UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re VEON Ltd. Securities Litigation	Case No.: 1:15-cv-08672-ALC-OTW

MEMORANDUM OF LAW IN SUPPORT OF LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

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I. INTRODUCTION[1]

Lead Plaintiff ("Lead Plaintiff") Boris Lvov proposes ending this decade-long litigation concerning misconduct that began in 2004 with a $19.97 million Settlement for the benefit of the Settlement Class. The proposed Settlement, almost double the average percentage recovery in cases of this size, is an excellent recovery, especially considering significant obstacles to recovery.

This case is based on VEON's concealment that it had paid bribes in Uzbekistan. VEON admitted to paying the bribes. The question for the jury, however, is not whether VEON paid bribes, but whether its statements—claiming its internal controls over financial reporting were adequate, boasting that telecommunications companies benefited from equal protection of Uzbekistan's laws, and explaining its success in Uzbekistan—materially misled investors. There are differences between the government's Foreign Corrupt Practices Act ("FCPA") case and Mr. Lvov's private securities case. For instance, during the Class Period, the market learned that VEON's counterparty in Uzbekistan appeared to be a front for the country's President's daughter, that VEON's headquarters had been raided in connection with the bribes, that the Chairman of VEON's second largest shareholder had resigned from his position on VEON's Board over the bribes, and that U.S. authorities were seizing the counterparty's assets. Mr. Lvov would have to show that VEON's statements still had the capacity to mislead even after this information had already entered the market.

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[1] Unless otherwise defined herein, all capitalized terms shall have the meanings provided in the Stipulation of Settlement, fully executed on December 23, 2025 (the "Stipulation"). ECF No. 289. Unless otherwise indicated, all emphasis is added and all internal citations and quotations marks are omitted. Citations to ¶__ are to paragraphs of the Complaint, ECF No. 221. The "Fee Brief" is the Memorandum of Law In Support of Lead Counsel's Motion for An Award of Attorneys' Fees, Reimbursement of Expenses, and Compensatory Award to Lead Plaintiff. Citations to "Horne Dec.", "Lvov Dec.", and "Evans Dec." are to the Declarations of Jonathan Horne, Boris Lvov, and Sarah Evans, filed herewith. While VEON consents to the relief requested by this motion, it does not necessarily agree with any assertions made herein.

Mr. Lvov would also have to show that the statements were made with scienter. Here, because it does not appear that any of the speakers had scienter, Mr. Lvov would have to show that the knowledge of the VEON employee who arranged for the bribes should be imputed to VEON. He would have to do so without testimony from the bribe-payer, his co-conspirator, or the bribe recipient, all of whom are beyond Lead Plaintiff's ability even to depose because they reside either in Russia or in an Uzbekistan prison. And Mr. Lvov may not be able to get any testimony from anyone familiar with the bribe-payer, because these employees are in various countries which might not enforce requests for judicial assistance.

Mr. Lvov would also have to show loss causation. He alleges he suffered damages when VEON's stock dropped after corrective disclosures. Defendants have argued that for methodological reasons independent of the merits of the case, at most only one of these corrective disclosures actually had the requisite causal connection to the fraud. If the jury agrees with them, or excludes Lead Plaintiff's expert, then damages fall to $35-40 million.

If this litigation continues, the Settlement Class would suffer further significant delays before they saw any recovery. Similar cases that were litigated through trial and appeal have taken approximately a decade to get from where this Action is now to a recovery. If that timeline holds here, then Settlement Class Members would see no payment until the mid-2030s, or 20 years after their last eligible purchases.

Other factors courts examine support approval. Mr. Lvov's experienced counsel only reached the Settlement after prolonged arm's-length negotiations. He had enough information to judge that the Settlement is adequate. And no Settlement Class Members have objected to the Settlement or even sought exclusion. Thus, the Court should grant final approval.

The Court should also enter other relief necessary to give effect to its final approval order. It should finally certify the Settlement Class, as nothing has changed since the Court granted preliminary certification. It should finally approve the plan of allocation, because it does not favor any Settlement Class Members over others. And it should finally find that the notice procedures the Court approved in its preliminary approval order—which Lead Plaintiff and the Claims Administrator carried out to the letter—were adequate.

II. SUMMARY OF THE LITIGATION AND SETTLEMENT

Beginning in 2004 and continuing through 2012, VEON paid bribes in Uzbekistan in violation of the Foreign Corrupt Practices Act ("FCPA"). These bribes totaled more than $114 million (¶109); it paid $795 million in fines. (¶¶8, 22, 164). As part of a Deferred Prosecution Agreement ("DPA"), VEON also admitted to a statement of facts.

The Complaint alleges that VEON made three categories of actionable misstatements: (a) statements describing the basis for its success in Uzbekistan; (b) claims that telecommunications companies benefited from the equal protection of Uzbekistan's laws; and (c) claims that VEON's internal controls over financial reporting were adequate. All of the individual defendants have been dismissed from this action, but the Complaint survived because the scienter of the individual referred to as Executive 1 in the DPA—who paid the bribes—can be imputed to VEON.[2] ECF No. 63 at 20-21 & n.3.

The Complaint alleges that these misstatements artificially inflated VEON's stock price. Investors suffered damages when the truth about VEON's operations was revealed in 5 corrective disclosures, causing its stock price to fall.

[2] Mr. Lvov independently discovered Executive 1's name, title, and responsibilities. But he refers to Executive 1 pseudonymously because Defendant confirmed his identity in discovery in documents which it marked confidential.

This case was filed in 2015. Its lengthy procedural history is set out in the Fee Brief, filed herewith. The Parties reached the Settlement seven months after the beginning of discovery.

III. ARGUMENT

A. The Court Should Grant Final Approval of the Settlement

Rule 23(e) requires judicial approval of any class action settlement, which must be "fair, reasonable, and adequate." Fed. R. Civ. P. 23(e)(2). There is a "strong judicial policy in favor of settlements, particularly in the class action context." *In re Tenaris S.A. Sec. Litig.*, 2024 WL 1719632, at *4 (E.D.N.Y. Apr. 22, 2024) (*citing In re Painewebber Ltd. Partnerships Litig.*, 147 F.3d 132, 138 (2d Cir. 1998)).

Rule 23(e)(2) sets out four factors courts must consider in determining whether a class action settlement is fair, reasonable, and adequate:

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

Fed. R. Civ. P. 23(e)(2).

The Second Circuit has held that "the revised Rule 23(e)(2) does not displace our traditional *Grinnell* factors, which remain a useful framework for considering the substantive fairness of a settlement." *Moses v. New York Times Co.*, 79 F.4th 235, 243 (2d Cir. 2023) (*citing City of Detroit v. Grinnell Corp.*, 495 F.2d 448, 462-63 (2d Cir. 1974)).

Grinnell directs courts to consider:

> (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.

Moses, 79 F.4th at 244 n.4 (*quoting Grinnell*, 495 F.2d at 463).

1. The Settlement Is Procedurally Fair

"To evaluate the procedural fairness of a proposed settlement, a court must expressly consider the two factors under Rules 23(e)(2)(A)–(B): whether 'the class representatives and class counsel have adequately represented the class' and whether 'the proposal was negotiated at arm's length.'" *Schutter v. Tarena Int'l, Inc.*, 2024 WL 4118465, at *7 (E.D.N.Y. Sep. 9, 2024).

Both Lead Plaintiff and Lead Counsel are adequate. Mr. Lvov is adequate because "there are no fundamental conflicts between the class representatives and the class members." *See Schutter*, 2024 WL 4118465, at *5. *Id*. Like all Settlement Class Members, he purchased VEON's publicly traded American Depositary Shares ("ADSs") and was damaged thereby. He shares with other Settlement Class Members the common objective of maximizing the recovery for the same alleged misconduct. *Id*. Moreover, he oversaw the prosecution of the Action and settlement process, regularly communicating with counsel. *See* Lvov Dec. ¶4.

Lead Counsel is qualified, experienced, and able to conduct the litigation. *Pace v. Quintanilla*, 2014 WL 4180766, at *3 (C.D. Cal. Aug. 19, 2014) ("The Rosen Law Firm has appeared before this Court several times before, and the Court is confident that it has the necessary

skill and knowledge to effectively prosecute this action."). Rosen has successfully litigated dozens of securities class actions, recovering $2 billion for its clients. Horne Dec. Ex. 1.[3]

If counsel and plaintiffs are adequate, a settlement is procedurally fair if it "resulted from arm's-length negotiations and … plaintiffs' counsel ... possessed the [necessary] experience and ability, and have engaged in the discovery, necessary to effective representation of the class's interests." *Kohari v. MetLife Grp., Inc.*, 2025 WL 100898, at *8 (S.D.N.Y. Jan. 15, 2025). "While the Second Circuit held in *Moses* that arm's-length-negotiated settlements are no longer entitled to a presumption of fairness, such circumstances support approval of settlements." *Hunter v. Blue Ridge Bankshares, Inc.*, 2025 WL 1649323, at *15 (E.D.N.Y. June 11, 2025) (*citing Moses*, 79 F.4th at 243).

As further set out in the Fee Brief, the Settlement results from seven months of arm's-length negotiations. The Parties initiated settlement discussions with a February 2025 mediation with the assistance of respected mediator David Murphy of Phillips ADR. Before the mediation, the Parties exchanged extensive mediation briefs and damages models. While the mediation did not result in a settlement, because of the Parties' extensive preparations and good faith, it narrowed and sharpened the Parties' disputes and positions. Horne Dec. ¶9.

The unsuccessful mediation set the stage for continued settlement discussions. Even as they litigated the case, the Parties continued to periodically discuss settlement. In September 2025, Mr. Murphy made a double-blind proposal to settle the Action for $19.97 million, which the Parties accepted, subject to Lead Plaintiff's confirmation. Lead Plaintiff then conducted additional discovery to confirm that the Settlement's terms were fair, reasonable, and adequate. The

[3] Rosen secured a $740 million settlement which is not reflected in its Firm Resume because it is pending final approval.

discovery principally focused on determining whether Lead Plaintiff could establish that Executive 1's scienter could be imputed to VEON. Mr. Lvov agreed to consummate the Settlement on November 24, 2025. Horne Dec. ¶10.

Thus, the Settlement is procedurally fair.

2. The Settlement Is Substantively Fair

With respect to substantive fairness, "the factors outlined in *Grinnell* and the revised Rule 23(e)(2) largely overlap." *Moses*, 79 F.4th at 244; *see also Christine Asia Co., Ltd. v. Yun Ma*, 2019 WL 5257534, at *10 (S.D.N.Y. Oct. 16, 2019) ("Rule 23(e)(2)(C)(i) incorporates the factors set out in *[Grinnell]*.").[4] While courts consider each *Grinnell* factor, "not every factor must weigh in favor of settlement," and, instead, "a court should consider the totality of these factors in light of the particular circumstances." *In re IMAX Sec. Litig.*, 283 F.R.D. 178, 189 (S.D.N.Y. 2012) (cleaned up). "[T]he court is not to substitute its judgment for that of the parties, nor is it to turn consideration of the adequacy of the settlement into a trial or a rehearsal of the trial." *In re Sony Corp. SXRD*, 448 F. App'x 85, 87 (2d Cir. 2011). Indeed, because counsel are "most closely acquainted with the facts of the underlying litigation," courts give "great weight" to counsel's settlement recommendations, especially when negotiations were at arm's length. *See Rodriquez v. It's Just Lunch Int'l*, 2020 WL 1030983, at *3 (S.D.N.Y. Mar. 2, 2020) ("Where counsel for

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[4] Rule 23(e)(2)(C)(i) incorporates six of the traditional *Grinnell* factors: the complexity, expense, and likely duration of the litigation (first factor); the risks of establishing liability and damages (fourth and fifth factors); the risks of maintaining class action status through the trial (sixth factor); and the range of reasonableness of the settlement fund in light of the best possible recovery and the attendant risks of litigation (eighth and ninth factors). *See Grinnell*, 495 F.2d at 463; *see also In re Payment Card Interchange Fee & Merch. Disc. Antitrust Litig.*, 330 F.R.D. 11, 36 (E.D.N.Y. 2019) ("The first factor—costs, risks, and delay of trial and appeal—subsumes several *Grinnell* factors …").

plaintiffs is able and experienced, particularly in the specific area with which these actions are concerned, counsel's judgment is entitled to great weight.").

The Settlement is fair, reasonable and adequate, and merits final approval.

a. The Case is Complex and Continued Litigation Would be Protracted and Costly

"[T]he more complex, expensive, and time consuming the future litigation, the more beneficial settlement becomes as a matter of efficiency to the parties and to the Court." *In re Citigroup Inc. Sec. Litig.*, 965 F. Supp. 2d 369, 381–82 (S.D.N.Y. 2013).

Without the Settlement, Mr. Lvov would have to certify the class, survive dispositive motion practice, and then prepare for and prevail at trial, and then prevail *again* on the inevitable post-trial motions and appeals. Throughout each additional step of litigation, he would face a robust defense from experienced and capable counsel. *See In re Alloy, Inc. Sec. Litig.*, 2004 WL 2750089, at *2 (S.D.N.Y. Dec. 2, 2004) (securities fraud cases are "likely to be litigated aggressively, at substantial expense to all parties").

Courts also recognize that settlements benefit class members by saving them from the lengthy delays of litigation. *In re "Agent Orange" Prod. Liab. Litig.*, 611 F. Supp. 1396, 1405 (E.D.N.Y. 1985) ("[M]uch of the value of a settlement lies in the ability to make funds available promptly."); *Kommer v. Ford Motor Co.* 2020 WL 7356715, at *4 (N.D.N.Y. Dec. 15, 2020) ("Even if a shareholder or class member was willing to assume all the risks of pursuing . . . 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.").

The delay here is sure to be considerable. Filed in 2015, this case entered discovery a decade later, in February 2025. When he reached the Settlement, Lead Plaintiff still had to complete discovery, summary judgment, trial, and appeal. The few securities class action trials are

ominous precedents. In a recent Second Circuit case, these steps took 12 years. *In re Vivendi Universal, S.A. Sec. Litig.*, 765 F. Supp. 2d 512, 533 (S.D.N.Y. 2011) 838 F.3d 223. In another recent case from the Seventh Circuit, the plaintiffs took 11 years to go from the denial of defendants' motion to dismiss to a 2015 order vacating in part the trial verdict. *Glickenhaus & Co. v. Household Int'l, Inc.*, 787 F.3d 408, 414, 433 (7th Cir. 2015). Without the Settlement, Settlement Class Members would likely receive no recovery until the mid-2030's. Further delay of this decade-old case supports approval.

Litigation costs would also eat away at any award. To take the case through trial, Lead Plaintiff would spend millions of dollars on experts. Lead Plaintiff must prove loss causation and damages through expert evidence. *See In re AOL Time Warner, Inc. Sec. & "ERISA" Litig.*, 2006 WL 903236, at *9 (S.D.N.Y. Apr. 6, 2006). Lead Plaintiff may also need costly experts on the FCPA, the telecommunications industry, and Uzbekistan. Moreover, a large portion of the documents in this case are in Russian, necessitating millions more on translation.

This case also promises significant discovery costs and delay that exceed other securities class actions. First, the two primary witnesses—Executives 1 and 2—are, for practical purposes, immune from the discovery process because they reside in Russia. Russia does not enforce U.S. requests for legal assistance in civil matters.[5] Second, as further set out below, almost all witnesses have left VEON's employ, so Lead Plaintiff must compel their testimony through letters rogatory. There is no guarantee of success. Obtaining Gulnara Karimova's deposition from the Zangiota

[5] "Due to the Russian Federation's unilateral suspension of judicial cooperation in civil and commercial matters, requests for evidence submitted via diplomatic channels in the form of letters rogatory generally are not executed by Russian authorities." U.S. Dep't of State, Judicial Assistance Country Information: Russia, available at https://travel.state.gov/content/travel/en/legal/Judicial-Assistance-Country-Information/RussianFederation.html

correctional colony where she is currently held is fanciful.[6] But deposing even available witnesses would be costly and time-consuming. In addition to Russia, key witnesses are located in at least Norway, Sweden, the Netherlands, and Uzbekistan. Lead Plaintiff would need multiple letters rogatory to these countries, each with its own legal processes and requirements. Because every deposition would take place outside the U.S., travel costs would be considerable. Lead Plaintiff may also be required to pay witnesses' attorneys' fees.[7]

b. Lead Plaintiff Faced Risks to Establishing Liability and Damages

In evaluating fairness, courts consider the "risks of establishing liability [and] the risks of establishing damages." *Grinnell*, 495 F.2d at 463; *Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.*, 396 F.3d 96, 117 (2d Cir. 2005), 396 F.3d at 117. Courts should not "adjudicate the disputed issues or decide unsettled questions; rather, the Court need only assess the risks of litigation against the certainty of recovery under the proposed settlement." *In re Glob. Crossing Sec. & ERISA Litig.*, 225 F.R.D. 436, 459 (S.D.N.Y. 2004); *AOL Time Warner*, 2006 WL 903236, at *11 (same). Courts "approve settlements where plaintiffs would have faced significant legal and factual obstacles to proving their case." *Glob. Crossing*, 225 F.R.D. at 459.

"[S]ecurities class actions are by their very nature complicated and district courts in this Circuit have 'long recognized' that securities class actions are 'notably difficult and notoriously

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[6] Umida Niyazova, *Gulnara Karimova—Victim of Her Own Father's "Justice" System*, July 7, 2025, Uzbek Forum for Human Rights, available at https://www.uzbekforum.org/gulnara-karimova-victim-of-her-own-fathers-justice-system/ .

[7] For example, the Netherlands formally conditions enforcement on the moving party's reimbursement of the witness's attendance costs. *See* Declaration of Netherlands on Acceptance of Hague Convention on the Taking of Evidence Abroad In Civil or Commercial Matters, available at https://www.hcch.net/en/instruments/conventions/status-table/notifications/?csid=511&disp=resdn. Even when a state does not require payment of attorneys' fees by treaty, in counsel's experience, the enforcing courts will often impose the condition themselves. Horne Dec. ¶7.

uncertain' to litigate." *City of Providence v. Aeropostale, Inc.*, 2014 WL 1883494, at *5 (S.D.N.Y. May 9, 2014) (*quoting In re Bear Stearns Cos. Sec., Derivative, & ERISA Litig.*, 909 F. Supp. 2d 259, 266 (S.D.N.Y. 2012)). "The difficulty of establishing liability is a common risk of securities litigation." *AOL Time Warner*, 2006 WL 903236, at *11.

As in all securities class actions, Lead Plaintiff would have to prove to the factfinder that VEON executives acted with scienter, always a complex task, establish loss causation and damages through contested expert testimony, and show they are entitled to class treatment. Jurors likely have no experience with these concepts so assuming that they will resolve the questions in Lead Plaintiff's favor is hazardous and unwise.

This case also raises risks that go well beyond those inherent to securities class actions. First, Lead Plaintiff faced risks that the statements would be found immaterial. The Complaint alleges that Defendant falsely told investors that VEON had adequate internal controls and that telecommunications companies in Uzbekistan enjoyed equal protection of the law. The Complaint also alleges that Defendant misleadingly described the basis of Uzbekistan results without disclosing the role of bribery. During the Class Period, the market learned that VEON's counterparty in Uzbekistan appeared to be a front for the President's daughter, that VEON's headquarters had been raided by the police, that the Chair of VEON's Board of Directors had resigned his position citing the bribery scandal, and that U.S. authorities were attempting to seize hundreds of millions of dollars from Karimova constituting bribes she had received from telecommunications companies to operate in Uzbekistan. The jury might not agree that VEON's statements continued to mislead investors after these disclosures.

Moreover, proving scienter in this case is risky because Lead Plaintiff would have to prove VEON's liability by imputing to it the scienter of a non-speaker. Lead Plaintiff does not know of

any evidence that any of the individual defendants had scienter and there is evidence that the individual defendants did not know of the bribes: while Norwegian authorities arrested VEON's then-CEO, they later dropped the charges because they concluded they did not have sufficient evidence to prove his guilt.[8] None of the individual defendants in this action have been prosecuted, and all have been dismissed from this case.

Lead Plaintiff would most likely prove scienter by showing that the scienter of the executive who arranged for the bribes to be paid, referred to as Executive 1 in VEON's DPA, can be imputed to VEON. The Court allowed the case to proceed based on such imputation. ECF No. 63 at 20-21 & n.3. But there are risks. First, while numerous motion to dismiss decisions establish what plaintiffs must plead to impute a non-speaker's scienter to the company, there are few summary judgment cases establishing what plaintiffs must prove for imputation. In any case, the decision is ultimately for the jury. *See United States v. Ladish Malting Co.*, 135 F.3d 484, 493 (7th Cir. 1998) (describing jury instructions on imputation of knowledge to corporation). After conducting confirmatory discovery focused on evaluating Executive 1's responsibilities, Lead Plaintiff does not believe that imputation is certain. *See Maley v. Del Glob. Techs. Corp.*, 186 F. Supp. 2d 358, 364 (S.D.N.Y. 2002) (confirmatory discovery reinforced conclusion that settlement was fair, reasonable, and adequate). VEON's position, that Executive 1 misled VEON's senior officials and that, in any event, VEON has reformed considerably since 2015, is not unsympathetic. *Cf.* ECF No. 247, at 2 (S.D.N.Y. Sept. 30, 2024) ("VimpelCom accepted full responsibility for this misconduct and agreed to be held accountable by its regulators … VimpelCom has now completed the terms of the deferred prosecution agreement and concluded the compliance monitorship.").

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[8] Joachim Dagenborg, *Norwegian police drop inquiry into ex-Vimpelcom chief*, Reuters, November 1, 2017, available at https://www.reuters.com/article/business/norwegian-police-drop-inquiry-into-ex-vimpelcom-chief-idUSL8N1N71PV/.

Moreover, Lead Plaintiff would face significant obstacles in proving Executive 1's responsibilities. Neither he nor his chief co-conspirator Executive 2 are subject to compulsory process because both have left VEON's employ and reside in Russia. Horne Dec. ¶4. Finding a witness who can testify to Executive 1's responsibilities and involvement in the actionable statements will prove challenging. Lead Plaintiff cannot compel relevant witnesses' testimony through party discovery because they are no longer VEON employees. The events that establish VEON's liability took place about 15 years ago. Beyond normal turnover, VEON has shrunk significantly. During the Class Period, VEON had approximately 60,000 employees; its website now reports approximately 17,000 employees. VEON has shed some of its operations (including Russia) while expanding others (including Ukraine). VEON employees familiar with Executive 1's work reside in at least, Norway, Sweden, Uzbekistan, and Russia. Horne Dec. ¶6. Lead Plaintiff might not be able to obtain ***any*** deposition testimony. Instead, to establish Executive 1's responsibilities, Lead Plaintiff might well have to rely on mere documentary evidence, which he might not even be able to present to the jury if the Court rules that they are hearsay not within an exception.

c. Loss causation

Lead Plaintiff also faces risks establishing loss causation and damages. VEON could raise methodological problems with at least four of the five corrective disclosures the Court upheld in its order on VEON's motion to dismiss. The Court or the jury might reject Lead Plaintiff's attempt to recover for the stock drops occurring on these dates, substantially reducing class-wide damages. *See In re OSG Sec. Litig.*, 2015 WL 3466094, at *4 (S.D.N.Y. May 29, 2015) (dismissing case on summary judgment for plaintiffs' failure to prove loss causation). If Lead Plaintiff lost these drops, damages would fall to $34.9-37.2 million. Horne Dec. ¶13.

i. Statistically insignificant drops

The March 24, 2014, and December 8, 2014, corrective disclosures were statistically significant at the 90% level but not at the 95% level. Horne Dec. ¶12.d. Most courts find that whether a stock drop is statistically significant goes to the weight of the expert's testimony, not its admissibility. *In re Tesla, Inc. Sec. Litig.*, 2022 WL 7374936, at *13 (N.D. Cal. Oct. 13, 2022); *see also In re Joint E. & S. Dist. Asbestos Litig.*, 52 F.3d 1124, 1134 (2d Cir. 1995) ("[I]t would be far preferable for the district court to instruct the jury on statistical significance and then let the jury decide[.]"). If the Court agreed, Lead Plaintiff's expert's testimony would be enough to survive summary judgment. Some courts, however, have precluded experts from offering testimony about statistically insignificant stock drops. *Erica P. John Fund, Inc. v. Halliburton Co.*, 309 F.R.D. 251, 262, 270 (N.D. Tex. 2015); *In re Intuitive Surgical Sec. Litig.*, 2016 WL 7425926, at *15 (N.D. Cal. Dec. 22, 2016). If the Court accepted the minority position, Lead Plaintiff could not offer evidence of loss causation as to the March 24 and December 8 drops, mandating entry of summary judgment. And because lack of statistical significance does affect the weight of testimony, a reasonable jury could find against Lead Plaintiff on the insignificant drops.[9]

ii. Other news

Other news might account for the March 24, 2014, and December 4, 2014, drops. Russia's invasion of Ukraine began on February 27, 2014. Russia annexed Crimea on March 18, and Ukraine ordered its troops to withdraw on March 24. The global community promised that sanctions against Russia were forthcoming. On March 24, the G-8 formally terminated Russia's

[9] The Complaint alleges that the October 30, 2015, stock drop is part of a three-day corrective disclosure. The Court's January 10, 2025, order can be read to eliminate the middle of that disclosure, November 2, 2015. ECF No. 252, at 13. Because the October 30 drop, standing alone, is nowhere near significant, Lead Plaintiff would likely lose here. If so, damages fall to $134.5 million. Horne Dec. ¶12.d.

membership, a Russian government report predicted massive capital outflows from the country, and Moody's reported that it was reviewing Russian bonds for a downgrade. This bad news for Russia, unrelated to the alleged fraud, was also bad news for VEON because at the time it earned almost half its revenues in that country. Lead Plaintiff would have to show that the March 24 drop did not wholly result from the world's announced response to Russian aggression and then disaggregate the geopolitical and fraud-related impacts on VEON's stock price. Horne Dec. ¶14.

Likewise, the December 4, 2014, drop coincided with unrelated news. Just days earlier, the Russian government made a downward revision to its prediction of economic activity. VEON's ADRs were one of many U.S. traded securities with exposure to Russia that fell on December 4. The ruble, too, fell substantially. Lead Plaintiff would have to disaggregate the impact of this broader non-fraud news. Horne Dec. ¶15.

*   *   *   *   *

The material risks that Lead Plaintiff might fail to obtain evidence to prove their claims, might not convince the jury that the statements were actionable, or might not prove loss causation, support final approval of the Settlement.

d. The Risks of Maintaining Class Action Status Through Trial

The Court has not yet finally certified the Settlement Class. Because "[c]ourts generally acknowledge that a contested motion to certify a class would pose at least some increased risk that class certification might be denied … this factor ... weighs in favor of settlement" where "it is likely that defendants would oppose class certification if the case were to be litigated." *Mikhlin v. Oasmia Pharm. AB*, 2021 WL 1259559, at *6 (E.D.N.Y. Jan. 6, 2021).

Certification in securities class actions is still the norm. But recent controlling decisions have made class certification significantly riskier. Lead Plaintiff proceeds under the fraud-on-the-market presumption of reliance. VEON may rebut that presumption by showing that the allegedly

false statements had no impact on its stock price. *Halliburton Co. v. Erica P. John Fund, Inc.*, 573 U.S. 258, 281 (2014). Defendants may show an absence of price impact by demonstrating a mismatch between relatively generic false statements and specific corrective disclosures. *Goldman Sachs Grp., Inc. v. Arkansas Tchr. Ret. Sys.*, 594 U.S. 113, 123 (2021); *Arkansas Tchr. Ret. Sys. v. Goldman Sachs Grp., Inc.*, 77 F.4th 74, 94 (2d Cir. 2023).

Lead Plaintiff here risks that the Court might find that descriptions of the source of VEON's Uzbekistan revenues and profits, of Uzbekistan's legal system, and of VEON's overall system of internal controls did not match the specificity of the disclosures of VEON's bribes and their consequences.[10] Likewise, the Court could find that VEON's false statements did have price impact but that the price impact dissipated as more evidence suggesting that VEON had paid bribes in Uzbekistan surfaced. Regardless, the law on this issue is in flux, with two key decisions in the past five years, and it is difficult to predict where it will land in the time it would take to push this case through trial and appeal.

e. The Settlement Amount is Reasonable in Light of the Best Possible Recovery and Attendant Risks

A court's "determination of whether a given settlement amount is reasonable in light of the best possibl[e] recovery does not involve the use of a mathematical equation yielding a particularized sum." *Bear Stearns*, 909 F. Supp. 2d at 269. Instead, the Second Circuit has held "[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." *Wal-Mart*, 396 F.3d at 119.

[10] Some courts have found that a mismatch between statements and corrective disclosure showed the absence of price impact under *Goldman*. *E.g. Shupe v. Rocket Companies, Inc.*, 752 F. Supp. 3d 735, 781 (E.D. Mich. 2024); *Gambrill v. CS Disco, Inc.*, 2025 WL 3771433, at *11 (W.D. Tex. Dec. 16, 2025).

The Settlement fares well by comparison to other settlements in similarly-sized cases. Lead Plaintiff's expert estimates that in his best-case scenario—a complete victory at trial on all points in dispute—damages are $149 million. Horne Dec. ¶12. Between 2015 and 2023, settlements in cases alleging damages of $150-249 million recovered 6.9% of maximum possible damages, while settlements in the $75-149 million band recovered 8.0% of damages on average. Horne Dec. Ex. 2. The average of these two numbers is 7.5%. The Settlement recovers 13.4% of damages. *See also In re China Sunergy Sec. Litig.*, 2011 WL 1899715, at *5 (S.D.N.Y. May 13, 2011) ("[T]he average settlement amounts in securities fraud class actions where investors sustained losses over the past decade ... have ranged from 3% to 7% of the class members' estimated losses.").

f. The Stage of the Litigation and Discovery Completed Support Approval (*Grinnell* Factor 3)

Courts also evaluate whether plaintiffs and counsel knew enough about the merits of the claims and defenses and their value when they reached the Settlement. *Bear Stearns*, 909 F. Supp. 2d at 267. Discovery need not be comprehensive so long as the Court is satisfied that the plaintiffs "have engaged in sufficient investigation of the facts to enable the Court to intelligently make an appraisal of the settlement." *AOL Time Warner*, 2006 WL 903236, at *10; *IMAX*, 283 F.R.D. at 190 (the "sufficiently well informed" factor is "not an overly burdensome one to achieve.").

Lead Plaintiff achieved this Settlement only after thoroughly investigating the alleged claims and consulting with experts. To start, many of the facts of this case were already established. VEON admitted to a detailed statement of fact. VEON's statements were public. The Court's five opinions on dispositive motions set the parameters of the case. Lead Plaintiff also took confirmatory discovery focused on the largest unanswered question in this case: whether Executive 1's scienter can be imputed to VEON. Lead Plaintiff examined the damages and evidentiary issues he would face proving liability.

Thus, Lead Plaintiff and Lead Counsel had a thorough understanding of the strengths and weaknesses of their claims.

g. Defendants' Ability to Withstand a Greater Judgment (*Grinnell* Factor 7)

There is no doubt that VEON can pay a greater judgment today. But "the fact that a defendant is able to pay more than it offers in settlement does not, standing alone, indicate that the settlement is unreasonable or inadequate," especially where other applicable factors weigh heavily in favor of settlement approval. *Glob. Crossing Sec.* 225 F.R.D. at 460 (citing cases); *In re MetLife Demutualization Litig.*, 689 F. Supp. 2d 297, 339 (E.D.N.Y. 2010) ("Courts have recognized that the defendant's ability to pay is much less important than other factors, especially where the other *Grinnell* factors weigh heavily in favor of settlement approval.").

Moreover, there is *some* risk of nonpayment because there is no available insurance. Without insurance, there is no pool of money to fund a recovery if VEON files for bankruptcy. VEON acknowledged in its 2023 20-F that certain events may have raised substantial doubt as to its ability to continue as a going concern. Horne Dec. Ex. 3 at F-3. In its latest 2025 financial statements, VEON states that it has addressed the risk by raising capital, among other things. Horne Dec. Ex. 4 at F-84. Yet even if there is no imminent risk of bankruptcy, there is a risk that VEON will file for bankruptcy within the decade it will take to carry this case through to appeals.[11]

h. The Reaction of the Settlement Class Supports Final Approval (*Grinnell* Factor 2)

Finally, the reaction of the class supports approval. "[T]he favorable reaction of the overwhelming majority of class members to the Settlement is perhaps the most significant factor

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[11] VEON believes it is no more likely to file for bankruptcy in the next ten years than any other company.

in [the] *Grinnell* inquiry." *In re Signet Jewelers Ltd. Sec. Litig.*, 2020 WL 4196468, at *6 (S.D.N.Y. July 21, 2020) (*quoting Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.*, 396 F.3d 96, 119 (2d Cir. 2005)). "Lack of objection is strong evidence of the settlement's fairness." *In re Luxottica Grp. S.p.A. Sec. Litig.*, 233 F.R.D. 306, 311 (E.D.N.Y. 2006); *see also Lea*, 2021 WL 5578665, at *2 (approving the settlement where there were no objectors and only three requests for exclusion). "[T]he absence of objections by the class is extraordinarily positive and weighs in favor of settlement." *In re Virtus Inv. Partners, Inc. Sec. Litig.*, 2018 WL 6333657, at *2 (S.D.N.Y. Dec. 4, 2018)

To date, no Settlement Class Members have requested exclusion from the Settlement Class or objected to any aspect of the Settlement. Evans Dec. ¶¶14-15; Horne Dec. ¶21. The absence of objections and exclusion requests supports final approval of the Settlement. Lead Plaintiff will address later-filed requests for exclusion or objections, if any, in his reply papers.

i. The Proposed Method of Distribution to the Class is Effective

The Settlement proceeds will be allocated to Settlement Class Members who timely submit valid Claim Forms in accordance with the Plan of Allocation. As provided in the Preliminary Approval Order, ¶17(a)-(d), the Claims Administrator is processing claims under Lead Counsel's guidance and is allowing claimants an opportunity to cure any deficiencies in their claims or request the Court to review a denial of their claims. After the Court enters a distribution order, the Claims Administrator will provide Authorized Claimants their *pro rata* share of the Net Settlement Fund (per the Plan of Allocation). No funds will be returned to Defendants.

This method for claims processing and distributing settlement proceeds is standard in securities class actions. *Christine Asia*, 2019 WL 5257534, at *14; *In re Payment Card*, 330 F.R.D. at 40-41. Thus, as the Court determined in its Preliminary Approval Order, the proposed protocol does not impose an undue burden on Settlement Class Members.

ii. The Requested Attorneys' Fees are Fair and Reasonable

This factor asks the Court to weigh "the proportion of the total recovery that goes to attorney's fees … compared to the proportion of 'relief provided for the class.'" *Kurtz v. Kimberly-Clark Corp.*, 142 F.4th 112, 119 (2d Cir. 2025). As the Second Circuit explained, the Court must consider the terms of the settlement and the juncture in the litigation at which it is reached to ensure that class representatives and their counsel have not sold out the class's interests in settling the case: "One of the major risks of class action settlements is that class counsel may undervalue the class's claims in exchange for a higher attorney's fee, or in order to collect a fee more quickly." *Id.* at 118. Structural elements of a settlement that suggest that that attorneys' fees are not fair to the class include, for example, both cash and non-cash consideration (*e.g.*, coupons) where the majority of the cash is paid to counsel, *see Moses*, 79 F.4th at 240-41, 246 (counsel would have received 76% of $1.65 million settlement fund, leaving remainder of cash and one-month new subscription (only) coupons valued at $3.9 million to class members), or terms which allow unclaimed settlement funds to revert to the defendant. *Kurtz*, 142 F.4th at 116 (because $19 million of $20 million settlement fund reverted to defendants following claims process, award of $3.1 million from separate fund dwarfed the actual consideration received by class members).

This is not a case where Lead Plaintiff sold out the Settlement Class. The Settlement is non-reversionary, and all cash, such that attorneys' fees are the same form of compensation provided to the Class and none of the $19.97 million will ever return to Defendants. Moreover, were Lead Plaintiff inclined to sell out the Settlement Class, he would have done so at the February 2025 mediation rather than spending seven more months litigating the case. Regardless, approval of the Settlement is separate from and not contingent upon the award of attorneys' fees. *Id.*, ¶ 20 (ECF 289 at 21). Thus, the requirements of Rule 23(e)(2)(C)(iii) are readily satisfied.

iii. Related Agreements

The Parties have one agreement disclosable under Rule 23(e)(3)(C)(iv). This Supplemental Agreement gives VEON the option to terminate the Settlement if the number of Settlement Class Members requesting exclusion from the Settlement Class exceeds a certain threshold. The Supplemental Agreement's existence and general terms are disclosed, but to avoid creating incentives for a small group of Settlement Class Members to opt out solely to leverage larger individual settlements for themselves to the detriment of the rest of the Settlement Class, the precise number of shares required to trigger the option is not. "This type of agreement is standard in securities class action settlements and has no negative impact on the fairness of the Settlement." *Christine Asia*, 2019 WL 5257534, at *15.

B. The Court Should Approve the Plan of Allocation

The Court must also evaluate the Plan of Allocation of the Settlement proceeds to ensure that it treats Settlement Class Members equitably. Fed. R. Civ. P. 23(e)(2)(D). The Plan of Allocation "must be fair and adequate." *In re WorldCom, Inc. Sec. Litig.*, 388 F. Supp. 2d 319, 344 (S.D.N.Y. 2005). "When formulated by competent and experienced counsel, a plan for allocation of net settlement proceeds need have only a reasonable, rational basis." *IMAX*, 283 F.R.D. at 192; *see also Christine Asia*, 2019 WL 5257534, at *15-16.

The Plan of Allocation closely tracks the form of plans of allocation commonly approved in similar securities class action settlements. In securities class actions, "plans that allocate money depending on the timing of purchases and sales of the securities at issue are common" because they tend to mirror the complaint's allegations. *In re Datatec Sys., Inc. Sec. Litig.*, 2007 WL 4225828, at *5 (D.N.J. Nov. 28, 2007); *see also In re Biolase, Inc. Sec. Litig.*, 2015 WL 12720318, at *5 (C.D. Cal. Oct. 13, 2015) (finding a plan that awarded a *pro rata* share of the net settlement fund to be "a fair and reasonable method of distributing settlement proceeds").

The Plan of Allocation, set forth in the Long Notice, is fair, reasonable, and adequate, and does not treat Lead Plaintiff or any other Settlement Class Member preferentially. *In re Tremont Sec. Law, State Law & Ins. Litig.*, 2015 WL 5333494, at *6 (S.D.N.Y. Sep. 14, 2015), *aff'd in part, vacated in part on other grounds*, 699 F. App'x 8 (2d Cir. 2017). As controlling law provides, the Plan only compensates for losses from shares held through a corrective disclosure. *Dura Pharms., Inc. v. Broudo*, 544 U.S. 336, 342 (2005) (if "the purchaser sells the shares quickly before the relevant truth begins to leak out, the misrepresentation will not have led to any loss"). Otherwise, the Plan of Allocation simply implements Lead Plaintiff's theory of the case. The Recognized Loss for each ADS is simply the total amount of artificial inflation that was removed from the ADS through corrective disclosures while the Settlement Class Member held it. Each Settlement Class Member who submits a Claim Form will receive a *pro rata* distribution based on his share of the total Recognized Loss.

To date, no Settlement Class Member has objected to the Plan of Allocation. Evans Dec. ¶¶14-15, Horne Dec. ¶21. Thus, the Court should approve the proposed Plan of Allocation.

C. The Court Should Find That the Notice Disseminated to the Settlement Class Satisfied the Requirements of Rule 23 and Due Process

The notice program alerted the Settlement Class to their rights to file a claim, request exclusion or object, and informed them of the consequences of any particular choice. Thus, notice complied with the Preliminary Approval Order and satisfied Fed. R. Civ. P. 23(c)(2), Rule 23(e)(1), the Private Securities Litigation Reform Act of 1995 ("PSLRA"), 15 U.S.C. § 78u-4(a)(7), and due process.

Courts approve a notice program if it is reasonable. Fed. R. Civ. P. 23(e)(1); *Arbuthnot v. Pierson*, 607 F. App'x 73, 73–74 (2d Cir. 2015). Notice is reasonable if 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." *Id.* at 73-74. Notice need not be perfect but only "the best notice that is practicable under the circumstances, including individual notice to all members who can be identified through reasonable effort." Fed. R. Civ. P. 23(c)(2)(B) and 23(e)(2)(C)(ii). In its Preliminary Approval Order, the Court approved the notice program and its substance, and appointed SCS as Claims Administrator. Preliminary Approval Order, ¶¶ 7-8.

Under Lead Counsel's direction, SCS executed the notice program as the Court directed in the Preliminary Approval Order. More than 25,000 copies of the Court-approved Notice were sent to potential Settlement Class Members who could be identified with reasonable effort via emailed links to the Long Notice and Claim Form or mailed Postcard Notice. Evans Dec. at ¶¶9. SCS also published the Court-approved Summary Notice online four times in *GlobeNewswire*. *Id.* at ¶11. SCS further established and maintains a toll-free telephone number for Settlement Class Members to call and obtain information about the Settlement and published all information regarding the Settlement online on the Settlement website. *Id.* at ¶¶12-13.

The Notice provided to the Settlement Class also included all necessary information for Settlement Class Members to make an informed decision regarding whether to opt out, object, or file a claim. It told Settlement Class Members, among other things: (1) the amount of the Settlement; (2) why the parties propose the Settlement; (3) the estimated average recovery per damaged share; (4) the maximum amount of attorneys' fees and expenses that Lead Counsel would seek; (5) Lead Counsel's contact information; (6) that Settlement Class Members could object to the Settlement or exclude themselves from the Settlement Class, and the consequences thereof; and (7) the dates and deadlines for certain Settlement-related events. *See* 15 U.S.C. § 78u-4(a)(7). The Notice further explained that the Net Settlement Fund would be distributed to eligible

Settlement Class Members who submit valid and timely claim forms under the Plan of Allocation as described in the Long Notice.

In sum, the Notice fairly apprised Settlement Class Members of their rights, was the best notice practicable under the circumstances, and complied with the Court's Preliminary Approval Order, Federal Rule of Civil Procedure 23, the PSLRA, and due process.

D. The Court Should Finally Certify The Settlement Class

Lead Plaintiff's memorandum of law in support of his motion for preliminary approval of the Settlement set forth the grounds for the Court to preliminarily certify a Settlement Class. ECF No. 287 at 6-12. On January 22, 2026, the Court granted the preliminary approval motion, certifying the Settlement Class. Preliminary Approval Order ¶¶2-3. Nothing has changed since the Preliminary Approval Order that would render final certification inappropriate for settlement purposes. Thus, the Court should finally certify the Settlement Class for settlement purposes, appoint Lead Plaintiff as Class Representative for the Settlement Class, and approve his selection of Rosen as Class Counsel for the Settlement Class.

IV. CONCLUSION

For the forgoing reasons, the Court should grant final approval of the proposed Settlement and Plan of Allocation, approve the notice program as executed, and enter final judgment. With his reply papers in support of this motion, Lead Plaintiff will submit a proposed Final Judgment (in the form attached as Exhibit B to the Stipulation) to reflect any valid requests for exclusion from the Settlement Class.

Dated: April 14, 2026

Respectfully submitted,

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WORD COUNT CERTIFICATE

Pursuant to Local Civil Rule 7.1(c), I certify that the foregoing document contains 7,684 words, excluding the exempted portions, and therefore complies with the appliable word count limitation.

*/s/ Jonathan Horne*__
Jonathan Horne