UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

MICHELLE NELSON, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. SUN COMMUNITIES, INC., GARY A. SCHIFFMAN, JOHN BANDINI MCLAREN, KAREN J. DEARING, and FERNANDO CASTRO-CARATINI, Defendants.	Case No. 2:24-cv-13314-LVP-EAS

PLAINTIFFS' UNOPPOSED MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

PLEASE TAKE NOTICE that Lead Plaintiff Patrick Logan and additional named plaintiff Michelle Nelson ("Plaintiffs"), through their undersigned attorneys, respectfully move this Court, the Honorable Linda V. Parker, United States District Judge of the United States Eastern District of Michigan, 231 W. Lafayette Blvd., Detroit, Michigan 48226, on July 29, 2026, at 10:30 a.m., for entry of an Order: (a) approving the proposed settlement as fair, reasonable, and adequate; and (b) approving the proposed Plan of Allocation as fair and reasonable.

This motion is based on this Notice of Motion, Plaintiffs' supporting Memorandum of Law, the Declaration of Jonathan Horne and exhibits thereto, each filed contemporaneously herewith, and all pleadings, records, and papers on file in this action, and other such matters the Court may consider.

Defendants do not oppose the relief requested by this motion.

Plaintiffs will submit a [Proposed] Order granting the relief requested with their Reply papers.

Dated: June 24, 2026

Respectfully submitted,

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

MICHELLE NELSON, Individually and on Behalf of All Others Similarly Situated,

Plaintiff,

v.

SUN COMMUNITIES, INC., GARY A. SCHIFFMAN, JOHN BANDINI MCLAREN, KAREN J. DEARING, and FERNANDO CASTRO-CARATINI,

Defendants.

Case No. 2:24-cv-13314-LVP-EAS

PLAINTIFFS' MEMORANDUM OF LAW IN SUPPORT OF UNOPPOSED MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

Cases

Rules

Other Authorities

I. PRELIMINARY STATEMENT

Lead Plaintiff Patrick Logan and additional named plaintiff Michelle Nelson ("Plaintiffs"), on behalf of themselves and the Settlement Class, respectfully submit this memorandum of law in support of their motion for final approval of (a) the proposed settlement ("Settlement"), (b) the plan of notice ("Notice Plan"), (c) the plan of allocation of the proceeds of the Settlement ("Plan of Allocation"), and (d) certification of the Settlement Class.[1]

After reviewing 15 years of Sun Communities, Inc.'s ("Sun") Securities and Exchange Commission ("SEC") filings and obscure public records, interviewing former Sun employees, consulting with three experts, drafting portions of an amended complaint, and holding a full-day mediation assisted by an experienced and respected mediator, Plaintiffs agreed to settle claims in this action for $2.3 million. The Settlement is an excellent result for the Settlement Class.

[1] Unless otherwise defined herein, all capitalized terms have the same meaning as specified in the Stipulation of Settlement dated April 3, 2026 ("Stipulation") (ECF No. 24-2). Citations to the "Complaint" are to the Complaint for Violation of the Federal Securities Laws, ECF No. 1. Citations to "Fee Brief" are to the Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses, filed herewith. Citations to the "Horne Decl.", "Craig Decl.", "Logan Decl.", and "Nelson Decl." are to the Declarations of Jonathan Horne, Margery Craig, Patrick Logan, and Michelle Nelson, filed herewith. The Craig, Logan, and Nelson Declarations are attached as Exhibits 1, 2, and 3, respectively, to the Horne Declaration. Unless otherwise noted, all emphases are added and citations omitted. Defendants do not oppose the relief requested by this motion, but do not necessarily agree with any statement made herein.

Without a settlement, Plaintiffs would have had to surmount numerous obstacles to obtain any recovery. First, Plaintiffs would have had to survive a motion to dismiss, a substantial risk as more than half of securities class actions are dismissed on the pleadings. From there, Plaintiffs would have to certify a class, though in securities class actions, one out of six motions for class certification is denied in full. This case could also have been one of the many that are dismissed at summary judgment. Or Plaintiffs could have lost at trial, where the record is at best even between plaintiffs and defendants, or lost on appeal.

Plaintiffs would face significant risks at each of these steps. The sole corrective disclosure led to a modest drop in Sun's stock price. That is an obstacle to pleading and proving the case, or securing class certification, that no amount of discovery could address. The factfinder might also find that the allegedly misleading statement, that one of up to nine outside directors may not have been independent, was not material. If Plaintiffs were able to succeed, it would likely take them a decade or more, because that is how long securities class actions typically take to get to a judgment affirmed on appeal. Despite any imperfections in Plaintiffs' case, the Settlement promises an immediate payout to class members who would otherwise only have a chance to potentially recover a decade down the line.

The Court should also grant ancillary relief necessary to give effect to its final approval order. The Court should finally approve the Plan of Allocation of the

Settlement proceeds because, like the Settlement, it is fair, reasonable, and adequate. The Court should finally approve the Notice Plan—which it has already preliminarily approved—because it meets all requirements and Plaintiffs strictly complied with the preliminary approval order. And the Court should finally certify the Settlement Class, which consists of investors who purchased Sun securities from February 28, 2019 through September 24, 2024, inclusive ("Class Period"), because it meets all the requirements of Rules 23(a) and 23(b)(3).

II. SUMMARY OF THE LITIGATION AND THE SETTLEMENT

A. Summary of Allegations

Sun was founded in 1975 by Milton Shiffman, the father of its Class Period CEO Gary Shiffman ("Shiffman"). By the time of Sun's 1993 IPO, Shiffman was the company's Chief Executive Officer, and his father was Chairman of its Board. Horne Decl. Ex. 4, at 3. Shiffman remained Sun's CEO from its IPO through the end of the Class Period.

Under Shiffman's management, Sun engaged in related-party transactions. For instance, Sun employed both Shiffman's sons; a partner at Sun's longtime outside counsel sat on its Board; and companies owned by Shiffman or other Sun employees or directors leased Sun its offices and a private plane, and sold it telephone services. But all these related party transactions were disclosed in Sun's SEC filings. Horne Decl. Ex. 5 at 46.

Enter Brian Hermelin. Hermelin was one of Sun's independent directors. Sun told investors that its independent directors, including Hermelin, were independent under New York Stock Exchange ("NYSE") rules. Horne Decl. Ex. 5 at 38. In truth, Hermelin was not independent. Although these facts were unknown to investors, an article released two decades earlier in a niche publication and obscure property filings showed, respectively, that Hermelin and Shiffman were stepcousins and that in 2019 Hermelin had lent Shiffman $4 million; the loan remained outstanding during the Class Period. Complaint ¶4. These entanglements called Hermelin's independence into question and provided evidence that he did not satisfy the NYSE independence rules.

On September 24, 2024, after the market closed, analyst firm Blue Orca, which held a short position in Sun's stock, released a report arguing that Sun was overvalued. *Id.* Among other allegations, Blue Orca's report revealed the undisclosed ties between Hermelin and Shiffman stated above. *Id.* Plaintiffs independently confirmed these allegations using primary documents. Horne Decl. ¶3. On September 25, 2024, Sun's stock price fell 1.2%. Complaint ¶48.

B. Procedural History

This Action was filed on December 12, 2024 alleging violations under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), on behalf of investors who purchased shares during the above-defined Class

Period. *Nelson v. Sun Communities, Inc.,* Case No. 2:24-CV-13314-LVP-EAS (E.D. Mich.). ECF No. 1. Only one putative class member, Mr. Logan, moved to be appointed lead plaintiff. ECF No. 16. On July 17, 2025, the Court granted Mr. Logan's unopposed motion, appointed him Lead Plaintiff, and appointed The Rosen Law Firm, P.A. ("Rosen")—his choice of attorneys—as lead counsel. ECF No. 20.

Mr. Logan began investigating claims to plead an amended complaint long before his appointment as Lead Plaintiff, including by investigating alternate theories of fraud. Horne Decl. ¶4. So by the time of his appointment, Mr. Logan understood the case well enough to make a settlement demand and propose to Defendants that the Parties hold an early mediation to explore the possibility of a settlement. *Id.* ¶7. An early settlement would save considerable expenses, resolve mutual uncertainty, and allow a prompt resolution that would benefit both putative class members and Defendants. The Parties agreed to hold an in-person mediation on November 24, 2025, assisted by Jed Melnick, Esq., of JAMS.

Before the mediation, the Parties exchanged detailed mediation statements. At the mediation, the Parties engaged in zealous settlement discussions. At the end of a full day's negotiations, the Parties agreed to settle the case for $2.3 million. Horne Decl. ¶¶7-10.

III. ARGUMENT

A. The Standards for Judicial Approval of Class Action Settlements

A court should approve a class action settlement if it is fair, reasonable and adequate. Fed. R. Civ. P. 23(e); *Int'l Union, United Auto., Aerospace, & Agr. Implement Workers of Am. v. Gen. Motors Corp.*, 497 F.3d 615, 631 (6th Cir. 2007) ("*UAW*"). "[W]hile courts have discretion in determining whether to approve a proposed settlement, they should be hesitant to engage in a trial on the merits or to substitute their judgment for that of the parties who negotiated the proposed settlement." *In re Nationwide Fin. Servs. Litig.*, 2009 WL 8747486, at *2 (S.D. Ohio Aug. 19, 2009).

The Sixth Circuit has recognized "the federal policy favoring settlement of class actions." *UAW*, 497 F.3d at 632. "[T]he law favors settlement, particularly in class actions and other complex cases where substantial judicial resources can be conserved by avoiding formal litigation." 4 ALBA CONTE & HERBERT NEWBERG, NEWBERG ON CLASS ACTIONS § 11.41 (4th ed. 2002).

Rule 23(e)(2), which requires court approval of class action settlements, directs courts to consider:

> ***Approval of the Proposal.*** If the proposal would bind class members, the court may approve it only after a hearing and only on finding that it is fair, reasonable, and adequate after considering 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); and (D) the proposal treats class members equitably relative to each other.

In weighing approval, courts in the Sixth Circuit also consider the factors set out in *Int'l Union, United Auto., Aerospace, & Agr. Implement Workers of Am. v. Gen. Motors Corp.*, 497 F.3d 615, 631 (6th Cir. 2007) ("*UAW*"). The Rule 23(e)(2) factors did not displace the *UAW* factors. *Duffy v. Mazda Motor of Am., Inc.*, 2025 WL 517608, at *3 (W.D. Ky. Feb. 17, 2025). The *UAW* factors are: (1) the plaintiffs' likelihood of ultimate success on the merits balanced against the amount and form of relief offered in 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 judgment of experienced trial counsel; (5) the nature of the negotiations and the risk of collusion; (6) the objections raised by the class members; and (7) the public interest. *See UAW*, 497 F.3d at 631. The Court "may choose to consider only those factors that are relevant to the settlement and may weigh particular factors according to the demands of the case." *IUE-CWA v. Gen. Motors Corp.*, 238 F.R.D. 583, 594-95 (E.D. Mich. 2006) (quoting *UAW v. Ford Motor Co.*, 2006 WL 1984363, at *22 (E.D. Mich. July 13, 2006)).

These factors favor approval of the Settlement.

B. The UAW Factors Show That the Settlement Should Be Approved

1. The Likelihood of Success on the Merits Balanced Against the Relief Offered in Settlement

In evaluating approval, courts first consider the plaintiff's likelihood of success on the merits, balanced against the relief offered in the settlement. *See UAW*, 497 F.3d at 631. In applying this factor, courts recognize that "[t]he determination of a reasonable settlement 'is not susceptible to a mathematical equation yielding a particularized sum,' but turns on whether the settlement falls within a range of reasonableness." *Chavarria v. N.Y. Airport Serv., LLC*, 875 F. Supp. 2d 164, 174 (E.D.N.Y. 2012).

The Settlement is a favorable result superior to continuing litigation. When Plaintiffs secured the Settlement, Defendants still had many procedural mechanisms to dismiss the case. There was no guarantee that Plaintiffs would have even survived Defendants' motion to dismiss, let alone prevailed over Defendants' arguments at class certification, summary judgment, trial and appeal. These procedural obstacles collectively leave plaintiffs who elect not to settle with poor odds of victory. Between 2016-2025, 55% of cases were dismissed on the pleadings. Horne Decl. Ex. 6, Recent Trends in Securities Class Action Litigation: 2025 Full-Year Review (NERA 2026) ("2025 NERA Rpt."), at 18. Class certification was denied in one in six cases. *Id.* at 19. While only 19 securities class actions have been tried since the PSLRA, 9 resulted in complete defense verdicts; in another, the only appearing defendant was assigned 1% of the liability.[2] Horne Decl. Ex. 7, Adam T. Savett, *Securities Class Action Trials in the Post-PSLRA Era*, available at https://app.box.com/v/PSLRA-Trials. Collectively, these three obstacles—even setting summary judgment aside—leave non-settling plaintiffs with less than a 20% chance of recovering anything.

Moreover, the liability and damages arguments Defendants would press to the Court and the jury were substantial. First, the corrective disclosure in this case is a report by a self-interested short seller, Blue Orca. While Blue Orca revealed new fraud-related information, it also highlighted publicly-disclosed information about Sun's accounting that it believed investors had not sufficiently appreciated. Though Blue Orca's accounting allegations were incorrect, they would have been, if true, more important to investors. Yet, still, the drop that followed Blue Orca's report was relatively modest. ¶48. Plaintiffs risked a determination that the false statements were immaterial, or that they did not cause Plaintiffs' losses, because they would have to disaggregate the non-fraud-related portion of the drop from an already modest fall. *See Nova Scotia Health Employees' Pension Plan v. Comerica Inc.*, 2026 WL 323711, at *2 (9th Cir. Feb. 6, 2026).

Second, Plaintiffs may not be able to prove that the false statements were

[2] The company's auditor was dismissed at the pleadings.

material. Blue Orca revealed that Hermelin, one of Sun's outside directors, had made its CEO a $4 million loan and was his stepcousin. Even if these facts showed that Hermelin was not independent, he was one of up to nine outside directors. Moreover, while he chaired Sun's compensation committee, Sun's Nominating and Corporate Governance Committee—on which Hermelin did not sit—was responsible for approving and disclosing related party transactions. Horne Decl. Ex. 5 at 38, 43. Thus, Hermelin, by himself, had limited ability to direct proceeds to Shiffman.

Third, it is not clear that the factfinder would find falsity. The allegedly false statements were that Sun's outside directors were independent within the meaning of the NYSE rules, but these rules generally forbid relationships between the director and the company, not between the director and executives in their personal capacity. NYSE Listed Company Manual, Rule 303A.02, *available at* https://nyseguide.srorules.com/listed-company-manual/09013e2c85c00746. While a residual clause prohibits any relationship that might affect the director's judgment, that is not as forceful as an express prohibition of the specific conduct Hermelin was engaged in. *Id.* Indeed, at trial or summary judgment, Sun could argue that after the Blue Orca report, it reevaluated its disclosures and concluded that an amendment was not necessary. Horne Decl. Ex. 8 at 2.

Fourth, and relatedly, scienter would be difficult to prove. *See Fishoff v. Coty Inc.,* 2010 WL 305358, at *2 (S.D.N.Y. Jan. 25, 2010) ("[T]he element of scienter is often the most difficult and controversial aspect of a securities fraud claim") *aff'd,* 634 F.3d 647 (2d Cir. 2011). While Shiffman surely knew that he owed $4 million to Hermelin, the NYSE independence rules do not explicitly prohibit that kind of relationship. Thus, Plaintiffs risked that even if the factfinder concluded the statements were false, it would still find that Defendants were not reckless in making them because their falsity was not apparent.

Fifth, the traditional indicia of wrongdoing are not present here. After the alleged misconduct, Sun did not restate its financial statements, face civil or criminal charges, or abruptly terminate any senior executives. Sun's value has not collapsed; while as of this filing, its shares trade for about 15% less than immediately before the corrective disclosure, the decline occurred in the three months since Plaintiffs filed for preliminary approval.

The Settlement is well within the range of reasonableness in light of the best possible recovery and the substantial risks presented by this litigation. Plaintiffs' damages expert estimated that maximum damages are $46.3 million, meaning that the Settlement recovers 5.0% of what Plaintiffs might have obtained had they won on every contested point. Horne Decl. ¶7. But courts recognize that maximum damages are a "best case scenario" which "occur[] with the regularity of unicorn sightings." *W. Palm Beach Police Pension Fund v. DFC Glob. Corp.*, 2017 WL 4167440, at *6 (E.D. Pa. Sept. 20, 2017). In addition to assuming total and complete victory on the merits, Plaintiffs' expert estimate also assumed that Plaintiffs showed the entire drop following the corrective disclosure resulted from revelation of the fraud, rather than Blue Orca's other arguments. While the 5.0% recovery is lower than the median recovery in securities class actions with similar damages, with a stock drop of only 1.2% before disaggregation and unclear materiality, this case is riskier than the median case. *See* Horne Decl. Ex. 9, at 7.[3]

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

The complexity, expense, and likely duration also favor approval. *See In re Telectronics Pacing Sys., Inc.*, 137 F. Supp. 2d 985, 1013 (S.D. Ohio 2001). Without the Settlement, Plaintiffs and the Settlement Class would face protracted and expensive proceedings. Plaintiffs would have to, first, brief and argue Defendants' motion to dismiss, and then await the Court's order, which would necessarily take considerable time because of the complex and exacting standard. Then, Plaintiffs would have to obtain fact and expert class certification discovery and brief the motion under a standard that becomes more complicated with every controlling decision. Resolving the motion would require the expenditure of significant judicial

[3] *See, e.g.*, *In re Merrill Lynch & Co. Research Reports Sec. Litig.*, 2007 WL 313474, at *10 (S.D.N.Y. Feb. 1, 2007) (recovery of approximately 6.25% was "at the higher end of the range of reasonableness of recovery in class action[] securities litigations"); *Hicks v. Morgan Stanley & Co.*, 2005 WL 2757792, at *7 (S.D.N.Y. Oct. 24, 2005) (settlement representing 3.8% of plaintiffs' damage calculation was "within the range of reasonableness").

resources over an extended period, further delaying the case. At the same time, Plaintiffs would have to conduct extensive party discovery, resolve or litigate discovery disputes—motions to compel are common in securities class actions like this one—and conduct substantial third-party discovery. Then, Plaintiffs would again have to spend time and money on expert discovery on (at a minimum) loss causation, damages, and NYSE independence rules and practices. After that, Plaintiffs would have to brief Defendants' inevitable motion for summary judgment, and likely one or two *Daubert* motions, and then wait for the Court to resolve the complex questions these motions would undoubtedly raise. If the Court denied the motion for summary judgment, Plaintiffs would have to litigate pre-trial motions, win at a trial that imposed significant costs on both the Court and jurors, and survive Defendants' inevitable post-trial motions. Even after a victory, the Settlement Class would then have to endure a delay of at least a year while the Sixth Circuit considered Defendants' inevitable appeal. With all these obstacles, securities class actions frequently take more than a decade and tens of millions of dollars to take to their conclusion.

Though the Settlement Class would otherwise face costly, lengthy, and uncertain litigation, the Settlement provides an immediate, significant and certain recovery of $2.3 million for members of the Settlement Class.

3. The Stage of the Proceedings Supports the Settlement

Courts also consider the stage of the proceedings and the extent of discovery in determining whether a settlement is fair, reasonable, and adequate. *See Telectronics*, 137 F. Supp. 2d at 1015; *Kogan v. AIMCO Fox Chase, L.P.*, 193 F.R.D. 496, 502 (E.D. Mich. 2000). Courts ask whether the plaintiff has obtained sufficient understanding of the case to gauge the strengths and weaknesses of the claims and the adequacy of the settlement. *See Nationwide*, 2009 WL 8747486, at *5-6. The parties need not have engaged in extensive discovery if they have sufficiently investigated the facts to enable an intelligent appraisal of the settlement. *See id.* at *5 ("[A]lthough the parties were able to negotiate the Settlement at a relatively early stage of the proceedings, all of the parties had a clear view of the strengths and weaknesses of their cases.").

Here, while Plaintiffs reached an early settlement that promises to return money to the Settlement Class quickly, they had enough information to evaluate the case. First, Plaintiffs understood the facts. They reviewed 15 years of Sun's SEC filings and obscure public records and interviewed several former Sun employees. They attempted to determine whether Shiffman's transactions with Hermelin constituted related party transactions under either Regulation S-K or Generally Accepted Accounting Principles ("GAAP"), consulting with an accounting expert to provide a broader perspective. Concluding that they were likely not related party transactions, Plaintiffs determined that the transactions may have meant Hermelin was not an independent director within NYSE rules, a theory not alleged in the Complaint. Plaintiffs consulted an economic expert to establish maximum provable damages. Plaintiffs also spent time investigating other theories, speaking with former employees to seek evidence in support of one such theory, but did not unearth a viable alternative theory.

After taking these investigative steps to evaluate the case's potential value, Plaintiffs contacted Defendants to make a demand and discuss the possibility of settlement. The Parties agreed in principle to hold a mediation. Plaintiffs then drafted key portions of an amended complaint alleging Defendants' liability. Plaintiffs also consulted a claims administration expert to estimate the costs of notice. Finally, Plaintiffs drafted a mediation statement setting out their claims and held a full-day mediation assisted by an experienced and respected mediator.

Thus, before entering into the Settlement, Plaintiffs had obtained sufficient information to be able to intelligently rule out other theories and assess the Action's strengths ***and*** weaknesses and determine that the Settlement was a better option than continued litigation. Thus, this factor supports approval.

4. The Absence of Collusion, Arm's-Length Nature of the Settlement Negotiations, and Judgment of Counsel Support the Settlement

In the Sixth Circuit, courts also consider three procedural factors in evaluating settlement: whether the settlement may have resulted from collusion, whether it is the result of arm's-length negotiations, and whether it is recommended by experienced counsel. These factors support approval.

First, absent evidence to the contrary, courts presume that settlement negotiations were conducted in good faith and that the resulting agreements were reached without collusion. *See Telectronics*, 137 F. Supp. 2d at 1016 (citing, among other sources, HERBERT NEWBERG & ALBA CONTE, NEWBERG ON CLASS ACTIONS § 11.51 (3d ed. 1992) ("Courts respect the integrity of counsel and presume the absence of fraud or collusion in negotiating the settlement, unless evidence to the contrary is offered.")). Here, there is no evidence of collusion, because there was no collusion.

Second, the Settlement was negotiated by counsel with extensive experience in securities litigation who were well acquainted with the Action, and the negotiations were facilitated by a mediator. "Courts consistently approve class action settlements achieved through arms-length negotiations, particularly if an independent mediator participated in those negotiations." *In re Chevrolet Bolt EV Battery Litig.*, 2025 WL 3708892, at *6 (E.D. Mich. Dec. 22, 2025). These facts show that the Settlement was negotiated at arm's length. *See Thomsen v. Morley Companies, Inc.*, 639 F. Supp. 3d 758, 768 (E.D. Mich. 2022).

Third, Lead Counsel is experienced in securities litigation. Rosen has litigated securities class actions for more than 20 years, securing more than $2 billion for its clients. Thus, Lead Counsel's opinion that the proposed settlement is fair to the Settlement Class "is entitled to considerable weight." *Bert v. AK Steel Corp.*, 2008 WL 4693747, at *3 (S.D. Ohio Oct. 23, 2008).

5. The Reaction of the Settlement Class

In determining whether to approve a settlement, courts also look at the number of requests for exclusion and the number and tenor of objections. *Nationwide*, 2009 WL 8747486, at *7. To date, there are none.

Individual notices were sent to 42,494 potential Settlement Class Members informing them of the Settlement. Craig Decl. ¶11. In addition, the Summary Notice was published four times, *id.* ¶13, and the Notice and related settlement documents were made available on a case-specific website. *Id.* ¶15.

The Notice sets out the essential terms of the Settlement and informs potential Settlement Class Members of, among other things, their right to opt out of the Settlement Class or object to the Settlement or Plan of Allocation, as well as the procedure for submitting Claim Forms. The Notice communicated that the Court set a July 1, 2026 deadline for Settlement Class Members to opt out or object to the Settlement.

Plaintiffs will provide an update on exclusions and objections in their reply papers to be filed July 22, 2026, after the deadline to object or opt out has passed.

6. Public Interest Favors the Settlement

The Supreme Court has recognized that private securities actions are "an essential supplement to criminal prosecutions and civil enforcement actions" brought by the SEC. *See Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 313 (2007). This Settlement furthers that public policy by providing a substantial recovery to Settlement Class Members. Moreover, the Settlement promotes judicial efficiency by resolving at once the claims of the entire Settlement Class of aggrieved shareholders, avoiding years of litigation in this Court or in the Court of Appeals.

7. Plaintiffs' Request for Attorneys' Fees is Reasonable

Rule 23(e)(2)(C)(iii) addresses "the terms of any proposed award of attorney's fees, including timing of payment." Lead Counsel seeks an award of attorneys' fees of no more than one third of the Settlement Fund. As more fully set out in the Fee Brief, if awarded, Lead Counsel's fee request will fall within the range of reasonable attorneys' fees awarded in this Circuit. "[E]mpirical studies show that, regardless [sic] whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery." *Johnson v. Midwest Logistics Sys., Ltd.*, 2013 WL 2295880, at *6 (S.D. Ohio May 24, 2013). Regardless, the amount and timing of the attorneys' fees are not terms of the Settlement. If the Court believes either is unreasonable, it can award smaller fees or delay payment.

8. The Parties Have Agreed to a Side Agreement Regarding Opt-Outs

Rule 23(e)(2)(C)(iv) requires disclosure of any side agreement. The Parties have agreed to a standard supplemental agreement which provides that if Settlement Class Members opt out of the Settlement such that the number of shares of Sun common stock represented by such opt outs equals or exceeds a certain number, Sun shall have the option to terminate the Settlement. *See* Stipulation §XI.F. Following standard practice in securities class actions, while the supplemental agreement is identified in the Stipulation, the terms were kept confidential to avoid creating incentives for a small group of class members to opt out solely to leverage the threshold to exact an individual settlement. *See e.g.*, *N.Y. State Teachers' Ret. Sys. v. Gen. Motors Co.,* 315 F.R.D. 226, 240 (E.D. Mich. 2016) ("The opt-out threshold is typically not disclosed and is kept confidential to encourage settlement and discourage third parties from soliciting class members to opt out.").

C. The Plan of Allocation Is Fair, Reasonable, and Adequate

Rule 23(e)(2)(D) requires courts to evaluate whether a settlement treats class members equitably relative to one another. The Court preliminarily approved the Plan of Allocation. "An allocation formula need only have a reasonable, rational basis [to warrant approval], particularly if recommended by 'experienced and competent' class counsel." *In re Am. Bank Note Holographics, Inc. Sec. Litig.,* 127 F. Supp. 2d 418, 429-30 (S.D.N.Y. 2001). The Plan of Allocation, as set out in the

Long Notice, provides for distribution of the Net Settlement Fund to Authorized Claimants *pro rata*, based on when each investor purchased or acquired the relevant shares and at what price. The Plan of Allocation is reasonable; indeed, it simply implements Plaintiffs' theory of the case.

D. Notice To The Settlement Class Satisfied The Requirements Of Rule 23, Due Process, And The PSLRA

In granting preliminary approval, the Court also preliminarily approved the Notice Plan. Plaintiffs have provided notice in strict compliance with the Court's Preliminary Approval Order. The Claims Administrator published the summary notice four times and to date has provided individual notice to 42,494 potential Settlement Class Members. Craig Decl. ¶ 11, 13. As the Court preliminarily found, this was "the best notice … practicable under the circumstances" and satisfies the requirements of due process, Rule 23, and the PSLRA. ECF No. 25 ¶¶9, 20. *See, e.g., Bergmann v. GDS Holdings Limited*, 23-cv-04900-JAK-BFM (C.D. Cal.) (Dkt. No. 76 at 9-10); *Tchatchou v. India Globalization Capital*, 18-cv-03396-PWG (D. Maryland) (Dkt. No. 88 at ¶¶13-14, 17-18).

E. Certification Of The Settlement Class Remains Warranted

The Court's April 17, 2026 Preliminary Approval Order granted Plaintiffs' motion for preliminary approval of the Settlement and certified the Settlement Class for settlement purposes only, pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure. ECF No. 25. Nothing has changed to alter the propriety of certification for settlement purposes and, for all the reasons stated in Lead Plaintiff's Preliminary Approval Brief, ECF No. 24, and in the Court's Preliminary Approval Order, the Court should grant final certification of the Settlement Class pursuant to Rules 23(a) and (b)(3).

IV. CONCLUSION

For the foregoing reasons, the Court should: (a) finally approve the Settlement; (b) finally approve the Notice Plan; (c) finally approve the Plan of Allocation; and (d) finally certify the Settlement Class.

Dated: June 24, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was filed with the Court's ECF system on June 24, 2026. Notice of this filing will be sent automatically by operation of the Court's system to all counsel of record.

/s/*David J. Shea*
David J. Shea