process for doing so; (vii) instructions on how to submit a Proof of Claim and the deadline for doing so; and (viii) notice of the binding effect of a judgment on Class Members. *See generally*, Campisi Decl., Ex. 3-A.

Moreover, notice has been widely distributed to Class Members in accordance with the plan approved in the Preliminary Approval Order. Specifically, SCS began mailing copies of the Postcard Notice and emailing electronic links to the Notice and Proof of Claim to potential Class Members on July 9, 2026. *See* Mailing Decl. ¶¶ 3-4, 6. To date, SCS has sent 48,803 notices to potential Class Members. *Id.* ¶ 9. Additionally, SCS published the Summary Notice in *The Wall Street Journal* and over the internet using *GlobeNewswire* on July 20, 2026. *Id.* ¶ 11. On July 9, 2026, SCS also established a webpage for the settlement, https://www.strategicclaims.net/case/ayoubvspectrum/, to provide Class Members with information about the Settlement, as well as access to copies of the Notice and Proof of Claim, the Postcard Notice, Stipulation, and Preliminary Approval Order. *Id*. ¶ 13. Lead Counsel also posted copies of the Notice and Proof of Claim and Release form on its website. Campisi Decl. ¶ 155.

Courts routinely find that comparable notice programs satisfy Rule 23, due process, and the PSLRA. *See, e.g.*, *In re Advanced Battery Techs., Inc. Sec. Litig.*, 298 F.R.D. 171, 182-83 n.3 (S.D.N.Y. 2014) (holding that "[t]he use of a combination of a mailed post card directing class

members to a more detailed online notice has been approved by courts" and collecting cases); *Feierstein v. Correvio Pharma Corp.*, No. 1:19-cv-11361-VEC, ECF No. 71 (S.D.N.Y. May 19, 2021) (Caproni, J.) (approving class action settlement and finding that dissemination of postcard notice, online posting of detailed notice and claim form, and publication of the summary notice, satisfied requirements of Federal Rules of Civil Procedure, due process, and PSLRA).

CONCLUSION

Lead Plaintiff respectfully requests that the Court grant final approval of the proposed Settlement, approve the proposed Plan of Allocation, finally certify the Class for purposes of the Settlement only, and overrule Mr. Christiansen's objections. Proposed orders will be submitted with the reply papers, after the deadline for objecting has passed.

Dated: October 16, 2026

KAPLAN FOX & KILSHEIMER LLP

/s/ Jeffrey P. Campisi
Robert N. Kaplan
Jeffrey P. Campisi
Brandon Fox
Jennifer Ligansky
800 Third Avenue, 38th Floor
New York, NY 10022
T: 212-687-1980
F: 212-687-7714
rkaplan@kaplanfox.com
jcampisi@kaplanfox.com
bfox@kaplanfox.com
jligansky@kaplanfox.com

Lead Counsel for Lead Plaintiff Nizar Sami Ayoub and the settlement Class

CERTIFICATE OF COMPLIANCE

I certify that this memorandum of law contains 7,907 words and complies with the type-volume limitation of Local Civil Rule 7.1(c) of the Local Rules of United States District Courts for the Southern and Eastern Districts of New York, dated January 2, 2026, and the Individual Practices in Civil Cases of the Hon. Valerie E. Caproni, United States District Judge, effective March 17, 2025. I also certify that this brief complies with the typeface and type style requirements of Local Civil Rule 7.1(b)(1)-(3).

/s/ Jeffrey P. Campisi
Jeffrey P. Campisi

CERTIFICATE OF SERVICE

I, Jeffrey P. Campisi, hereby certify that, on October 16, 2026, I caused the foregoing to be served on all counsel of record by filing the same with the Court using the CM/ECF system which will send electronic notices of the filing to all counsel of record.

/s/ Jeffrey P. Campisi
Jeffrey P. Campisi