UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

IN RE F45 TRAINING HOLDINGS, INC. SECURITIES LITIGATION	Case No. 1:22-cv-1291-DAE

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

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

Cases

Docketed Cases

Statutes

Rules

Lead Plaintiff Pledge Capital LLC ("Pledge Capital" or "Lead Plaintiff") and named plaintiff Police and Fire Retirement System of the City of Detroit ("Detroit P&F" and, together with Pledge Capital, "Plaintiffs"), on behalf of themselves and the proposed Settlement Class, will move this Court on August 27, 2026, at 1:30 p.m., for entry of an order, pursuant to Rule 23(e)(2) of the Federal Rules of Civil Procedure: (i) approving the proposed class action Settlement; (ii) certifying the proposed Settlement Class, for purposes of the Settlement only; (iii) approving the proposed Plan of Allocation for distributing the proceeds of the Settlement; and (iv) granting such other and further relief as the Court may deem fair and proper.[1]

The Motion is based on the incorporated Declaration of Alfred L. Fatale III in Support of (I) Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation and (II) Lead Counsel's Motion for an Award of Attorneys' Fees and Payment of Expenses, dated July 10, 2026 ("Fatale Declaration" or "Fatale Decl."), with annexed exhibits, filed herewith.[2]

Pursuant to the Court's Preliminary Approval Order (ECF No. 140), any objections to the Settlement and/or the Plan of Allocation must be served and filed with the Court by July 24, 2026. A proposed Judgment, negotiated by the Parties, and a proposed order approving the Plan of Allocation will be submitted with Plaintiffs' reply submission on August 13, 2026, after the deadlines for objecting or seeking exclusion from the Settlement Class have passed.

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[1] The terms of the Settlement are set forth in the Stipulation and Agreement of Settlement, dated February 13, 2026 (the "Settlement Agreement" or "Stipulation," ECF No. 134-3). Capitalized terms used herein are defined in the Settlement Agreement and have the same meanings as set forth therein. Unless otherwise noted, citations and internal quotations have been omitted.

[2] All exhibits referenced herein are attached to the Fatale Declaration. For clarity, citations to exhibits that themselves have attached exhibits will be referenced as "Ex. __ -__." The first numerical reference is to the designation of the entire exhibit attached to the Fatale Declaration and the second reference is to the exhibit designation within the exhibit itself.

PRELIMINARY STATEMENT

Plaintiffs respectfully submit this Motion, on behalf of the proposed Settlement Class, for final approval of the Settlement of the above-captioned class action (the "Action") in the amount of $10,500,000, in cash, pursuant to the terms of the Stipulation and Agreement of Settlement, dated February 13, 2026. The Settlement will resolve all claims against defendant F45 Training Holdings, Inc. ("F45"); defendants Adam Gilchrist, Christopher E. Payne, Michael Raymond, Darren Richman, and Mark Wahlberg (the "Individual Defendants" and, together with F45, the "F45 Defendants"); defendants Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Robert W. Baird & Co. Incorporated, Cowen and Company, LLC, Guggenheim Securities, LLC, Macquarie Capital (USA) Inc., MUFG Securities Americas Inc., and Roth Capital Partners, LLC (the "Underwriter Defendants" and, together with the F45 Defendants, the "Settling Defendants"); as well as MWIG LLC and Kennedy Lewis Management LLC (the "Controlling Entity Defendants" and, together with the Settling Defendants, the "Defendants").

As described below and in the accompanying Fatale Declaration,[3] the Settlement is a very favorable result for the Settlement Class. Had the Settlement not been reached, there were considerable barriers to a greater recovery, or any recovery at all, particularly in light of the very real possibility that the Court would credit the Settling Defendants' fraud by hindsight and negative causation arguments and, separately, the possibility that F45 would not be a financially sound source of a future recovery in connection with a litigated judgment. In choosing to settle at this time, Plaintiffs and Lead Counsel took into consideration the substantial challenges associated

[3] The Fatale Declaration is an integral part of this submission and, for the sake of brevity in this memorandum, the Court is respectfully referred to it for a detailed description of, *inter alia*: the history of the Action; the nature of the claims asserted; the litigation efforts; the negotiations leading to the Settlement; and the risks and uncertainties of continued litigation, among other things. Citations to "¶" in this memorandum refer to paragraphs in the Fatale Declaration.

with advancing the claims through summary judgment and trial, as well as the duration and complexity of the legal proceedings that remained ahead.

The decision to settle was informed by a well-developed understanding of the strengths and weaknesses of the claims. For example, Lead Counsel (i) conducted a rigorous investigation of the claims at issue, including interviewing approximately 30 former employees of F45 or others with relevant knowledge to discuss the issues related to the Action; (ii) prepared and filed two detailed amended complaints, which expanded the scope of the initial complaint by adding additional misrepresentations, disclosures, a restatement, and other allegations in support of the claims at issue; (iii) defeated, in part, Defendants' motion to dismiss the Second Amended Complaint; (iv) propounded discovery requests on Defendants and responded to discovery requests; (v) prepared for and participated in a formal arms'-length mediation process; and (vi) engaged and consulted with experts in the fields of damages and causation and accounting. *See* Fatale Decl. Sections III.-V.

Additionally, the Settlement has the full support of Plaintiffs, sophisticated institutional investors that were actively involved throughout the litigation and diligently represented the Settlement Class. *See* Declaration of David Cetlinski on behalf of Detroit P&F, Ex. 1; and Declaration of Edward W. Chang on behalf of Pledge Capital, Ex. 10.

The proposed Plan of Allocation for the distribution of the proceeds of the Settlement, which was developed by Lead Counsel with the assistance of Plaintiffs' damages expert, is a fair and reasonable method for distributing the Net Settlement Fund to eligible claimants and should also be approved by the Court.

Given the considerations and the factors addressed below, Plaintiffs respectfully submit that: (i) the Settlement meets the standards for final approval under Rule 23(e)(2) and is a fair, reasonable, and adequate result for the Settlement Class; and (ii) the Plan of Allocation is a fair and reasonable method for allocating the Net Settlement Fund to Settlement Class Members who submit valid Claim Forms.

PRELIMINARY APPROVAL AND THE NOTICE PROGRAM

On April 16, 2026, the Court entered an order preliminarily approving the proposed Settlement, preliminarily certifying the Settlement Class, and approving the forms and methods of providing notice to the Settlement Class (the "Preliminary Approval Order," ECF No. 140). Pursuant to and in compliance with the Preliminary Approval Order, beginning on April 29, 2026, the Court-appointed Claims Administrator, Strategic Claims Services ("SCS"), caused the Postcard Notice to be disseminated to potential Settlement Class Members and banks, brokers, and other nominees ("Nominees"). *See* Declaration of Josephine Bravata Concerning: (A) Dissemination of the Postcard Notice; (B) Publication of the Summary Notice; and (C) Requests for Exclusion Received to Date, dated July 9, 2026 ("Mailing Decl."), Ex. 3. To date, 127,693 potential Settlement Class Members and nominees have been notified of the Settlement by either mailed Postcard Notice or emailed direct link to the Postcard Notice. *See* Ex. 3 at ¶¶2-9. In addition, SCS caused the Summary Notice to be transmitted over *PR Newswire* and published in *The Wall Street Journal* on May 7, 2026. *Id.* at ¶10.

The long-form Notice and Claim Form, Postcard Notice, Stipulation, and other Settlement related documents were posted on a webpage established by SCS for purposes of the Settlement, https://www.strategicclaims.net/case/f45/. *Id.* at ¶12. The webpage also provides important dates and deadlines in connection with the Settlement, and access to an online claim portal. *Id.* Copies of the Stipulation, Postcard Notice, long-form Notice, and Claim Form are also available on Lead Counsel's website, www.labaton.com. ¶82.

The notices collectively describe, *inter alia*, the claims, the contentions of the Parties, the course of the litigation, the terms of the Settlement, the maximum attorneys' fees and expenses, the proposed Plan of Allocation, the right to object, and the right to seek exclusion from the Settlement Class. *See generally* Ex. 3-A to C. The notices also give the deadlines for objecting, seeking exclusion, and submitting claims, and advise potential Settlement Class Members of the scheduled Settlement Hearing before this Court. *Id.* To date, the Settlement Class's reaction to the proposed Settlement has been very positive. While the deadline (July 24, 2026) for objecting or seeking exclusion has not yet passed, to date there have been no objections to any aspect of the Settlement and no requests for exclusion.

ARGUMENT

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

A. Standards for Final Approval

Courts have long recognized a strong public policy in favor of class action settlements. *See Klein v. O'Neal, Inc.*, 705 F. Supp. 2d 632, 650 (N.D. Tex. 2010) ("The public interest favoring settlement is especially apparent in the class action context where claims are complex and may involve a large number of parties, which otherwise could lead to years of protracted litigation and sky-rocketing expenses."); *see also In re HealthSouth Corp. Sec. Litig.*, 572 F.3d 854, 862 (11th Cir. 2009) ("Public policy strongly favors pretrial settlement of class action lawsuits."). This is particularly true in complex securities cases. *See Billitteri v. Sec. Am., Inc.*, 2011 WL 3586217, at *10 (N.D. Tex. Aug. 4, 2011) ("[S]ecurities litigation on the whole is 'notoriously difficult and unpredictable.'").

Rule 23(e)(2) provides that a class action settlement must obtain court approval, and should be approved if found to be "fair, reasonable, and adequate" upon consideration of whether:

(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);[4] and

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

Fed. R. Civ. P. 23(e)(2). Rule 23, which was amended in December 2018, has not changed the well-established standard for approving a proposed class settlement, *i.e.* evaluating whether it is fair, adequate, and reasonable.[5] Courts in the Fifth Circuit may also consider the factors enumerated in *Reed v. Gen. Motors Corp.*, 703 F.2d 170, 172 (5th Cir. 1983),[6] many of which overlap with the Rule 23(e) factors. *See Kostka v. Dickey's Barbecue Rests., Inc.*, 2022 WL 16821685, at *10 (N.D. Tex. Oct. 14, 2022), *Rep. & Recommendation adopted*, 2022 WL

[4] Rule 23(e)(2)(C)(iv) requires the disclosure of any agreement between the parties in connection with a proposed settlement. The only agreements between the Parties concerning the Settlement are the Stipulation and a Confidential Supplemental Agreement Regarding Requests for Exclusion, dated as of February 13, 2026 ("Supplemental Agreement"). *See* Stipulation ¶40; *see also* ECF No. 134 at 7 n.3 (Plaintiffs' Preliminary Approval Motion).

[5] The Advisory Committee Notes to the 2018 amendments to the Federal Rules of Civil Procedure indicate that the factors set forth in Rule 23(e)(2) are not intended to "displace" any factor previously adopted by a Court of Appeals, but "rather to focus the court and the lawyers on the core concerns of procedure and substance that should guide the decision whether to approve the proposal." Fed. R. Civ. P. 23(e)(2) Advisory Committee Notes to 2018 Amendments.

[6] The Fifth Circuit's approval factors are: "(1) the existence of fraud or collusion behind the settlement; (2) the complexity, expense, and likely duration of the litigation; (3) the stage of the proceedings and the amount of discovery completed; (4) the probability of plaintiffs' success on the merits; (5) the range of possible recovery; and (6) the opinions of the class counsel, class representatives, and absent class members." *Reed*, 703 F.2d at 172.

16821665 (N.D. Tex. Nov. 8, 2022) (the "Rule 23(e)(2) requirements ... overlap significantly with the *Reed* factors").

At the preliminary approval stage, this Court considered the Rule 23(e)(2) factors in assessing the Settlement, and found it to be "fair, reasonable, and adequate ... subject to further consideration at the Settlement Hearing[.]" Preliminary Approval Order at 18. Nothing has changed to alter this finding, and the factors supporting the Court's determination to preliminarily approve the Settlement remain applicable. Accordingly, Plaintiffs and Lead Counsel respectfully submit that the proposed Settlement is fair, reasonable, and adequate, and warrants final approval under the Rule 23(e)(2) factors and Fifth Circuit law.[7]

B. Approval of the Settlement Under Rule 23(e)(2)

1. Plaintiffs and Lead Counsel Have Adequately Represented the Settlement Class

In determining whether to approve a class action settlement, courts consider whether "the class representative and class counsel have adequately represented the class." Fed. R. Civ. P. 23(e)(2)(A). Plaintiffs vigorously litigated the claims in the Action, and the Settlement was achieved only after diligent, arm's-length, and mediated negotiations between counsel with considerable knowledge and expertise in the field of federal securities law.

Plaintiffs and Lead Counsel developed a deep understanding of the facts of the case and merits of the claims. Prior to filing the consolidated Amended Complaint, Lead Counsel conducted an extensive investigation into the facts underlying the potential claims, which included the review and analysis of (i) documents filed publicly by the Company with the U.S. Securities and Exchange

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[7] The second prong of the preliminary approval process was to determine whether the proposed Settlement Class should be certified for settlement purposes. *See* Fed. R. Civ. P. 23(e)(1)(B)(ii). The Court provisionally certified the proposed Settlement Class pursuant to Fed. R. Civ. P. 23(a) and (b)(3). *See* Preliminary Approval Order at 11–13. Nothing has occurred that would alter the propriety of that determination.

Commission ("SEC"); (ii) publicly available information, including press releases, news articles, and other public statements issued by or concerning the Company and the Defendants; (iii) research reports issued by financial analysts concerning F45 and the other Defendants; and (iv) other publicly available documents. Additionally, Lead Counsel interviewed approximately 30 former employees of F45 to discuss issues related to the Action. Lead Counsel also consulted with financial experts in connection with loss causation, damages, and accounting issues. *See generally* Fatale Decl., Sections III.–V.

Plaintiffs are sophisticated investors that played a key role in the litigation by, among other things, reviewing and monitoring the progress of the litigation and regularly conferring with counsel concerning its prosecution and reviewing periodic updates and other correspondence from counsel, including pleadings, briefs, and court orders. Additionally, representatives from both Pledge Capital and Detroit P&F played an active role in settlement discussions and the negotiations to achieve a settlement. *See generally* Exs. 1 & 10. With an informed understanding, Plaintiffs agreed to the Settlement.

Plaintiffs also had the benefit of the advice of knowledgeable counsel well-versed in securities class actions. Lead Counsel is highly qualified and experienced and has a long and successful track record in such cases (*see* Declaration of Alfred L. Fatale III on Behalf of Labaton Keller Sucharow LLP, Ex. 7-C (firm resume)) and was able to successfully conduct the litigation against skilled opposing counsel.[8] Accordingly, the Settlement Class has been, and remains, well represented. Moreover, Courts give considerable weight to the opinion of experienced and informed counsel. *See Marcus v. J.C. Penney Co.*, 2017 WL 6590976, at *3 (E.D. Tex. Dec. 18,

[8] Defendants were represented by very well-regarded law firms, including Gibson, Dunn & Crutcher LLP; Akin Gump Strauss Hauer & Feld LLP; O'Melveny & Myers LLP; Hughes Hubbard & Reed LLP; Blank Rome LLP; and RMWBH PC. ¶106.

2017) ("Significant weight is given to the opinion of class counsel concerning whether the settlement is in the best interest of the class ....").

2. The Settlement Is the Product of Good Faith, Informed, and Arm's-Length Negotiations by Experienced Counsel

Rule 23(e)(2)(B) and the first *Reed* factor support final approval because the Settlement was negotiated at arm's-length after the parties engaged in two full rounds of motion to dismiss briefing, spanning two amended complaints, which rigorously tested the legal and factual sufficiency of Plaintiffs' allegations. The Settlement was reached only after a mediation session before David Murphy of Phillips ADR Enterprises (the "Mediator"), followed by continued negotiations among the Parties and with the Mediator's assistance. ¶¶46-50. *See In re Chinese-Manufactured Drywall Prods. Liab. Litig.*, 424 F. Supp. 3d 456, 486 (E.D. La. 2020) ("arms-length negotiations between sophisticated parties with the guidance of an experienced, professional mediator" provides strong presumption of fairness); *Billitteri*, 2011 WL 3586217, at *10 (finding no fraud or collusion in settlement reached through arm's length negotiations before neutral mediator).[9] Moreover, "[t]he Court may presume that no fraud or collusion occurred between counsel, in the absence of any evidence to the contrary." *Klein,* 705 F. Supp. 2d at 651.

Further, "the prospect of fraud or collusion is substantially lessened where, as here, the settlement agreement leaves the determination and allocation of attorney[s'] fees to the sole discretion of the trial court." *See In re Chinese-Manufactured Drywall Prods. Liab. Litig.*, 424 F. Supp. 3d at 486.

[9] *See also* April 16, 2026 Preliminary Approval Hearing Tr. at 14:7–15:21, Ex. 4 (Defense counsel stating that "anyone who was witnessing our mediation session would never say this was a brother/sister relationship. This was extraordinarily hard fought and we accepted the mediator's proposal, I believe, from an experienced mediator.").

3. The Settlement Provides Significant and Certain Benefits to the Settlement Class, Considering the Costs, Risks, and Delay of Litigation and Other Rule 23(e)(2) Factors

Rule 23(e)(2)(C)(i) instructs courts to consider the adequacy of a proposed settlement in light of "the costs, risks, and delay of trial and appeal." "The first consideration—the costs risks, and delay of trial and appeal—also implicates four of the *Reed* factors: (2) the complexity, expense, and likely duration of the litigation; (3) the stage of the proceedings; (4) plaintiffs' probability of success; (5) the range of possible recovery." *Kostka*, 2022 WL 16821685, at *11.

To determine whether a proposed settlement is fair, reasonable, and adequate, courts balance the continuing risks of litigation against the benefits to class members through settlement. Although Plaintiffs and Lead Counsel believe the claims to be strong, they acknowledge that the Settling Defendants could advance several substantial arguments that could have reduced, or altogether eliminated, any recovery for investors. Indeed, it is well known that "[s]ecurities claims are particularly 'difficult to prove' because of the high bar for establishing falsity…." *Neely v. Intrusion Inc.*, 2022 WL 17736350, at *4 (E.D. Tex. Dec. 16, 2022).

First, although the Court denied, in part, Defendants' second motion to dismiss, Plaintiffs would have faced significant hurdles at summary judgment and at trial in connection with, among other things, ultimately proving material falsity. Indeed, the Court has already dismissed the Exchange Act claims and most of the alleged misstatements pled in the Second Amended Complaint finding them not actionable, limiting Plaintiffs' Securities Act claims to a handful of statements in the Offering Documents regarding multi-unit franchises, potential growth in the United States, and the economic model for F45 franchises. ¶¶59-67. Moreover, the Court explicitly made note of its "skepticism regarding many of the statements alleged to be misleading" and found that "the 'fraud by hindsight' theory proposed by Defendants to be persuasive." MTD Order at 38.

In continued litigation, Plaintiffs would be tasked with offering proof that the Settling Defendants knew or that it was knowable, *when the IPO occurred*, that there was in fact limited room for growth. However, the Settling Defendants will likely argue that: (i) the evidence confirms the accuracy of F45's reported growth statistics; and (ii) the Offering Documents contained detailed risk factors that undermine any notion that the Company misled investors about the risks associated with its projections. ¶64.

More specifically, the Settling Defendants have argued that certain risk factors listed in F45's Offering Documents warn of the exact harm that ultimately allegedly transpired. For example, F45's Offering Documents state that "[o]ur financial results are affected by the number of franchises sold and studios we open" and that "[o]ur ability to open new franchised studios and increase our revenue could be materially and adversely affected" if the Company could not "recruit ... qualified franchisees" or was "unable to renew our franchise agreements." ECF No. 101-7, at 28–33 (Prospectus); ECF No. 101-8, at 28–33 (Registration Statement). Moreover, F45's Offering Documents specifically cautioned that "the number of new franchised studios that actually open in the future may differ materially from the number of signed commitments we currently have or anticipate from existing and new franchises," and that the Company may "fail to successfully implement our growth strategy, which includes new studio development by existing and new franchisees." ECF No. 101-7 at 30–31 (Prospectus); *see also* ECF No. 101-8, at 30–31 (Registration Statement). Accordingly, there is a very real risk that the Court could change its opinion regarding the sufficiency of F45's risk disclosures at the summary judgment stage and render some, if not all, of the remaining misstatements inactionable. ¶¶64-65.

Further, the Settling Defendants will also undoubtedly assert a due diligence defense in an attempt to rebut Plaintiffs' falsity arguments. Specifically, they will likely argue that the Offering

Documents went through a due diligence process—including review by third parties, such as outside auditors and the SEC itself through multiple comments letters—that demonstrates the Settling Defendants had a reasonable basis to believe that their statements to investors were accurate at the time they were made. ¶66.

Accordingly, there is a substantial risk that the Court could change course at summary judgment, or a jury at trial, to find that Plaintiffs failed to demonstrate that the alleged misstatements and omissions were materially false and misleading.

Second, Plaintiffs faced significant challenges with respect to proving their Section 12(a)(2) claims. The Settling Defendants will likely argue that the Court denied their motion to dismiss with respect to Plaintiffs' Section 12(a)(2) claims merely because of the limited allegations required at the pleadings stage. They will undoubtedly, once again, argue at summary judgment and trial that Detroit P&F—the only named plaintiff to have allegedly purchased IPO shares directly from one of the Underwriter Defendants—sold all of its holdings in F45 common stock prior to an alleged corrective disclosure. Thus, the Settling Defendants will argue that Detroit P&F is foreclosed from recovery for any "price decline before disclosure[.]" *See Akerman v. Oryx Commc'ns, Inc.,* 810 F.2d 336, 342 (2d Cir. 1987). ¶¶68-71.

Third, even if the hurdles to establishing liability were overcome, Plaintiffs would have confronted significant challenges with respect to rebutting the Settling Defendants' negative causation defense and establishing damages. The Settling Defendants would undoubtedly continue to argue, and the Court may have agreed at summary judgment or the jury at trial, that confounding information, unrelated to the allegedly misstated information, caused the alleged stock price declines in July 2022 and thereafter. ¶¶72-77.

This defense presented a major risk for Plaintiffs, especially after the Court's MTD Order dismissed all the corrective disclosures pled in connection with Plaintiffs' Exchange Act claims. *See* MTD Order at 58–61 (finding the SAC failed to affirmatively plead loss causation for Exchange Act claims). Moreover, the Court's MTD Order posited that the July 26, 2022 Strategic Update, which preceded a 60% drop in F45's stock price on July 27, 2022, merely reflected "bad news about the Company" that could be completely unrelated to the remaining actionable misstatements. *Id.* at 60. At the Preliminary Approval hearing, the Court recognized the uphill battle that Plaintiffs face with respect to the Settling Defendants' negative causation defense, stating, this case "***isn't a slam dunk***." *See* April 16, 2026 Preliminary Approval Hearing Tr. at 10:21-22, Ex. 4.

Plaintiffs consulted with experts in the field of damages who analyzed class wide damages in light of the facts and circumstances presented in the case. Plaintiffs' primary consulting damages expert estimated that maximum statutory damages were approximately $234 million, depending on the trading model and assumptions used. However, the Settling Defendants would undoubtedly pursue negative causation arguments with respect to stock price declines on July 27, 2022, which the SAC alleges was when the disclosures in Company's "Strategic Update" impacted F45's stock price, and dates thereafter. If the Settling Defendants' negative causation defense was successful with respect to July 27 and other dates on which F45's stock price declined, then aggregate damages could have decreased to approximately $21 million. ¶75.

Accordingly, the Settlement recovers between 4.5% and 50% of alleged damages. This compares very favorably to industry trends. Over the past ten years, the median percentage of recovery (based upon NERA-defined losses) in securities class actions with similar investor losses was 2.7% of investor losses. *See* Edward Flores, Svetlana Starykh & Ivelina Velikova, *Recent*

Trends in Securities Class Action Litigation: 2025 Full-Year Review (NERA Jan. 2026), Ex. 2 at 27.

Lastly, even if Plaintiffs were able to convince a jury on liability and damages, Lead Counsel's understanding is that F45 is not financially sound. ¶78. F45 has not publicly reported financial results since the Company was removed from the NYSE in late 2023—after receiving warnings from the NYSE that the Company was not in compliance with the SEC's regulations because its share price was less than $1.00 for over a consecutive 30-day period—and taken private. In F45's last Form 10-Q submission with the SEC (for Q2 2023 earnings), the Company reported a six-month net loss and loss from operations of $46 million and $35 million, respectively. *Id*.

Although the case was well-underway, further litigation would have been expensive and time-consuming for both sides. Absent the Settlement, achieving a recovery for the Settlement Class would have required completing complex and expensive expert discovery, certifying a class, briefing anticipated motions for summary judgment, trial preparation and trial, post-trial motions, and inevitable appeals on a host of issues. The fact that the Settlement eliminates these delays, expense, and risks favors final approval.

4. The Effective Process for Distributing Relief

The Settlement, like most securities class action settlements, will be effectuated with the assistance of an established and experienced claims administrator, SCS. The Claims Administrator will employ a well-tested protocol for the processing of claims in a securities class action. Specifically, a Claimant will submit, either by mail or online using the settlement webpage, the Court-approved Claim Form. Based on trading information provided by Claimants, the Claims Administrator will determine each Claimant's eligibility to recover by, among other things, calculating their respective "Recognized Claims" based on the Court-approved Plan of

Allocation,[10] and ultimately will determine each eligible Claimant's *pro rata* portion of the Net Settlement Fund. *See* Stipulation at ¶¶22-26; Ex. 3-B at ¶¶63-84. Plaintiffs' claims will be reviewed in the same manner. Claimants will be notified of any defects or conditions of ineligibility and be given the chance to contest the rejection of their claims. Stipulation at ¶29(d)–(e). Any claim disputes that cannot be resolved will be presented to the Court. *Id.*

After the Settlement reaches its Effective Date (*id.* at ¶38) and the claims process is completed, Authorized Claimants will be issued payments. If there are unclaimed funds after the initial distribution, and it would be feasible and economical to conduct a further distribution, the Claims Administrator will conduct a further distribution of remaining funds (less the estimated expenses for the additional distribution, Taxes, and unpaid Notice and Administration Expenses). Additional distributions will proceed in the same manner until it is no longer economical to conduct further distributions. Thereafter, Plaintiffs recommend that any *de minimis* balance that remains in the Net Settlement Fund, after payment of any outstanding Notice and Administration Expenses, be donated to the Consumer Federation of America ("CFA"), a nonprofit, non-sectarian organization, or such other organization approved by the Court. *See* Stipulation at ¶26; Ex. 3-B at ¶83.[11]

5. The Settlement Does Not Excessively Compensate Plaintiffs' Counsel

As discussed in Lead Counsel's Motion for an Award of Attorneys' Fees and Payment of

[10] Approval of the Plan of Allocation is discussed in Section II., below.

[11] CFA is a non-profit, consumer advocacy organization established in 1968 to advance consumer interests through policy research, advocacy, and education. *See* www.consumerfed.org. With respect to victims of financial fraud, CFA has an Investor Protection program that works nationwide to promote consumer-oriented policies that safeguard investors against fraud. www.consumerfed.org/issues/investor-protection. CFA has been approved in numerous securities cases, including *Chen v. Missfresh Limited, et al.*, Case No. 22-cv-09836-JSR (S.D.N.Y.) and *In re Broadcom Corp. Sec. Litig.*, No. 01-CV-00275-MLR (C.D. Cal.).

Expenses, filed herewith, the requested fee award of 30% of the Settlement Fund would be reasonable in light of, among other things, counsel's efforts, the result obtained for the Settlement Class, and the risks and complexity of the litigation. The Court's approval of attorneys' fees is distinct from its approval of the Settlement, and neither Plaintiffs nor Lead Counsel may cancel or terminate the Settlement based on this Court's or any appellate court's ruling with respect to attorneys' fees and/or Litigation Expenses.

6. Settlement Class Members Are Treated Equitably

The Settlement does not improperly grant preferential treatment to Plaintiffs or any segment of the Settlement Class. Rather, all members of the Settlement Class, including Plaintiffs, will receive a *pro rata* distribution from the Net Settlement Fund pursuant to the plan of allocation approved by the Court.[12] Moreover, Lead Counsel developed the proposed Plan of Allocation, discussed below, with the assistance of Plaintiffs' damages expert and it is consistent with the Settlement Class's theories of damages under the Securities Act and the Exchange Act. ¶¶85-90.

7. The Opinions of Plaintiffs, Lead Counsel, and Settlement Class Members

Lead Counsel, Plaintiffs, and Settlement Class Members all support final approval of the Settlement, thereby satisfying the sixth *Reed* factor. Lead Counsel conducted a thorough investigation into the claims against Defendants and, after more than three years of hard-fought litigation and settlement negotiations, have a firm understanding of the strengths and risks attendant to these claims. *See generally* Fatale Decl., Sections III.–VI. Based on this understanding, as well as their substantial experience of litigating complex securities class actions,

[12] Although Lead Plaintiff Pledge Capital is seeking reimbursement of its reasonable costs and expenses (including lost wages) directly related to its participation in the Action, pursuant to the PSLRA, this would not constitute preferential treatment. *See* 15 U.S.C. § 77z-1(a)(4) (reimbursement of a plaintiff's costs and expenses is explicitly contemplated, in addition to receiving a *pro rata* portion of the recovery).

Lead Counsel has concluded that the Settlement is fair, reasonable, and adequate. *See Marcus*, 2017 WL 6590976, at *3 ("Significant weight is given to the opinion of class counsel concerning whether the settlement is in the best interest of the class ...."); *In re Oil Spill by Oil Rig Deepwater Horizon*, 295 F.R.D. 112, 150 (E.D. La. 2013) ("In evaluating a settlement, the Court should rely on counsel who know the strengths and weaknesses of their cases.").

Likewise, Plaintiffs—sophisticated investors with a financial stake in the outcome of the Litigation—also endorse the Settlement. *See* Ex. 1 at ¶¶6-7; Ex. 10 at ¶¶6-7. Plaintiffs actively supervised Lead Counsel during the litigation and were kept apprised of the settlement negotiations with the Settling Defendants, as well as developments in the underlying litigation. Plaintiffs' support for the Settlement further demonstrates their fairness. *See City of Providence v. Aeropostale, Inc.*, 2014 WL 1883494, at *4 (S.D.N.Y. May 9, 2014) ("[T]he recommendation of Lead Plaintiff, a sophisticated institutional investor, also supports the fairness of the Settlement."), *aff'd sub nom. Arbuthnot v. Pierson*, 607 F. App'x. 72 (2d Cir. 2015).

Finally, the overwhelmingly positive response of the Settlement Class to date also supports final approval. To date, there have been no objections to the Settlement nor any requests for exclusion.[13]

II. THE PLAN OF ALLOCATION SHOULD BE APPROVED

A plan for allocating settlement proceeds under Rule 23 is evaluated under the same standard as the settlement—the plan must be "fair, adequate, and reasonable." *In re Chicken Antitrust Litig. Am. Poultry*, 669 F.2d 228, 238 (5th Cir. 1982). A plan of allocation need not be perfect to be fair, reasonable, and adequate; "[a] just allocation necessitates that the class members

[13] Plaintiffs will address any objections or exclusions received after the filing of this motion in their August 13, 2026 reply.

who lost the most should stand to gain the most from a settlement." *See Marcus*, 2017 WL 6590976, at *5; *see also In re Waste Mgmt., Inc. Sec. Litig.*, 2002 WL 35644013, at *20 (S.D. Tex. May 10, 2002) (approving plan where class received proceeds "based on the size and strength of their claims"), *amending judgment on other grounds*, 2003 WL 27380802 (S.D. Tex. July 31, 2003).

Here, the proposed Plan of Allocation was developed by Lead Counsel in consultation with Plaintiffs' causation and damages expert. The Plan creates a framework for the equitable distribution of the Net Settlement Fund among Settlement Class Members who suffered economic losses as a result of Defendants' alleged violations of the federal securities laws, as opposed to economic losses caused by market or industry factors or unrelated Company-specific factors. ¶86.

Claims asserted in the Action under Section 11 of the Securities Act and Section 10(b) of the Exchange Act serve as the basis for the calculation of the "Recognized Loss Amounts" in the Plan. Section 11 provides a statutory formula for the calculation of damages and the formulas set forth in paragraphs 71-74 of the long-form Notice generally track the statutory formula. The Section 11 formulas will apply to F45 publicly traded common stock purchased or otherwise acquired from July 15, 2021 through December 7, 2022, both dates inclusive (the "Section 11 Period"). ¶87.

With respect to F45 publicly traded common stock purchased or otherwise acquired from December 8, 2022 through August 14, 2023, both dates inclusive (the "Section 10(b) Period"), the calculation is different. Pursuant to Section 10(b), for losses to be compensable, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the securities at issue. The Section 10(b) formulas calculate losses based on corrective information released after market close on March 16, 2023, after market close on May 22, 2023, and after market close on August 14, 2023, which impacted the market price of F45 common stock on March 17, 2023, May 23, 2023, and August 15, 2023, and removed the artificial inflation from the F45 common stock share price on those days. ¶88. Accordingly, in order to have a Section 10(b) loss in the Settlement, shares of F45 must have been purchased or otherwise acquired during the Section 10(b) Period and held through at least one of these corrective disclosure dates. *Id*.

Authorized Claimants will recover their proportional "*pro rata*" amount of the Net Settlement Fund based on their calculated total recognized loss. *See Celeste*, 2022 WL 17736350, at *5 (approving plan of allocation in which each class member would receive a pro rata share of recognized loss). The Plan of Allocation was fully disclosed in the Notice and, to date, there have been no objections to the Plan. ¶91. For these reasons, the Plan should be approved.

III. NOTICE SATISFIED RULE 23, DUE PROCESS, AND THE PSLRA

Notice of a class action settlement must be directed "in a reasonable manner to all class members who would be bound" by the Settlement. Fed. R. Civ. P. 23(e)(1)(B). In granting preliminary approval of the Settlement, the Court approved Plaintiffs' proposed notice plan. Preliminary Approval Order at 22–26. The content of the notices here provided the necessary information for Settlement Class Members to make an informed decision and all of the information required by Rule 23(c)(2)(B) and the PSLRA. 15 U.S.C. § 77z-1(a)(7).

The notice program's combination of individually mailed Postcard Notices to all Settlement Class Members who could be identified with reasonable effort, supplemented by the Summary Notice in a widely circulated publication, transmission over a business newswire, and publication on internet websites, satisfied all requirements of Rule 23, due process, and the PSLRA. Comparable notice programs have been routinely approved. *See, e.g.*, *In re Alta Mesa Res., Inc. Sec. Litig.*, No. 4:19-cv-00957 (S.D. Tex. Mar 26, 2025), ECF No. 1022 at 20–22 (final approval motion detailing notice process where postcard notices were mail and emailed, and a summary notice was published in *The Wall Street Journal* and transmitted over *PR Newswire*) (Ex. 8) and No. 4:19-cv-00957, slip op. (S.D. Tex. May 6, 2025), ECF No. 1032 (final judgment) (Ex. 8); *Shen v. Exela Techs., Inc.*, 2023 WL 8527091, at *2 (N.D. Tex. Dec. 7, 2023) ("The Court finds that the dissemination of the Postcard Notice, the online posting of the Notice, and the publication of the Summary Notice ... satisfied" Rule 23, due process, and the PSLRA).

As of July 9, 2026, a total of 127,693 potential Settlement Class Members and nominees were notified of the Settlement by either mailed Postcard Notice or emailed direct link to the Postcard Notice. *See* Ex. 3 at ¶¶2-9. In addition, SCS caused the Summary Notice to be issued and transmitted over *PR Newswire*, and published in *The Wall Street Journal*. *Id*. at ¶10. Additional information, as well as access to copies of the Notice and Claim Form, Postcard Notice, Stipulation, and Preliminary Approval Order, are also available on the Settlement webpage: https://www.strategicclaims.net/case/f45/. *Id*. at ¶12.

The notice program provided the best notice practicable under the circumstances here and satisfied Rule 23, due process, and the PSLRA.

CONCLUSION

For the reasons set forth herein and in the Fatale Declaration, Plaintiffs respectfully request that the Court grant final approval of the Settlement, approve the Plan of Allocation for the distribution of the proceeds of the Settlement, and certify the Settlement Class for purposes of the Settlement only. Proposed orders will be submitted with Plaintiffs' reply papers, after the deadline for objecting and seeking exclusion from the Settlement Class has passed.

DATED: July 10, 2026

Respectfully submitted,

LABATON KELLER SUCHAROW LLP

/s/ Alfred L. Fatale III

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CERTIFICATE OF SERVICE

I hereby certify that on July 10, 2026, the foregoing document was electronically filed with the Clerk of the Court using the CM/ECF system and all counsel of record will receive an electronic copy via the Court's CM/ECF system. I certify under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on July 10, 2026.

/s/ *Alfred L. Fatale III*
Alfred L. Fatale III