UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

DAVID RIGO FERNANDEZ, individually and on behalf of all others similarly situated, Plaintiff, v. DOUYU INTERNATIONAL HOLDINGS LIMITED, SHAOJIE CHEN, AND MINGMING SU, Defendants.	Case No. 2:23-cv-03161-SDA *Document Filed Electronically* CLASS ACTION Motion Day: August 18, 2025 Hon. Stacey D. Adams, U.S.M.J.

MEMORANDUM OF LAW IN SUPPORT OF LEAD PLAINTIFFS' UNOPPOSED MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION

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Pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, Court-appointed lead plaintiffs Raphael Seiler and Pedro Reyes (collectively, "Lead Plaintiffs"), on behalf of themselves and all other members of the proposed Settlement Class, respectfully submit this memorandum of law in support of their unopposed motion for: (i) final approval of the proposed Settlement of the above-captioned class action (the "Action"); (ii) approval of the proposed plan of allocation for the proceeds of the Settlement (the "Plan of Allocation"); and (iii) final certification of the Settlement Class.[1]

I. INTRODUCTION

In conjunction with Lead Plaintiffs' Motion for Preliminary Approval of Class Action Settlement, the Court conducted a comprehensive analysis of the Settlement under Federal Rule of Civil Procedure 23(e)(1) and the relevant *Girsh* factors, issuing a well-reasoned and thorough opinion on whether the Settlement was fair, reasonable and adequate. The Court found that "this is a fair settlement in light of the circumstances and compared to other securities class" and preliminarily

[1] Unless otherwise defined, all capitalized terms herein have the same meanings as set forth in the Stipulation of Settlement, dated July 30, 2024 ("Stipulation"; ECF No. 61), or in the concurrently filed Joint Declaration of Phillip Kim and Casey E. Sadler in Support of: (I) Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation; and (II) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses ("Joint Declaration"). Citations to "¶__" or "Ex. __" in this memorandum refer to paragraphs in, or exhibits to, the Joint Declaration.

approved the Settlement. *Fernandez v. DouYu Int'l Holdings Ltd.*, 2025 WL 972836, at *13, *5 (D.N.J. Mar. 31, 2025). Since this time, Lead Counsel has overseen the notice process and, to date, no shareholders have objected to the Settlement or requested exclusion from the Settlement Class. As such, the Court should finally approve the Settlement as nothing has transpired to disrupt the Court's earlier findings.

Lead Plaintiffs and Defendants agreed to settle all claims in the Action in exchange for an all cash, non-reversionary payment of $2,250,000 (the "Settlement Amount") for the benefit of the Settlement Class. The proposed Settlement represents approximately 24.5% of the estimated $9.2 million maximum recoverable class wide damages in the Action. *See* §III.C.3., *infra*. This recovery is: (i) significantly above the 1.2% median recovery in securities class actions settled in 2024; (ii) in-line with the 24% median recovery in securities cases with similar damages that settled between January 2015 and December 2024; and (iii) a substantively fair, reasonable, and adequate result when balanced against the many risks of continued litigation. *See* Ex. 6 (NERA Report, at 26 (Fig. 23), 27 (Fig. 24)).

While Lead Plaintiffs and their counsel believe the claims are meritorious, they recognize the substantial challenges to establishing liability, proving damages, and achieving (and collecting upon) a greater recovery. For example, Lead Plaintiffs had still not defeated a motion to dismiss under the heightened pleading standard of

Private Securities Litigation Reform Act of 1995 ("PSLRA"), a task which is made substantially harder by the PSLRA's automatic stay of discovery. Even if Lead Plaintiffs were successful in defeating the motion(s) to dismiss, completing fact discovery would have been difficult and expensive given that the relevant conduct occurred in China and Defendants and potential third-party witnesses were located outside the United States. ¶¶35-40. Furthermore, Defendants would continue to contest each element of Lead Plaintiffs' claims, including liability, loss causation, and damages. In fact, even if Lead Plaintiffs succeeded at trial, there is a risk that collecting any judgment would require Lead Plaintiffs to separately enforce a judgment in a foreign jurisdiction because Defendants are based outside the United States. In contrast, the Settlement removes the numerous significant risks that lay ahead at class certification, summary judgment, trial, and any eventual appeal(s). An adverse decision at any of these litigation milestones could result in a substantially reduced recovery, or no recovery at all. *See* ¶6; *see also Gross v. GFI Grp., Inc.*, 310 F. Supp. 3d 384, 399 (S.D.N.Y. 2018) (granting summary judgment for defendants following four years of litigation), *aff'd on other grounds* 784 Fed. Appx. 27, 29 (2d Cir. 2019).[2] Accordingly, the Settlement is substantively fair, reasonable, and adequate.

[2] Unless otherwise noted, all emphasis is added and internal citations and quotation marks are omitted.

The Settlement was also achieved in a procedurally fair manner. Lead Counsel's substantial efforts and well-developed understanding of the strengths and weaknesses of the Action informed the decision to settle. These efforts included, among other things: (a) reviewing publicly available information regarding Defendants, including regulatory filings, press releases, online discussions forums, and media reports in both the United States and China; (b) retaining a private investigator based in China to identify and interview relevant witnesses; (c) researching, drafting and filing two comprehensive amended complaints;[3] (d) researching, drafting and filing oppositions to DouYu's pre-motion to dismiss letters; and (e) engaging a financial expert to analyze damages. Thereafter, Lead Counsel participated in hard-fought settlement negotiations with Defendants, who were zealously represented by experienced securities litigation practitioners from Davis Polk & Wardwell LLP and Gibbons P.C. Once an agreement in principle was reached, Lead Counsel continued to negotiate the Settlement with Defendants' Counsel, a process that included negotiating the Stipulation and the exhibits thereto, as well as a supplemental agreement pursuant to which Defendants can terminate the Settlement if certain conditions were met. The Settlement is, therefore, the result of

[3] Pursuant to the Court's order (ECF No. 75), Lead Counsel submitted *in camera* declarations from counsel, their investigator, and damages expert detailing Lead Counsel's investigation into the events at issue.

arm's-length negotiations, conducted by informed and experienced counsel. In other words, there was no collusion, and the process by which the Settlement was reached was procedurally fair.

As discussed in greater detail below and in the Joint Declaration, Lead Plaintiffs and their counsel believe that the proposed Settlement meets the standards for final approval and is in the best interests of the Settlement Class. Accordingly, Lead Plaintiffs respectfully request the Court grant the Settlement final approval.

Lead Plaintiffs also move for approval of the proposed Plan of Allocation of the Net Settlement Fund. The Plan of Allocation is based on a report prepared by Lead Plaintiffs' consulting damages expert and is designed to distribute the proceeds of the Net Settlement Fund fairly and equitably to Settlement Class Members. No Settlement Class Member is favored over another under the proposed Plan of Allocation; rather, all Settlement Class Members—including Lead Plaintiffs—are treated in the same manner. ¶¶73-80. The Plan of Allocation is, therefore, fair and reasonable. As such, it too should be approved.

II. FACTUAL AND PROCEDURAL HISTORY OF THE LITIGATION

The Joint Declaration is an integral part of this submission and, for the sake of brevity, the Court is respectfully referred to it for a detailed description of, *inter alia*: the factual background and procedural history of the Action; the nature of the claims asserted; the negotiations leading to the Settlement; the risks and

uncertainties of continued litigation; and the terms of the Plan of Allocation of the Net Settlement Fund.

III. THE SETTLEMENT WARRANTS FINAL APPROVAL

Rule 23(e) requires court approval for any settlement of a class action, and courts within this circuit have a "strong judicial policy in favor of class action settlement[.]" *Ehrheart v. Verizon Wireless*, 609 F.3d 590, 593-95 (3d Cir. 2010); *see also In re Warfarin Sodium Antitrust Litig.*, 391 F.3d 516, 535 (3d Cir. 2004). "Settlement agreements are to be encouraged because they promote the amicable resolution of disputes and lighten the increasing load of litigation faced by the federal courts." *Ehrheart*, 609 F.3d at 594. This is particularly true for class actions involving securities and other complex subject matter. 7 Conte & Newberg, *Newberg on Class Actions* §22.91 at 386-387 (4th ed. 2002) ("Securities suits readily lend themselves to compromise, because of the notable unpredictability of result and the potential for litigation spanning up to a decade or more"); *In re Gen. Motors Corp. Pick-Up Truck Fuel Tank Prods. Liab. Litig.*, 55 F.3d 768, 784 (3d Cir. 1995) ("The law favors settlement[s], particularly in class actions and other complex cases where substantial judicial resources can be conserved by avoiding formal litigation.").

Rule 23(e) provides that the Court should grant final approval to a class action settlement if it is "fair, reasonable, and adequate." Fed. R. Civ. P. 23(e)(2). Rule 23(e)(2)—which governs final approval—requires courts to consider the following

questions in determining whether a proposed settlement is fair, reasonable, and adequate:

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

Factors (A) and (B) "identify matters . . . described as procedural concerns, looking to the conduct of the litigation and of the negotiations leading up to the proposed settlement," while factors (C) and (D) "focus on . . . a substantive review of the terms of the proposed settlement" (*i.e.*, "[t]he relief that the settlement is expect to provide to class members"). Advisory Committee Notes to 2018 Amendments (324 F.R.D. 904, at 919).

These factors are not, however, exclusive. The four factors set forth in Rule 23(e)(2) are not intended to "displace" any factor previously adopted by the courts, but "rather to focus the court and the lawyers on the core concerns of procedure and substance that should guide the decision whether to approve the proposal." *Id*. at 918; *see also Huffman v. Prudential Ins. Co. of Am.*, 2019 WL 1499475, at *3 (E.D.

Pa. Apr. 5, 2019) ("The 2018 Committee Notes to Rule 23 recognize that, prior to this amendment, each circuit had developed its own list of factors to be considered in determining whether a proposed class action was fair and explain that the goal of the amendment is not to displace any such factors, but rather to focus the parties the 'core concerns' that motivate the fairness determination."). For this reason, the traditional factors that are utilized by courts in the Third Circuit—known as the "*Girsh* factors"—to evaluate the propriety of a class action settlement (certain of which overlap with Rule 23(e)(2)) are still relevant:

> (1) the complexity, expense and likely duration of the litigation; (2) the reaction of the class to the settlement; (3) stage of the proceedings and the amount of discovery completed; (4) risks of establishing liability; (5) risks of establishing damages; (6) risks of maintaining the class action through the trial; (7) 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.

Singleton v. First Student Mgmt. LLC, 2014 WL 3865853, at *5 (D.N.J. Aug. 6, 2014) (*citing Girsh v. Jepson*, 521 F.2d 153, 157 (3d Cir. 1975)); *In re AT&T Corp. Sec. Litig.*, 455 F.3d 160, 164-65 (3d Cir. 2006) (same).[4]

In sum, although the specific factors by which a settlement is evaluated may have changed in some respects, what has not changed is that "[t]he central concern

[4] The *Girsh* factors "are a guide and the absence of one or more does not automatically render the settlement unfair." *In re Schering-Plough/Merck Merger Litig.*, 2010 WL 1257722, at *5 (D.N.J. Mar. 26, 2010).

in reviewing a proposed class-action settlement is that it be fair, reasonable, and adequate." Advisory Committee Notes to 2018 Amendments (324 F.R.D. at 918).

A. Lead Plaintiffs And Their Counsel Adequately Represented The Settlement Class

Rule 23(e)(2)(A) requires the Court to consider whether the "class representatives and class counsel have adequately represented the class." "The adequacy requirement entails two inquiries: (1) whether the attorneys retained by the named Plaintiffs are qualified, experienced, and generally able to conduct the litigation; and (2) whether the named Plaintiffs themselves have interests that are antagonistic to or in conflict with those they seek to represent." *Inmates of Northumberland Co. Prison v. Reish*, 2009 WL 8670860, at *20 (M.D. Pa. Mar.17, 2009) (citing *Barnes v. Am. Tobacco Co.*, 161 F.3d 127, 141 (3d Cir. 1998)).

Here, Lead Plaintiffs' claims are typical and coextensive with the claims of the Settlement Class, and they have no antagonistic interests. Lead Plaintiffs, like all other Settlement Class Members, are investors who purchased DouYu ADS during the Settlement Class Period and allegedly suffered damages as a result of Defendants' allegedly wrongful conduct. Their interest in obtaining the largest possible recovery is, therefore, aligned with the other Settlement Class Members. *See In re Schering-Plough Corp.*, 2012 WL 4482032, at *6 (D.N.J. Sept. 25, 2012) ("[W]hen Lead Plaintiffs have a strong interest in establishing liability under federal securities law, and seek similar damages for similar injuries, the adequacy

requirement can be met."); *In re Patriot Nat'l, Inc. Sec. Litig.*, 828 F. App'x 760, 764 (2d Cir. 2020) (finding adequacy where "lead plaintiffs were sufficiently motivated to recover as much as possible for each class member"). In addition, Lead Plaintiffs diligently oversaw the litigation, regularly communicated with their counsel, reviewed court filings, and were fully engaged in the settlement process. *See* Ex. 4 ("Seiler Decl.") at ¶¶4-5; Ex. 5 ("Reyes Decl.") at ¶¶4-5. Lead Plaintiffs' active participation in the Action reinforces the reasonableness of the Settlement. *See In re EVCI Career Colls. Holding Corp. Sec. Litig.*, 2007 WL 2230177, at *4 (S.D.N.Y. July 27, 2007) ("[U]nder the PSLRA, a settlement reached under the supervision of appropriately selected [L]ead [P]laintiffs is entitled to an even greater presumption of reasonableness.").

Lead Plaintiffs also retained counsel with extensive experience and expertise litigating complex securities class actions in courts throughout the country, and they are qualified and able to conduct this litigation. *See* Ex. 2-C (GPM firm résumé); Ex. 3-C (RLF firm résumé). Both firms are recognized for their ability to litigate against Chinese issuers and have particularized knowledge about navigating these cases. *See e.g., Christine Asia Co., Ltd. v. Yun Ma, et al*., 1:15-md-02631 (S.D.N.Y) (RLF and GPM securing $250 million settlement); *In re Alibaba Group Holding Ltd. Securities Litigation*, No. 1:20-cv-09568 (S.D.N.Y.) (GPM recovering $433.5 million). Other settlements the firms have achieved in cases with Chinese issuers

include, *inter alia*: *Lea v. Tal Educ. Grp.*, 2021 WL 5578665 (S.D.N.Y. Nov. 30, 2021); *Wang v. Dada Nexus Limited, et al.,* No. 2:24-cv-00239 (C.D. Cal.); *De Schutter v. Tarena International, Inc., et al.,* No. 1:21-cv-03502 (E.D.N.Y.); *Beltran v. SOS Limited, et al*., No. 1:21-cv-07454 (D.N.J.); and *Bell v. Kanzhun Limited, et al*., Case No. 2:21-cv-13543 (D.N.J.).

Moreover, the firms have demonstrated their abilities and commitment to this litigation by, among other things, conducting a thorough investigation and briefing the pre-motion letters in a manner that persuaded Defendants to settle the claims for a significant percentage of the potential damages. Based on these efforts, as well as a preliminary review of the results achieved, the Court has already found, for purposes of the proposed Settlement, that Lead Plaintiffs "fairly and adequately represent the interests of the Settlement Class" (ECF No. 79 at ¶2); and that GPM and Rosen Law are preliminarily fit to serve as "Lead Counsel for the Settlement Class ('Class Counsel')" pursuant to Fed. R. Civ. P. 23(g). *Id*. at ¶3. Indeed, the Court further elaborated that "Class counsel vigorously prosecuted the action by independently investigating the claims, reviewing public information regarding the ADS prices; hiring an investigator in China to interview witnesses, hiring a damages expert to calculate the 'best case scenario' damages for the class; extensively researching the claims under American and Chinese laws; and opposing Defendants' … pre-motion to dismiss letters." *DouYu*, 2025 WL 972836, at *6. Moreover, the

Court has already found that "Class counsel, the Rosen Law Firm and GPM, are well-experienced and knowledgeable in the area of class action securities litigation." *Id.* at *6.

B. The Settlement Resulted From Arm's-Length Negotiations

Rule 23(e)(2)(B) evaluates whether the proposed settlement "was negotiated at arm's-length." Here, the Settlement was negotiated over the course of several weeks by counsel with extensive experience in securities litigation, who were well versed in the strengths and weaknesses of their respective positions. *See* ¶21. *Shapiro v. JPMorgan Chase & Co.*, 2014 WL 1224666, at *7 (S.D.N.Y. Mar. 24, 2014) ("highly experienced counsel on both sides, all with a strong understanding of the strengths and weaknesses of each party's respective potential claims and defenses, vigorously negotiated the Settlement at arm's-length"). In fact, the Court already found "that the settlement was negotiated at arm's length …" *DouYu*, 2025 WL 972836, at *6. The arm's-length nature of the settlement negotiations between capable counsel with substantial experience in securities class actions supports the conclusion that the Settlement is fair and was achieved free of collusion. *See Burger v. CPC Int'l, Inc.*, 76 F.R.D. 183, 186 (S.D.N.Y. 1977) (finding "no hint of collusion" where settlement reached after "intensive, vigorous and arm's-length negotiations conducted over a three and one-half month period.").

C. The Relief Provided to the Settlement Class is Adequate

Rule 23(e)(2)(C)(i) overlaps significantly with *Girsh* (*e.g.*, factors 1, 4-9), and both sets of factors advise the Court to consider the adequacy of the settlement relief given the costs, risks, and delay that trial and appeal would inevitably impose. *Compare* Fed. R. Civ. P. 23(e)(2)(C)(i) *with Girsh,* 521 F.2d at 157. Thus, the *Girsh* factors, analyzed below, inform the Rule 23(e)(2)(C)(i) inquiry.

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

The first *Girsh* factor, the complexity, expense, and likely duration of the litigation, militate in support of final approval of the Settlement. Indeed, "[f]ederal securities class actions by definition involve complicated issues of fact and law." *Dartell v. Tibet Pharms., Inc*., 2017 WL 2815073, at *4 (D.N.J. June 29, 2017); *see also In re Ikon Off. Sols., Inc., Sec. Litig.*, 194 F.R.D. 166, 179 (E.D. Pa. 2000) ("[L]arge class actions alleging securities fraud" are "inherently complicated.").

This case is no different. If this litigation were to continue, Lead Plaintiffs would have to retain experts to opine on several topics, including market efficiency, loss causation, and damages. This would have substantially increased the cost of litigation, and the testimony on these issues would be incredibly complex.

Moreover, Defendants and witnesses reside in China adding anticipated obstacles. *DouYu*, 2025 WL 972836, at *9. ("Plaintiffs point out that Defendants are located in China, increasing the complexity and expense of this matter."). Indeed, to

obtain documents and take depositions outside the United States, Lead Plaintiffs would have to follow appropriate international conventions and/or apply to this Court for letters rogatory. While China signed onto the Hague Evidence Convention in 2023, it made significant reservations, including that service of process would be valid only through China's designated central authority. In short, Plaintiffs faced years of costly litigation ahead. *See In re China Sunergy Sec. Litig.*, 2011 WL 1899715, at *5 (S.D.N.Y. May 13, 2011) ("the Company's location in China would have posed a barrier that would have increased the difficulty and expense of discovery, and might have made it impossible to collect some of the evidence or take depositions necessary to prove Plaintiffs' claims.").

China has been a particularly difficult country from which to obtain documentary evidence since the government has legally hindered companies from handing over documents. *See Owen v. Elastos Found.*, 343 F.R.D. 268, 276–77 (S.D.N.Y. 2023) (order on motion to compel documents related to China where "defendants laid out their view of the constraints on document discovery imposed by Chinese law."). In *Owen*, the defendants explained that: "[f]or all data in China – regardless of whether it is for U.S.-based custodians or China-based custodians – we are required to 1) get prior written consent from each custodian; 2) perform a state secrets review; and 3) follow whatever process the PRC law firm deems appropriate for the new data transfer laws"… and that even "[f]or data for China-based

custodians that is located in the U.S., the consent requirement nonetheless applies. " *Id*. at 277. As a result, there has been considerable motion practice in securities cases attempting to compel China-based defendants to produce documents. ¶37; *See, e.g., In re Didi Global Inc. Securities Litigation,* Case No. 1:21-cv-05807 (S.D.N.Y.); *In re NIO, Inc. Securities Litigation*, Case No. 1:19-cv-01424 (E.D.N.Y.).

Similarly, documents and testimony obtained would have been in Chinese (and potentially other languages), which would have required having multiple interpreters at the depositions, and the retention of bilingual attorneys to facilitate the review of documents. *See Monsanto Intern. Sales Co., Inc. v. Hanjin Container Lines, Ltd.*, 770 F. Supp. 832, 836 (S.D.N.Y. 1991) (describing the necessary but "significant cost" associated with translating foreign language records, "[b]ecause English-speaking lawyers would try the case . . . [and] the parties would have to translate far more documents and deposition testimony in order for trial attorneys to ascertain what they should or should not offer at trial"). As a result, the complexity, expense, and likely duration of these proceedings favor approval of the Settlement. *See Dartell*, 2017 WL 2815073, at *6; *DouYu*, 2025 WL 972836, at *9 ("This matter is necessarily complex, and continuing litigation will be expensive and lengthy. This factor therefore weighs in favor of settlement.").

2. Lead Plaintiffs Faced Risks on the Merits

The fourth, fifth, and sixth *Girsh* factors—the risks of establishing liability,

establishing damages, and maintaining the class action through the trial—also support approval. While Lead Plaintiffs believe their claims to be meritorious, they also recognize that Defendants, who deny all liability, have potentially viable defenses, including arguments cutting against falsity and scienter. For example, Defendant DouYu forcefully argued, among other things, that Lead Plaintiffs had failed to plead any actionable omissions or misstatements because the Company "disclosed the exact risks that Plaintiffs claim were omitted" and that the Company "did promptly and adequately disclose the regulatory inspection." ECF No. 51 at 2. Likewise, DouYu argued that Lead Plaintiffs lacked sufficient allegations that the Defendants acted with scienter and that generalized allegation, such as that "DouYu sought to 'revitalize dwindling revenue' by resorting to 'practices such as gambling and pornography, [which are] prohibited by Chinese law'" are insufficient. *See id.* at 3. While Lead Plaintiffs believe their allegations were sufficient, there was certainly a risk that Lead Plaintiffs might not have been able to defeat Defendants' upcoming motion to dismiss, let alone prevail at summary judgment and trial. *See In re Lucent Techs., Inc., Sec. Litig.*, 307 F. Supp. 2d 633, 645 (D.N.J. 2004) (proving liability, particularly scienter, "would have been very difficult" and based on risks and contingencies, settlement is reasonable given risks involved in establishing liability); *In re Ocean Power Techs., Inc.*, *Sec. Litig.* 2016 WL 6778218, at *19-*20 (D.N.J. Nov. 15, 2016) (recognizing the difficulty of establishing liability in

securities class action and the added risk of establishing damages).

Lead Plaintiffs also faced hurdles in obtaining class certification. Among other things, DouYu would likely argue that the market for its ADS was not efficient as it was a foreign company with a small market capitalization. While Lead Plaintiffs believe they had the better argument on this issue, they are aware that class certification was not a forgone conclusion. *See In re Marsh & McLennan Cos., Inc. Sec. Litig.*, 2009 WL 5178546, at *6 (S.D.N.Y. Dec. 23, 2009) ("the uncertainty surrounding class certification supports approval of the Settlement").

Defendants would also contest that Lead Plaintiffs suffered damages. Indeed, in securities class actions the issue of damages often turns into a "battle of the experts," with no guarantee who will prevail. *In re Cendant Corp. Litig.*, 264 F.3d 201, 239 (3d Cir. 2001) ("[E]stablishing damages at trial would lead to a 'battle of experts' with each side presenting its figures to the jury and with no guarantee whom the jury would believe."). Such a battle would also increase the expense and thereby further deplete resources available to fund a settlement, and a jury might credit Defendants' experts and, accordingly, reject Lead Plaintiffs' claims. *See In re Par Pharm. Sec. Litig.,* 2013 WL 3930091, at *6 (D.N.J. July 29, 2013) (noting "the inherent unpredictability and risk associated with damage assessments in the securities fraud class-action context"). In contrast, the Settlement provides a favorable and immediate result for the Settlement Class

while avoiding the significant risks of establishing liability and damages. *See In re Facebook, Inc. IPO Sec. and Derivative Litig.*, 2015 WL 6971424, at *5 (S.D.N.Y. Nov. 9, 2015) ("[D]amages would be subject to a battle of the experts, with the possibility that a jury could be swayed by experts for Defendants, who could minimize or eliminate the amount Plaintiffs' losses. Under such circumstances, a settlement is generally favored over continued litigation.").

In sum, "the risks in establishing liability and damages are significant. Comparatively speaking, this settlement ensures the Plaintiffs will obtain roughly 25% of their total loss, a guaranteed recovery in the face of lengthy litigation, the possibility they might not ultimately prevail, and the risk that if they do prevail they might not be able to collect." *DouYu*, 2025 WL 972836, at *12 (finding these facts "weigh in favor of settlement").

3. The Settlement Amount is Within the Range of Reasonableness in Light of the Best Possible Recovery and Attendant Risks of Litigation

The seventh, eighth, and ninth *Girsh* factors—the ability of the defendants to withstand a greater judgment, and the range of reasonableness of the Settlement Amount given the best possible recovery and considering all the attendant risks of litigation—strongly support final approval. This is especially true given Lead Plaintiffs' substantial concerns about potential collection issues. First, DouYu is a variable interest entity ("VIE"), which poses additional risk to investors. ¶55.

DouYu is incorporated in the Cayman Islands with its headquarters and business is located in China. In a VIE, the U.S.-listed company has a contractual interest in a Chinese company, but does not actually have an ownership or equity interest in the Chinese company. *Id*. The SEC has released a bulletin to investors to provide risk warnings about investing in VIEs. *Id.*

Second, even if Lead Plaintiffs secured a judgment greater than the Settlement Amount—an occurrence that would be many years from now given the relatively early procedural posture of the case—there is no guarantee that they would be able to collect on it. *See In re Advanced Battery Techs., Inc. Sec. Litig.*, 298 F.R.D. 171, 179 (S.D.N.Y. 2014) ("settlement amount is sufficient when limited insurance coverage, minimal domestic assets, and significant risk of being unable to collect any judgment against the [] Defendants are taken into account"). It would be nearly impossible to enforce a U.S. judgment in China as there is no agreement between the countries recognizing each other's judgments or reciprocity. ¶48. In fact, China has one of the most restrictive reciprocity systems, regularly denying recognition and enforcement of foreign judgments. ¶49. Moreover, as Defendants are located in China, it is possible that they could disengage with litigation leaving DouYu investors with no source of recovery. Lead Counsel have experienced this first-hand on several occasions when Chinese defendants stop interacting with their U.S.-based attorneys leaving the securities

litigation at a standstill or with protracted and uncertain result. *See* ¶¶51-54. Despite these serious limitations and risks, the proposed Settlement is a guaranteed result, recovering $2.25 million in cash for the Settlement Class. In fact, the Settlement Amount has been paid into an escrow account so there is no uncertainty of payment. ¶58.

The Settlement is a highly favorable result, even if the risks of proceeding against China-based defendants was not applicable. The recovery the Settlement obtains provides a larger recovery than most settlements. Lead Plaintiffs' damages expert estimates that ***if*** Lead Plaintiffs had fully survived Defendants' motions to dismiss, prevailed on their claims at both summary judgment and after a jury trial, ***if*** the Court certified the same class period as the Settlement Class Period, ***and if*** the Court and jury accepted Lead Plaintiffs' damages theory, including proof of loss causation as to each of the stock price drop dates alleged in this case—*i.e.*, Lead Plaintiffs' best-case scenario—estimated total ***maximum*** class wide damages would be approximately $9.2 million. Under this scenario, the recovery is approximately 24.5% of maximum class wide damages. Such a recovery is in line with, and even above, comparable Settlements. *See* Ex. 6 (NERA Report, at 26 (Fig. 23), 27 (Fig. 24)) (showing that the median recovery in securities class actions settled in 2024 was 1.2% and the median recovery in securities cases with similar damages that settled between January 2015-December 2024 was 24%);

Beltran v. Sos Ltd., 2023 WL 319895, at *6 (D.N.J. Jan. 3, 2023), *report and recommendation adopted*, 2023 WL 316294 (D.N.J. Jan. 19, 2023) (recovering 6.5% of damages); *In re Viropharma Inc. Sec. Litig*., 2016 WL 312108, at *14 (E.D. Pa. Jan. 25, 2016) (recovering 9%-10% of damages); *In re Ravisent Techs., Inc. Sec. Litig.,* 2005 WL 906361, at *9 (E.D. Pa. Apr. 18, 2005) (recovering 12.2% of damages).[5]

This case was not, however, risk free, and there were meaningful barriers to recovery, including, but certainly not limited to, the PSLRA's heightened pleading standard and automatic stay of discovery. Given the range of possible results in this litigation, there can be no question that the Settlement constitutes a fair result and weighs heavily in favor of final approval. *See DouYu*, 2025 WL 972836, at *13 (D.N.J. Mar. 31, 2025) ("Considering $9.2 million is Plaintiffs' best-case scenario should they completely prevail at trial, compared with their worst-case scenario of $0, this is a fair settlement in light of the circumstances and compared to other

[5] *See also In re Cendant Corp. Litig.*, 264 F.3d 201, 241 (3d Cir. 2001) (noting that typical recoveries in securities class actions range from 1.6% to 14% of total losses); *Lazy Oil Co. v. Wotco Corp.*, 95 F. Supp. 2d 290, 319, 339 (W.D. Pa. 1997), *aff'd sub nom. Lazy Oil Co. v. Witco Corp.*, 166 F.3d 581 (3d Cir. 1999) (approving settlement for 5.35% of estimated damages, overruling objections, and collecting cases approving "class settlements involving far smaller percentage recoveries"); *Schuler v. Meds. Co.,* 2016 WL 3457218, at *8 (D.N.J. June 24, 2016) (finding that a 4% recovery fell "squarely within the range of previous settlement approvals"); *P. Van Hove BVBA v. Universal Travel Grp., Inc.,* 2017 WL 2734714, at *11 (D.N.J. June 26, 2017) (approving settlement recovering 10% of damages).

securities class action settlements in this district.").

D. The Other Rule 23(E)(2)(C) Factors Are Met

Rule 23(e)(2)(C) provides three more factors to consider in approving a settlement: (i) the effectiveness of the proposed method for distributing relief; (ii) the terms of the proposed attorneys' fees; and (iii) the existence of any other "agreements." Fed. R. Civ. P. 23(e)(2)(C)(ii)-(iv). Each of these factors supports approval of the Settlement or is neutral and thus does not suggest any basis to conclude the Settlement is inadequate.

1. The Proposed Method for Distributing Relief is Effective

The method for processing Settlement Class Members' claims and distributing relief to eligible claimants includes well-established, effective procedures for accomplishing both tasks. Prior to permitting notice to be disseminated to DouYu investors, the Court found that the contents of the notice and the plan for dissemination satisfied due process and the PSLRA's requirements. *DouYu,* 2025 WL 972836, at *14-*15. Further, as required by the Preliminary Approval Order (ECF No. 79), notice was mailed or emailed to 35,372 potential Settlement Class Members. Ex. 1 (Declaration of Sarah Evans, the "Evans Decl."), ¶¶4-8. Further, the Court-approved Claims Administrator, Strategic Claims Services ("SCS") caused the Summary Notice to be transmitted over the *GlobeNewswire*, and made the Notice, Claim Form, and other important documents available on a

settlement specific website (www.https://www.strategicclaims.net/douyu/). Evans Decl., ¶¶10, 12. To participate in the Settlement, Settlement Class Members could mail their Claims to SCS, or file Claims online. *Id*. at ¶12 & Ex. A.

Upon receipt of Settlement Class Members' Claims, SCS will process claims under Lead Counsel's guidance, allow claimants an opportunity to cure any deficiencies in their claims or request the Court review a denial of their claims, and, lastly, pay Authorized Claimants their *pro rata* share of the Net Settlement Fund (per the Plan of Allocation) after Court-approval. *See* Stipulation, ¶¶6.0-6.3, 6.6. Claims processing like the method proposed here is standard in securities class action settlements as it has long been found to be effective, as well as necessary insofar as neither Lead Plaintiffs nor Defendants possess the individual investor trading data required for a claims-free process to distribute the Net Settlement Fund.[6] *See O'Hern v. Vida Longevity Fund, LP*, 2023 WL 3204044, at *7 (D. Del. May 2, 2023) (finding nearly identical "method[] of distributing relief to class members is adequate and not overly burdensome."); *see also Becker v. Bank of New York Mellon Trust Co., N.A.*, 2018 WL 6727820, at *7 (E.D. Pa. Dec. 21, 2018) (holding that "[t]he requirement that class members submit documentation to substantiate their holdings of the bonds as of the record date will facilitate the filing of legitimate

[6] This is not a claims-made settlement. If the Settlement is approved, Defendants will not have any right to the return of a portion of the Settlement Amount based on the number or value of the claims submitted. *See* Stipulation, ¶6.7.

claims, yet is not overly demanding given the range of permissible documentation.").

2. The Proposed Attorneys' Fees

Rule 23(e)(2)(C)(iii) addresses "the terms of any proposed award of attorney's fees, including timing of payment." As discussed in the Memorandum of Law in Support of Lead Counsel's Motion for Award of Attorney' Fees and Reimbursement of Litigation Costs and Expenses ("Fee Memorandum"), filed concurrently herewith, Lead Counsel seeks an award of attorneys' fees not to exceed 33⅓% of the Settlement Fund, reimbursement of expenses, and awards to Lead Plaintiffs. These requests, fully disclosed in the Notice, are in line with other settlements approved in the Third Circuit (*see* Fee Memorandum).

In terms of timing, courts routinely order that "[t]he awarded attorneys fees and expenses shall be paid immediately to Lead Counsel subject to the terms, conditions, and obligations of the Stipulation." *In re BHP Billiton Ltd. Sec. Litig.*, 2019 WL 1577313, at *1 (S.D.N.Y. Apr. 10, 2019); *In re Limelight Networks, Inc. Sec. Litig.*, 2011 WL 13185749, at *2 (D. Ariz. Mar. 23, 2011). This prevents objectors from attempting to "hold up" plaintiffs' counsel by delaying payment through frivolous appeals.

Finally, it is important to note that approval of the requested attorneys' fees is separate from approval of the Settlement, and the Settlement may not be terminated based on any ruling with respect to attorneys' fees. *See* Stipulation, ¶7.3.

3. The Parties Have One Other Agreement

Rule 23(e)(2)(C)(iv) calls for disclosure of any other agreements entered into in connection with the settlement of a class action. The Parties have entered into one confidential agreement that establishes certain conditions under which Defendants may terminate the Settlement if Settlement Class Members who collectively purchased more than a specific percentage of shares of the DouYu ADSs eligible to participate in the Settlement request exclusion (or "opt out") from the Settlement. "This type of agreement is standard in securities class action settlements and has no negative impact on the fairness of the Settlement." *Christine Asia Co., Ltd. v. Yun Ma*, 2019 WL 5257534, at *15 (S.D.N.Y. Oct. 16, 2019); *see also O'Hern* , 2023 WL 3204044, at *7 (characterizing "agreement allowing Defendants to terminate the settlement if the exclusion requests exceed a specific threshold" as "standard"). Indeed, the Court has explicitly recognized as much. *DouYu,* 2025 WL 972836, at *3 (this agreement "has no impact on the fairness of the settlement.").

4. All Settlement Class Members are Treated Equitably

Rule 23(e)(2)(D) requires courts to evaluate whether a settlement treats class members equitably relative to one another. Here, the Plan of Allocation does not grant preferential treatment to Lead Plaintiffs or any Settlement Class Member.

Under the proposed Plan of Allocation,[7] each Authorized Claimant will receive his, her, or its *pro rata* share of the Net Settlement Fund. The Plan of Allocation is based on a report prepared by Lead Plaintiffs' consulting damages expert, thereby ensuring its fairness and reliability. *See New York State Teachers' Ret. Sys. v. Gen. Motors Co.*, 315 F.R.D. 226, 233-34, 240 (E.D. Mich. 2016) (denying objection where the "Plan of Allocation was developed based on its expert's careful damages analysis"). Because the proposed Plan of Allocation does not provide preferential treatment to any Settlement Class Member, segment of the Settlement Class, or to Lead Plaintiffs, this factor supports final approval of the proposed Settlement. *See O'Hern*, 2023 WL 3204044, at *7 (finding plan of allocation where each class member would receive their *pro rata* share of the funds based on calculation of recognized losses "treats all class members equitably").[8]

E. The Other *Girsh* Factors Support Final Approval

The final two *Girsh* factors—the reaction of the settlement class and stage of the proceedings/amount of discovery completed—also militate in favor of final approval.

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[7] The proposed Plan of Allocation is set forth in paragraph 8 of the Notice. Ex. 1 (Evans Decl.), at Ex. A (Notice).

[8] Pursuant to the PSLRA, Lead Plaintiffs may separately seek reimbursement of costs (including lost wages) incurred as a result of their representation of the Settlement Class. *See* 15 U.S.C. §78u-4(a)(4).

1. The Reaction of the Settlement Class Favors Approval

"This factor requires the Court to evaluate whether the number of objectors, in proportion to the total class, indicates that the reaction of the class to the settlement is favorable." *In re Schering-Plough Corp. Enhance Sec. Litig.*, 2013 WL 5505744, at *2 (D.N.J. Oct. 1, 2013), appeal dismissed (Apr. 17, 2014). It is well established that the absence of a large number of objections to a proposed class action settlement raises a strong presumption that the terms of the settlement are favorable to the class members. *See In re Orthopedic Bone Screw Prods. Liab. Litig.*, 176 F.R.D. 158, 185 (E.D. Pa. 1997) (stating that a "relatively low objection rate militates strongly in favor of approval of the settlement").

Here, the Court's Preliminary Approval Order established a detailed plan to provide notice to the Settlement Class, which Lead Plaintiffs and the Claims Administrator followed. *See* Ex. 1 (Evans Decl.), ¶¶4-12. While the time to object to the Settlement has not passed, no Settlement Class Member has objected to, nor requested exclusion from, the Settlement.[9] *Id*. at ¶¶13-14. The lack of objections and

[9] The Claims Administrator received one email from a purported Settlement Class Member that stated that he "also want[s] to express my disagreement with the settlement amount…it's way too little versus the impact…" *See* Evans Decl., Ex. E. The Claims Administrator has informed him how he can formally object to the Settlement if he wishes to. Evans Decl., at ¶14.

The deadline to request exclusion from, or to object to any aspect of, the Settlement is July 28, 2025. If formal objections or requests for exclusions are received after the date of this filing, they will be addressed on reply.

opt outs further supports the conclusion that the Settlement merits final approval. *See O'Hern*, 2023 WL 3204044, at *7 ("When there are many class members and few objectors, there is a strong presumption in favor of approving the class action settlement under the second *Girsh* factor."); *Cendant*, 264 F.3d at 235 ("The vast disparity between the number of potential class members who received notice of the Settlement and the number of objectors creates a strong presumption that this factor weighs in favor of the Settlement[.]").

2. The Stage of the Proceedings and the Amount of Discovery Completed

"Courts in this Circuit frequently approve class action settlement despite the absence of formal discovery." *Ocean Power*, 2016 WL 6778218, at *17 (citing cases); *Yedlowski v. Roka Bioscience, Inc.*, 2016 WL 6661336, at *13 (D.N.J. Nov. 10, 2016) (same). This is because the relevant inquiry under the third *Girsh* factor is "whether Plaintiffs had an adequate appreciation of the merits of the case before negotiating settlement." *In re Wilmington Tr. Sec. Litig.*, 2018 WL 6046452, at *5 (D. Del. Nov. 19, 2018).

Here, discovery was stayed due to the PSLRA. As discussed herein, however, Lead Plaintiffs and their counsel were nevertheless adequately informed of the relative strengths and weaknesses of their case due to Lead Counsel's extensive investigation, including working with investigators and experts, reviewing public information in the U.S. and China related to DouYu, responding to two pre-motion

to dismiss letters, and drafting of two comprehensive amended complaints. These steps, among others, gave Lead Plaintiffs and their counsel a clear and realistic understanding of the facts, legal issues, and risks of continued litigation, as well as the value of the case. *See* ¶¶7, 14. Consequently, this factor weighs in favor of final approval. *See Milliron v. T-Mobile USA, Inc.*, 2009 WL 3345762, at *7 (D.N.J. Sept. 10, 2009), as amended (Sept. 14, 2009) ("Thus, even though the action settled at a relatively early stage [after the denial of the motion to dismiss but before discovery] in the proceedings, the Court finds that counsel on both sides of the table are experienced and able litigators, and that the parties have sufficiently apprised themselves of the relevant facts and law to make a knowledgeable decision as to settlement."), *aff'd*, 423 F. App'x 131 (3d Cir. 2011); *Vaccaro v. New Source Energy Partners L.P.*, 2017 WL 6398636, at *5 (S.D.N.Y. Dec. 14, 2017) ("Although the action did not proceed to formal discovery, Lead Plaintiffs (i) reviewed vast amounts of publicly available information, (ii) conducted interviews of numerous individuals, and (iii) consulted experts on the . . . industry. The Court finds that Lead Plaintiffs were well-informed to gauge the strengths and weaknesses of their claims and the adequacy of the settlement.").

In sum, the Rule 23(e)(2) and *Girsh* factors overwhelmingly support final approval of the Settlement.

F. The *Prudential* Factors Support Approval

In addition to the *Girsh* factors, the Third Circuit also advises courts to address the considerations set forth in *In re Prudential Ins. Co. Am. Sales Prac. Litig. Agent Actions*, 148 F.3d 283 (3d Cir. 1998), where applicable.[10] As the Court previously noted, the *Prudential* factor relevant to this case is whether class members may opt out of the Settlement. *DouYu,* 2025 WL 972836, at *8. Settlement Class Members are able to opt out of the Settlement.

Further, the procedure for processing individual claims is fair and reasonable. Claim procedures in securities class actions are standardized. As in every case, Settlement Class Members here must fill out a form setting out their mailing address and personal identifying information (either a Social Security Number or Tax Identification Number), and their transactions in the securities at issue (here, DouYu ADS). It is necessary to ask Settlement Class Members to submit claims because

[10] The majority of the *Prudential* factors are irrelevant here (just as they were irrelevant in *Prudential*, 148 F.3d at 323-24). Here, no individual lawsuits were filed. Thus, there has been no experience in adjudicating individual actions, nor will there be. Scientific knowledge as understood in *Prudential* is not relevant here. There has been no discovery because of the PSLRA-mandated discovery stay (nevertheless, as discussed above, Lead Plaintiffs were armed with information necessary to evaluate the strengths and weaknesses of their case). In this case, approval of the Settlement does not depend on approval of attorneys' fees. If the Court believes attorneys' fees requested are too high, it can award a smaller amount in attorneys' fees and does not need to deny approval of the Settlement. Whether attorneys' fees are reasonable is therefore irrelevant. *Id*. at 323.

there is no central repository of the ultimate beneficial owners of these securities. Only Settlement Class Members know who they are; they must therefore submit claims.

The claims procedures also require Settlement Class Members to submit proof of their transactions in DouYu ADS. In Lead Counsel's experience, fraudulent claims are, unfortunately, submitted in many settlements. Often these claims, if approved, would have large recognizes losses. Requiring proof of transactions ensures that the Claims Administrator can verify suspicious account statements with the brokerage firms at which the accounts are purportedly held, ensuring that the Settlement does not pay fraudulent claims.

IV. THE SETTLEMENT CLASS SHOULD BE FINALLY CERTIFIED

The Court's Preliminary Approval Order certified the Settlement Class for settlement purposes only under Fed. R. Civ. P. 23(a) and (b)(3). *See* ECF No. 79 at ¶1. Further, the Court conducted a robust analysis of Rule 23 certification, holding that all necessary factors under Rule 23(a) and (b)(3) were satisfied. *DouYu*, 2025 WL 972836, at *4-*7. Nothing has occurred to alter the propriety of class certification for settlement purposes. Thus, Lead Plaintiffs respectfully request that the Court affirm its previous determinations certifying the Settlement Class under Rules 23(a) and (b)(3).

V. THE PLAN OF ALLOCATION SHOULD BE APPROVED

Approval of a "plan of allocation of a settlement fund in a class action is governed by the same standards of review applicable to approval of the settlement as a whole: the distribution plan must be fair, reasonable and adequate." *Par Pharm.*, 2013 WL 3930091, at *3; *see also In re Schering-Plough Corp. Enhance ERISA Litig.*, 2012 WL 1964451, at *2 (D.N.J. May 31, 2012) (same); *Walsh v. Great Atl. & Pac. Tea Co.*, 726 F.2d 956, 964 (3d Cir. 1983) ("The [C]ourt's principal obligation is simply to ensure that the fund distribution is fair and reasonable as to all participants in the Fund"). To meet this standard, a plan of allocation recommended by experienced and competent class counsel "need only have a reasonable and rational basis." *Par Pharm.*, 2013 WL 3930091, at *8; *see also In re WorldCom, Inc. Sec. Litig.*, 388 F. Supp. 2d 319, 344 (S.D.N.Y. 2005). Further, "[a] plan of allocation that reimburses class members based on the type and extent of their injuries is generally reasonable." *In re Lucent Techs.*, 307 F. Supp. 2d at 649.

Here, the proposed Plan of Allocation is contained in the Notice. *See* Ex. 1 (Evans Decl.), Ex. A at ¶8. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The computations under the Plan of Allocation are 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. *Id*.

Under the Plan of Allocation, a Claimant's Recognized Claim is calculated based on the estimated alleged artificial inflation in the price of DouYu ADS during the Settlement Class Period. The Plan of Allocation was crafted after reviewing data to account for the alleged artificial inflation by isolating the losses in DouYu's ADSs that resulted from the alleged violations of the federal securities laws.

Under the Plan of Allocation, a "Recognized Loss Amount" will be calculated for each purchase or other acquisition of DouYu ADSs during the Settlement Class Period that is listed in the Claim Form and for which adequate documentation is provided. The calculation of Recognized Loss Amounts will depend upon several factors, including when each Authorized Claimant purchased and/or sold DouYu ADSs, the transactions prices, and requires that the DouYu ADSs be held over an alleged corrective disclosure date in order for an Authorized Claimant to have a Recognized Claim. In general, the Recognized Loss Amount will be the difference between the estimated artificial inflation on the date of purchase and the estimated artificial inflation on the date of sale, or the difference between the actual purchase price and sale price, whichever is less. The Recognized Loss Amount also incorporates the "90-day look back" provision of the PSLRA. *See* Notice at ¶8 & n.2. The sum of a Claimant's Recognized Loss Amounts is the Claimant's "Recognized Claim," and the Net Settlement Fund will be allocated to Authorized

Claimants on a *pro rata* basis based on the relative size of their Recognized Claims.

Lead Counsel believes that the Plan of Allocation provides a fair and reasonable method to equitably allocate the Net Settlement Fund among Settlement Class Members who suffered losses as result of the conduct alleged in the Action and should be approved by the Court. *See In re Schering-Plough Corp. Sec. Litig.*, 2009 WL 5218066, at *5 (D.N.J. Dec. 31, 2009) (approving plan of allocation in part because "it was fashioned by experienced class counsel"); *Harris v. U.S. Physical Therapy, Inc.*, 2012 WL 3277278, at *7 (D. Nev. July 18, 2012) ("Based on counsels' knowledge of the specific facts of this action, experience in settlements such as this, and opinion that the settlement [is fair, reasonable, and adequate," this factor weighs in favor of granting approval of the settlement.). Moreover, to date, no Settlement Class Members have objected to the Plan of Allocation, further supporting its approval.[11] The Court should, therefore, approve the Plan of Allocation. *See McDermid v. Inovio Pharms., Inc.*, 2023 WL 227355, at *9 (E.D. Pa. Jan. 18, 2023) (approving substantially similar plan of allocation); *In re Innocoll Holdings Public Ltd. Co. Sec. Litig.*, 2022 WL 16533571, at *8 (E.D. Pa. Oct. 28, 2022) (finding the plan of allocation fair, reasonable, and adequate where the claim for each "class member's recognized loss is based on when the securities were

[11] *See In re Veeco Instruments Inc. Sec. Litig.*, 2007 WL 4115809, at *14 (S.D.N.Y. Nov. 7, 2007).

purchased and sold" and where the "Settlement fund is then allocated *pro rata* based on the adjusted recognized loss.").

VI. CONCLUSION

For the reasons stated herein and in the Joint Declaration, Lead Plaintiffs respectfully request that the Court approve of the proposed Settlement, approve proposed Plan of Allocation as fair, reasonable, and adequate, and finally certify the Settlement Class.[12]

Dated: July 14, 2025

Respectfully submitted,

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[12] Proposed orders will be submitted with Lead Plaintiffs' reply papers, after the deadlines for objections and seeking exclusion have passed.

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CERTIFICATE OF SERVICE

I hereby certify that on July 14, 2025, a true and correct copy of the foregoing document was served by CM/ECF to the parties registered to the Court's CM/ECF system.

/s/ Erica L. Stone
Erica L. Stone