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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

JORDAN LEWANDOWSKI,
Individually and on behalf of all others
similarly situated,

Plaintiff,

v.

TAL EDUCATION GROUP, and
BANGXIN ZHANG,

Defendants.

Case No.: 2:23-cv-01769-JRA

**MEMORANDUM OF LAW IN SUPPORT OF LEAD COUNSEL'S
MOTION FOR AN AWARD OF ATTORNEYS' FEES
AND REIMBURSEMENT OF LITIGATION EXPENSES**

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Lead Counsel The Rosen Law Firm, P.A. (“Counsel” or “Rosen”), submits this memorandum of law in support of its motion for: (1) an award of attorneys’ fees of 33 1/3% of the Settlement Fund, or \$4,700,000, plus interest; (2) reimbursement of \$180,000 in litigation expenses reasonably and necessarily incurred in prosecuting and resolving the Action; and (3) reimbursement of costs and expenses incurred by Lead Plaintiff Xuanjun Meng (“Lead Plaintiff”) and additional named plaintiff Jordan Lewandowski (with Lead Plaintiff, “Plaintiffs”).

I. INTRODUCTION¹

Counsel pursued this difficult multinational and multilingual case through more than two years of litigation, ultimately reaching an excellent \$14.1 million settlement that far exceeds the median settlement in similar cases of this size. To reach this result, Counsel drafted an amended complaint and opposed a motion to

¹ Unless otherwise defined herein, all capitalized terms have the same meaning as specified in the Stipulation of Settlement dated February 13, 2026 (“Stipulation”) (ECF No. 86). Citations to the “Complaint” are to the Amended Complaint for Violation of the Federal Securities Laws, ECF No. 20. Citations to “Final Approval Brief” are to the Memorandum of Law in Support of Motion for Final Approval of Settlement, filed herewith. Citations to the “Horne Decl.,” “Evans Decl.,” “Meng Decl.,” and “Lewandowski Decl.” are to the Declarations of Jonathan Horne, Sarah Evans, Xuanjun Meng, and Jordan Lewandowski, filed herewith. The Evans, Meng, and Lewandowski Declarations are attached as Exhibits 1, 2, and 3, respectively, to the Horne Declaration. Unless otherwise noted, all emphases are added and internal citations omitted. Citations to Horne Prelim. Decl. are to paragraphs of or exhibits to the Declaration of Jonathan Horne In Support of Preliminary Approval of Settlement, ECF No. 87-2. While Defendants take no position as to the relief requested by this Motion, they do not necessarily agree with any statement made herein.

dismiss, meeting the daunting standards imposed by the Private Securities Litigation Reform Act (“PSLRA”). In discovery, Counsel developed a litigation strategy that facilitated a well-informed mediation relatively early in discovery. Plaintiffs implemented the strategy by selecting discovery that would maximize leverage at the mediation while minimizing Plaintiffs’ litigation costs and attorneys’ fees. A \$4.7 million fee, one-third of the \$14.1 million settlement that Counsel’s efforts secured, is reasonable and conforms with Third Circuit precedent.

The Court should include in the fee award a proportionate share of the interest earned on the settlement fund since Defendants paid it in the escrow account. The total interest award requested (which currently amounts to only \$48,893.63) compensates Counsel for the delay between the settlement’s funding and the eventual award in the same way and at the same rate as the interest earned by the Settlement Class on the same common fund.

The Court should also grant reimbursement of Counsel’s litigation costs. The \$180,000 award is slightly less than Counsel’s actual, documented, out-of-pocket expenses. Counsel had no interest in, and did not, incur any unnecessary expenses.

Finally, the Court should grant Plaintiffs a modest award of \$8,000 in total, as compensation for the time and labor they spent to benefit the Settlement Class.

II. PROCEDURAL HISTORY

Mr. Lewandowski filed this action on March 29, 2023, following a news

report that TAL may have violated Chinese regulations of after-school tutoring known as the Double Reduction. ECF No. 1. Ms. Meng was one of only two plaintiffs who moved for appointment as Lead Plaintiff. ECF No. 6, 7. After the other movant withdrew, the Court appointed Ms. Meng. ECF No. 19.²

Ms. Meng and Mr. Lewandowski filed their amended complaint against TAL and certain individual defendants (“Complaint”). ECF No. 20. Defendants moved to dismiss the Complaint. ECF No. 29. After full briefing, the Court held two rounds of oral argument. ECF No. 38, 43. At the second round of oral argument, the Court granted the motion to dismiss of Defendants Alex Peng and Jackson Ding, dismissed Defendant Bangxin Zhang without prejudice on consent, and denied TAL’s motion to dismiss in its entirety. ECF No. 48.

Plaintiffs anticipated that discovery would prove extraordinarily burdensome. Plaintiffs alleged that TAL comprehensively violated pervasive regulations throughout its business, so the scope of discovery would be enormous. Moreover, TAL operates in China and conducts its day-to-day business in Chinese, adding extensive translation costs to the tally. Horne Dec. ¶¶5-6.

So the Parties agreed that they would initially conduct narrower discovery to explore the prospect of an early settlement, before the Parties incurred massive

² References to “the Court” are to either District Judge Farbiarz or Magistrate Judge Almonte.

discovery expenses. Defendants would produce certain categories of documents selected by Plaintiffs. Plaintiffs would also take a portion of TAL's Rule 30(b)(6) deposition, based on certain topics Plaintiffs selected. The Parties would then hold a mediation. Plaintiffs ultimately reviewed more than 150,000 pages, took TAL's deposition for a full day (to allow translation) in Mandarin in Hong Kong, and held a mediation on October 31, 2025. Horne Dec. ¶¶6-10. Though the Parties did not reach an agreement at the mediation, the mediator facilitated continued settlement discussions over the following weeks. On November 11, the Parties each accepted a double-blind mediator's proposal to settle this action for \$14.1 million. Had the mediation failed, the Parties would have conducted full-blown discovery, which would certainly require production and review of millions of pages of documents and at least 15 depositions, almost all of them in Hong Kong and requiring Mandarin translators.

Having reached agreement on the Settlement Amount, Counsel then drafted and negotiated the full Settlement's terms. Counsel also drafted and filed the Preliminary Approval Motion. ECF No. 87. That motion included evidence obtained in discovery to explain Counsel's assessment of the merits. It also included an expert declaration to explain why there is substantial uncertainty about the amount of damages. ECF No. 87-4. The expert declaration also helped Plaintiffs meet a burden of showing that TAL's shares traded on an efficient market for settlement purposes,

allowing preliminary certification of a settlement class. *Id.*

On April 10, 2026, the Court held a hearing to discuss Plaintiffs' motion for preliminary approval of the Settlement. ECF No. 97. At the hearing, the Court instructed Plaintiffs to make several changes to the documents used to provide notice to the Settlement Class and asked about the costs of notice. ECF No. 100. Plaintiffs then edited the notice documents to comport with the Court's instructions and separately edited the broker notification portion of the long notice to reduce notice costs. ECF No. 99. After the Court's approval, ECF No. 101, the claims administrator delivered the notice in full compliance with the Notice Plan. *See* Evans Decl. ¶¶ 3-12.

III. ARGUMENT

A. The Court Should Award Counsel a Reasonable Percentage of the Common Fund

The Supreme Court and Third Circuit have both recognized that counsel should be compensated from a "common fund" they create for the benefit of a class. *See, e.g., Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980); *In re Cendant Corp. Sec. Litig.*, 404 F.3d 173, 205 (3d Cir. 2005) ("We agree with the long line of common fund cases that hold that attorneys whose efforts create, discover, increase, or preserve a common fund are entitled to compensation.") (cleaned up). This common fund doctrine prevents the unjust enrichment of class members who benefit from a lawsuit without paying for its costs. *See Boeing Co.*, 444 U.S. at 478.

Courts may employ the percentage-of-recovery approach to determine the amount of attorneys' fees to award in common fund cases. *Blum v. Stenson*, 465 U.S. 886, 900 & n.16 (1984). The Third Circuit favors the percentage-of-recovery method "because it allows courts to award fees from the fund 'in a manner that rewards counsel for success and penalizes it for failure.'" *In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 300 (3d Cir. 2005), *as amended* (Feb. 25, 2005); *see also Williams v. Aramark Sports, LLC*, 2011 WL 4018205, at *10 (E.D. Pa. Sept. 9, 2011) (similar). Further, by providing that fees "shall not exceed a reasonable percentage" of settlement proceeds, "the PSLRA has made percentage-of-recovery the standard for determining whether attorneys' fees are reasonable." *Cendant*, 404 F.3d at 188.

The alternative to the percentage method—the lodestar method—encourages attorneys to delay settlement and wastes courts' time in reviewing thousands of billing records. *In re Ikon Off. Sols., Inc., Sec. Litig.*, 194 F.R.D. 166, 193 (E.D. Pa. 2000). The lodestar method is more appropriate in statutory fee-shifting cases and cases involving intangible rights or other benefits that are difficult to quantify. *Hall v. Accolade, Inc.*, 2020 WL 1477688, at *10 (E.D. Pa. Mar. 25, 2020). While leaving the choice to the district court's discretion, the Third Circuit has expressed a preference for the percentage method in cash common fund cases like this one. *In re Gen. Motors Corp. Pick-Up Truck Fuel Tank Prods. Liab. Litig.*, 55 F.3d 768, 821 (3d Cir. 1995).

B. The Requested Attorneys' Fees Are Reasonable Under the Percentage-of-Recovery Method

Counsel's fee request of 33 1/3% of the Settlement Amount falls within the range of fees awarded in the Third Circuit in similar complex common fund cases. While the ultimate fee award is within the district court's discretion, the Third Circuit instructs courts to consider the *Gunter* and *Prudential* factors. *In re Diet Drugs*, 582 F.3d 524, 541 (3d Cir. 2009). The *Gunter* factors are:

(1) the size of the fund created and the number of persons benefitted; (2) the presence or absence of substantial objections by members of the class to the settlement terms and/or fees requested by counsel; (3) the skill and efficiency of the attorneys involved; (4) the complexity and duration of the litigation; (5) the risk of nonpayment; (6) the amount of time devoted to the case by plaintiffs' counsel; and (7) the awards in similar cases.

Gunter v. Ridgewood Energy Corp., 223 F.3d 190, 195 n.1 (3d Cir. 2000).

The *Prudential* factors are:

[8] the value of benefits accruing to class members attributable to the efforts of class counsel as opposed to the efforts of other groups, such as government agencies conducting investigations; [9] the percentage fee that would have been negotiated had the case been subject to a private contingent fee agreement at the time counsel was retained; and [10] any "innovative" terms of settlement.³

³ Plaintiffs have renumbered the *Prudential* factors consecutively to the *Gunter* factors for ease of reference. With a cash fund, *Prudential* Factor 9 duplicates the second portion of *Gunter* Factor 7. There are no innovative terms so Factor 10 "neither weighs in favor nor detracts from a decision to award attorneys' fees." *In re Processed Egg Prod. Antitrust Litig.*, 2012 WL 5467530, at *6 (E.D. Pa. Nov. 9, 2012). Factor 8 supports the fee request because the recovery is attributable to Counsel's work, not to a governmental recovery or enforcement proceeding. Although the Action followed public reporting concerning TAL's compliance with

In re AT&T Corp., 455 F.3d 160, 165 (3d Cir. 2006).

These “factors ‘need not be applied in a formulaic way’ because each case is different, ‘and in certain cases, one factor may outweigh the rest.’” *Id.* at 166. “The Court may give some of these factors less weight in evaluating a fee award.” *In re Ocean Power Techs., Inc.*, 2016 WL 6778218, at *26 (D.N.J. Nov. 15, 2016). The *Gunter* and *Prudential* factors support an award of one third of the Settlement Fund.

1. The Value of the Benefit Rendered to the Settlement Class Supports the Requested Fee

The first *Gunter* factor “consider[s] the fee request in comparison to the size of the fund created and the number of class members to be benefitted.” *Rowe v. E.I. DuPont de Nemours & Co.*, 2011 WL 3837106, at *18 (D.N.J. Aug. 26, 2011). *Smaller* settlements that benefit *fewer* class members warrant a larger percentage award. *See Rowe*, 2011 WL 3837106, at *18. “The rationale for this sliding scale is that, in most cases, the size of the award is more directly related to the *size* of the class, not the efforts of counsel.” *Id.* “[B]ecause of fixed costs and economies of scale, attorneys’ fees and costs do not increase dollar-for-dollar with the size of the case.” *P. Van Hove BVBA v. Universal Travel Grp., Inc.*, 2017 WL 2734714, at *11 (D.N.J. June 26, 2017). No such concerns are present here, where “granting counsel

the Double Reduction, no agency created a fund for investors, litigated the federal securities claims, produced the discovery record used at mediation, or negotiated this Settlement. Moreover, there were no Chinese government findings that TAL systematically violated the Double Reduction.

a similar percentage of a smaller fund may simply punish counsel for having litigated a smaller case.” *Yedlowski v. Roka Bioscience, Inc.*, 2016 WL 6661336, at *20 (D.N.J. Nov. 10, 2016).

While the \$14.1 million settlement is “substantial” in a case of this size, where the Settlement Class faced such significant risks, it is “not a mega-fund.” *In re Merck & Co., Inc. Vytorin ERISA Litig.*, 2010 WL 547613, at *9 (D.N.J. Feb. 9, 2010) (finding that a \$41.5 million fund is not “large” within the meaning of Third Circuit case law and awarding one-third fee); *Cullen v. Whitman Med. Corp.*, 197 F.R.D. 136, 148 (E.D. Pa. 2000) (\$7.3 million fund in 2000, equivalent to approximately \$14.2 million in 2026, is a “mainstream case” and does not warrant reduction of 1/3 award) (quoting *Gunter*, 223 F.3d at 191-92, 201 n. 6).

Thus, the size of the fund does not warrant a reduction of the one-third fee.

2. Counsel Bore Significant Contingency and Litigation Risks

“Courts across the country have consistently recognized that the risk of receiving little or no recovery is a major factor in considering an award of attorneys’ fees.” *Universal Travel*, 2017 WL 2734714, at *12. The “risk of no recovery is especially high in securities class actions, as they are notably difficult and notoriously uncertain.” *Id.* (cleaned up).

Here, Counsel prosecuted this action entirely on a contingent basis. Counsel incurred \$180,616.65 in out-of-pocket expenses litigating for the benefit of the

Settlement Class and has received no compensation. Moreover, in applying for appointment as lead counsel, Counsel undertook to spend whatever resources were necessary—thousands of attorney hours and millions of dollars in expenses—to benefit the Settlement Class.

Counsel also understood that it might lose and recover nothing. In many cases, plaintiffs' attorneys, including Counsel, spent thousands of hours and yet received no remuneration whatsoever despite their diligence and expertise. *See, e.g., In re Jan. 2021 Short Squeeze Trading Litig.*, 2023 WL 9035671, at *1 (S.D. Fla. Nov. 13, 2023) (class certification denied after Rosen invested more than ten thousand hours and several million dollars pursuing a novel theory). Even plaintiffs who survive summary judgment or succeed at trial may find a judgment in their favor overturned on appeal or on a post-trial motion.⁴

And this case was unusually risky. Start with the motion to dismiss. The

⁴ *See, e.g., Pompano Beach Police & Firefighters' Ret. Sys. v. Las Vegas Sands Corp.*, 732 F. App'x 543 (9th Cir. 2018) (summary judgment granted in favor of defendants in securities fraud action after seven years of litigation); *Air Prods. & Chemicals, Inc. v. Airgas, Inc.*, 16 A.3d 48 (Del. Ch. 2011) (in a case where an experienced attorney represented stockholders in a week-long trial, the court ruled in favor of the defendants, denied the shareholder lead plaintiffs' request for relief, and dismissed the case with prejudice); *In re Homestore Inc. Sec. Litig.*, No. 01-cv-11115 (C.D. Cal. 2011) (lead plaintiff verdict but no recovery); *Hubbard v. BankAtlantic Bancorp, Inc.*, 688 F.3d 713 (11th Cir. 2012) (Eleventh Circuit Court of Appeals affirmed a lower court ruling which granted defendants' motion for summary judgment as a matter of law based on a plaintiff's failure to prove loss causation, thereby overturning a jury verdict in plaintiff's favor).

PSLRA imposes pleading standards that are among the highest in federal courts. *Eminence Cap., LLC v. Aspeon, Inc.*, 316 F.3d 1048, 1052 (9th Cir. 2003) (“In this technical and demanding corner of the law, the drafting of a cognizable complaint can be a matter of trial and error.”); *In re BP p.l.c. Sec. Litig.*, 852 F. Supp. 2d 767, 820 (S.D. Tex. 2012) (“The Court is acutely aware that federal legislation and authoritative precedents have created for plaintiffs in all securities actions formidable challenges to successful pleading.”). Further, “[l]egal precedents are continually making it more difficult to plead securities class actions.” *Yedlowski*, 2016 WL 6661336, at *21. These difficulties justify a higher percentage fee. *Id.*

This was an unusually difficult case to plead. Because TAL’s alleged misconduct occurred in China, Plaintiffs’ investigation had to take place there. So Plaintiffs faced both a language and time-zone barrier. Moreover, even as Plaintiffs conducted their investigation, the Chinese government was publicly cracking down on firms that provide ordinary business intelligence.⁵ Former TAL employees were

⁵ In or around March 2023, Chinese authorities began raiding firms that provided business-consulting, due-diligence, and related services to U.S. and other foreign companies operating in China. Among the firms targeted were Bain & Company, Mintz Group, and Capvision. Chinese authorities searched offices, seized materials, questioned employees, and, in the case of Mintz Group, detained five Chinese employees. The actions formed part of a broader national-security crackdown that coincided with China’s expansion of its anti-espionage regime and heightened scrutiny of firms collecting business information for foreign clients. *See, e.g., Dan Strumpf, Bain’s Staff in Shanghai Questioned as China Targets Foreign Businesses*, Wall St. J. (Apr. 27, 2023) (available at <https://www.wsj.com/articles/chinese-authorities-question-bain-staff-in-shanghai-e0bbf2fb>); Chun Han Wong, *China*

thus even warier of providing information to Plaintiffs' investigator than they might have been a few years earlier, or than they might be in the U.S.

Continue with discovery. Because the misconduct occurred in China, a significant source of evidence was unavailable. Plaintiffs likely could not secure *any* third-party discovery—whether documents or testimony—from unwilling persons located in China. To conduct third-party discovery in China, Plaintiffs would need to have the Chinese government enforce a letter of request from this Court, an exceedingly rare occurrence. As a result, whole categories of documents are likely beyond Plaintiffs' reach. Horne Dec. ¶¶13-15. For instance, one of TAL's defenses is that Chinese governments' inaction shows that TAL's conduct was lawful. Plaintiffs have argued that the governments may have employed other methods, such as informal discussions, to cause TAL to rectify its conduct. Plaintiffs believe they would be hampered in advancing this argument because they deem it unlikely that the Chinese governments would ever allow document or deposition discovery from themselves for use in any foreign tribunal, much less one located in the U.S. Nor could Plaintiffs obtain testimony from former TAL employees over whom TAL has no control—an acute problem because of substantial executive turnover at TAL during and after the Class Period.

Raises Fines on Mintz Due-Diligence Firm, Wall St. J. (Mar. 12, 2024) (available at <https://www.wsj.com/world/china/china-raises-fines-on-mintz-due-diligence-firm-c7486aeb>).

Party document discovery will also be more difficult. Plaintiffs anticipate that substantially all the documents produced in this case will be in Chinese. While Plaintiffs' litigation team included two Chinese-speaking attorneys, the fact that other team members cannot read the primary documents themselves without translations makes it more difficult for the team to understand the facts of the case and explore lines of inquiry. Moreover, documents must be translated to be used as deposition exhibits or in court. Thus, Plaintiffs anticipate enormous translation costs; in a recent case involving a Chinese issuer, Plaintiffs' counsel spent more than \$2.4 million on translation. *See* Horne Prelim. Decl., ECF. 87-2, ¶24. Plaintiffs anticipated a similar translation budget in this case.

Depositions would also take more time and cost more. Nearly every deposition would take place in Hong Kong, imposing significant travel and lodging costs. Depositions would also take place in Chinese. Not only would translators add costs, every deposition would take twice as long because every question and answer would have to be translated. For example, Plaintiffs spent a full 7 hours taking half of TAL's Rule 30(b)(6) deposition.

Class certification could also prove risky. While Plaintiffs face limited class certification risks, recent decisions have made class certification riskier for plaintiffs. *E.g. Halliburton Co. v. Erica P. John Fund, Inc.*, 573 U.S. 258, 279-80 (2014) (defendants can rebut presumption of reliance); *Goldman Sachs Grp., Inc. v.*

Arkansas Tchr. Ret. Sys., 594 U.S. 113, 121-23 (2021) (courts must consider generic nature of misrepresentations when determining whether defendants rebutted presumption of reliance). Defendants would argue that their statements to U.S. investors had no impact on TAL’s stock price because the market already knew the truth. They would point to Plaintiffs’ allegations that TAL’s classes and promotional materials—offered to hundreds of thousands, if not millions, of Chinese residents—openly boasted that TAL offered after-school tutoring. Plaintiffs would have to show why TAL’s allegedly open and notorious violations did not reach the attention of U.S. markets. The answer—that these violations occurred at the retail level, were in Chinese, and took place in China—might not have been sufficient.

On to summary judgment. A key issue on Defendants’ motion to dismiss was the status of the Double Reduction and attendant regulation, and in particular whether they had the force of law. Plaintiffs prevailed at the pleading stage, but as Judge Farbiarz stated at the motion to dismiss hearing, expert testimony would be required at summary judgment and trial to explain the particularities of the Chinese legal regime.

Then, trial. The Complaint alleges that TAL violated the terms of the Double Reduction. While TAL would surely disagree, Plaintiffs believe that the documents and testimony obtained in discovery make a strong case that the Complaint fairly characterizes TAL’s courses, that they are “academic” by any reasonable definition

of the term, and thus that TAL violated the terms of the Double Reduction. But Defendants would claim those violations consisted of teaching kids math and literature. Plaintiffs anticipate that to win at trial, they may need to prove not only that Defendants' conduct violated the Double Reduction, nor only that they made actionable statements about compliance, but also that the Double Reduction was a reasonable reaction to a social ill. Jurors may have the impression that the Chinese government sometimes takes arbitrary action. In a vacuum, they may view the Double Reduction, which completely banned tutoring, as an ill-considered and rash overreaction. So while not an element of their claim, Plaintiffs anticipate that they would have to show that the Double Reduction did not arise in a vacuum, but instead was the Chinese government's response to pervasive misconduct, including by TAL.

In this context,



It may lead the jury to discount the literal terms of the Double Reduction as something the Chinese government either did not mean, or that they backtracked from when the costs of implementation became clear. Thus, the evidence may lead the jury to think TAL's compliance statements were either true (because the government had already retreated from its literal words) or immaterial (because the government was never going to seriously prosecute violations).

Finally, appeals. Securities class actions offer fertile ground for reversal

because they are technical and expert-driven. But here, appeals would be riskier because the Court would have to make decisions about Chinese law, a legal issue subject to *de novo* review. Fed. R. Civ. P. 44.1; *Hay Grp. Mgmt., Inc. v. Schneider*, 965 F.3d 244, 250 (3d Cir. 2020). Thus, the Third Circuit’s review would grant no deference to the Court’s determinations on the critical issues of Chinese law.

Plaintiffs would also have to establish per-share damages through complex and highly contested expert testimony. Plaintiffs’ expert has provided two per-share damages estimates, \$0.34 and \$0.82—a big gap. And experts must use a market model to estimate total damages because there is no repository of trading information. As a result, Plaintiffs’ expert estimates damages of between \$94.6 million and \$114 million, the latter of which is based on unobservable inputs. *See* ECF No. 87-4. If the Defendants convince the jury to award damages of only \$0.34 per share, and if those unobservable inputs do not materialize, damages would fall to \$40.7 million.

Thus, while Counsel secured a favorable Settlement that benefits the class, it undertook an open-ended commitment to pursue this case through years of litigation that took more than a thousand hours of attorney time and cost more than \$180,000, and might have cost tens of thousands of hours and millions of dollars more to litigate to a potential judgment of uncertain amount, which would not inure to Settlement Class Members’ benefit for many years.

3. Similar Awards and Negotiated Contingency Agreements Support the Fee Request

To determine whether awards in similar cases support the fee Counsel requests, “the court must (1) compare the award requested with other awards in comparable settlements; and (2) ensure that the award is consistent with what the attorney would have received had the fee been negotiated on the open market.” *Hall v. AT&T Mobility LLC*, 2010 WL 4053547, at *21 (D.N.J. Oct. 13, 2010). An award of one-third of the Settlement Fund meets both subparts.

First, Plaintiffs who bring cases subject to the PSLRA face uniquely high pleading burdens. There is no “small case” exception to these burdens. Thus, to comply with the PSLRA, Plaintiffs must spend copious time and money investigating and pleading a case, and more still opposing the motion to dismiss. Counsel must bear these costs whether damages are \$20 million or \$2 billion. Thus, “for smaller securities fraud class actions, courts within the Third Circuit have typically awarded attorneys’ fees of 30% to 35% of the recovery, plus expenses.” *Dartell v. Tibet Pharms., Inc.*, 2017 WL 2815073, at *10 (D.N.J. June 29, 2017) (cleaned up).

Second, “[t]he requested fee of one-third is also consistent with a privately negotiated contingent fee in the marketplace.” *Hall*, 2010 WL 4053547, at *21. “In individual cases, the customary contingent fee would likely range between 30 and 40 percent of the recovery.” *Dartell*, 2017 WL 2815073, at *11; *Ocean Power*, 2016

WL 6778218, at *29 (same). The requested fee of one third of the Settlement thus falls squarely within the customary fee for non-class actions.

4. Counsel Created an Informed Settlement Opportunity and Maximized Leverage Without Churning the File

“[S]ecurities fraud class actions are notably complex, lengthy, and expensive cases to litigate.” *In re Par Pharm. Sec. Litig.*, 2013 WL 3930091, at *10 (D.N.J. July 29, 2013); *Yedlowski*, 2016 WL 6661336, at *21 (“securities class actions are by nature particularly expensive to prosecute, usually requiring expert testimony on, at least questions of damages and loss causation.”).

Counsel efficiently targeted its efforts to facilitate a substantial early recovery. Counsel spent extensive time carefully drafting an Amended Complaint and survive Defendants’ motion to dismiss filed under a challenging pleading standard. In discovery, rather than plodding through the full scope of discovery that would be necessary for trial, Counsel first targeted discovery on the most important points to trace the contours of the case and obtain enough evidence to show at this relatively early stage that they would be able to develop a strong record that would prevail at trial. This targeted discovery still swept broadly enough to ensure Counsel understood and could press Plaintiffs’ case: Counsel reviewed more than 150,000 pages of documents and prepared for and held half of TAL’s Rule 30(b)(6) deposition in Hong Kong. The strategy worked, and the Settlement Class now recovers \$14.1 million much earlier than it would have if Counsel had not created

this opportunity.

Counsel would have expended far more hours and significantly raised its lodestar had it conducted full discovery, but it should not be penalized for its efficient and successful litigation strategy. Moreover, the lodestar multiplier, which courts typically apply as a secondary “cross-check” on the reasonableness of a fee request, is still modest. “The Third Circuit has recognized that multiples ranging from one to four are frequently awarded in common fund cases when the lodestar method is applied.” *In re Flonase Antitrust Litig.*, 951 F. Supp. 2d 739, 750 (E.D. Pa. 2013) (cleaned up). Counsel spent [2000-ish] hours, with a lodestar value of [\$1.6 million]. The requested fee results in a multiplier of 2.5, which is “within the generally acceptable range and provides additional support for approving the attorneys’ fee request.” *Id.* at 751.

The time and money Lead Counsel spent on this case with no guarantee of recovery support an award of the requested fee.

5. The Result Achieved and Quality of the Opposition Confirm the Appropriateness of a One Third Fee

Fee awards aim to ensure “that competent counsel continue to be willing to undertake risky, complex, and novel litigation.” *Gunter*, 223 F.3d at 198. Lead Counsel’s skill and efficiency are “measured by the quality of the result achieved, the difficulties faced, the speed and efficiency of the recovery, the standing, experience and expertise of the counsel, the skill and professionalism with which

counsel prosecuted the case and the performance and quality of opposing counsel.” *Hall*, 2010 WL 4053547, at *19. And “[t]he single clearest factor reflecting the quality of class counsels’ services to the class are the results obtained.” *Cullen v. Whitman Med. Corp.*, 197 F.R.D. 136, 149 (E.D. Pa. 2000).

For the reasons further detailed in the Final Approval Brief, the Settlement is an excellent result. It recovers between 12.4% and 34.6% of Plaintiffs’ best-case damages, 70% higher than the median recovery of 7.3% in cases of this size. Final Approval Brief, at 18. The recovery results from, and reflects on, the quality of Counsel’s services.

Counsel has prosecuted securities class actions against determined, well-funded, and skilled adversaries for twenty years. To date, Counsel has recovered more than \$2 billion in securities class action settlements for its clients. *See* Horne Decl. Ex. 4 (Firm Resume), more than half of it against companies operating in China. This experience allowed Counsel to chart a path to a good settlement.

Additionally, “[t]he quality and vigor of opposing counsel is also relevant in evaluating the quality of the services rendered by Counsel.” *Yedlowski*, 2016 WL 6661336, at *21; *see also Universal Travel*, 2017 WL 2734714, at *11 (same). Defendants were represented by Marino Tortorella & Boyle, P.C. and Quinn Emanuel Urquhart & Sullivan, LLP, whose credentials need no burnishing here. That Counsel obtained a favorable result for the Settlement Class in the face of

formidable opposition further evidences the quality of its work and the reasonableness of the requested fee.

6. The Current Absence of Objections or Valid Requests for Exclusion Supports the Fee Request

“[I]t is generally assumed that silence constitutes tacit consent to the agreement.” *General Motors*, 55 F.3d at 812. Thus, “the absence of substantial objections by class members to the fee requests weigh[s] in favor of approving the fee request.” *Rite Aid*, 396 F.3d at 305. A total of 62,983 Notices were sent directly to potential Settlement Class Members and nominees, and a summary notice was published. Evans Decl., ¶¶10, 11, 13. To date, no confirmed Settlement Class Member has objected to Counsel’s fee request. *Id.* ¶15. Plaintiffs and the Claims Administrator have received only three requests for exclusion from persons identifying themselves as investors in TAL securities. But all of these requests are invalid for failing to list transactions in TAL securities that would establish Settlement Class Membership. *Id.* ¶14.

The Settlement will provide Settlement Class Members with a quick, certain benefit, without exposing them to delay and litigation of a case that was so risky that only two firms moved for appointment as lead counsel. Counsel then negotiated the Settlement without unnecessarily churning the file. A fee of one third of the Settlement Amount, at a 2.5 multiplier, is a reasonable award for Counsel’s efforts.

IV. THE COURT SHOULD AWARD PROPORTIONAL INTEREST ON THE ATTORNEYS' FEES

A lawyer who secures a common fund for the benefit of a class is entitled to a reasonable fee “from the fund as a whole,” assessed “against the entire fund” so that costs are spread “proportionately among those benefitted by the suit.” *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980). The Third Circuit has held that it is proper to award counsel proportionate interest from the settlement fund. *In re Fine Paper Antitrust Litig.*, 751 F.2d 562, 589 (3d Cir. 1984) (“Evenhandedness demands that each party having an interest in that fund receive its share of fund earnings, pending distribution, in proportion to its interest.”). Thus, courts in the Third Circuit have continued to award counsel the same proportionate share on both the settlement principal and the interest earned thereon. *E.g., id.*; *In re Remeron Direct Purchaser Antitrust Litig.*, 2005 WL 3008808, at *17 (D.N.J. Nov. 9, 2005).

Between mid-May 2026, when the Settlement Amount was placed into escrow, and September 2026, the Settlement Fund earned \$146,680.88 in interest. That interest benefits the class. The Court should award Counsel one third of this additional benefit, which currently amounts to \$48,893.63.

V. COUNSEL'S EXPENSES ARE REASONABLE AND WERE NECESSARY TO ACHIEVE THE BENEFIT OBTAINED

“In the Third Circuit, it is standard practice to reimburse litigation expenses in addition to granting fee awards.” *McDonough v. Toys R Us, Inc.*, 80 F. Supp. 3d

626, 658 (E.D. Pa. 2015). Indeed, “[c]ounsel in common fund cases are entitled to reimbursement of expenses that were adequately documented and reasonably and appropriately incurred in the prosecution of the case.” *Universal Travel*, 2017 WL 2734714, at *13. The Court need not examine individual receipts; a summary of expenses suffices. *Chemi v. Champion Mortg.*, 2009 WL 1470429, at *13 (D.N.J. May 26, 2009).

Counsel’s expenses, reflected in contemporaneous records, exceed \$180,000, the maximum number that Counsel stated it would request reimbursement for, as set out in the Notice. Accordingly, Counsel requests reimbursement of \$180,000. These expenses are described in detail in the accompanying Horne Declaration. To date, no objections to Counsel’s expense reimbursement request have been filed or otherwise communicated to Counsel or the claims administrator.

The categories of expenses for which counsel seek payment here, such as the mediator’s fee, online legal research costs, filing fees, travel expenses, and other such costs, are routinely charged in similar cases and are properly awarded from the common fund. *See W. Palm Beach Police Pension Fund v. DFC Glob. Corp.*, 2017 WL 4167440, at *9 (E.D. Pa. Sept. 20, 2017) (approving reimbursement for “Items such as photocopying, telephone and fax charges, express mail charges, expert witness fees, travel and lodging, and computer-assisted research are necessary for the prosecution of a large class action lawsuit.”); *In re Remeron End-Payor Antitrust*

Litig., 2005 WL 2230314, at *32 (D.N.J. Sept. 13, 2005) (approving reimbursement of “costs expended for purposes of prosecuting this litigation, including substantial fees for experts; . . . travel and lodging expenses; [and] copying costs”); *In re Cendant Corp., Deriv. Action Litig.*, 232 F. Supp. 2d 327, 344 (D.N.J. 2002) (consultants); *Beckman v. KeyBank, N.A.*, 293 F.R.D. 467, 482 (S.D.N.Y. 2013) (mediator’s fees); *Katz v. China Century Dragon Media, Inc.*, 2013 WL 11237202, at *8 (C.D. Cal. Oct. 10, 2013) (press releases).

VI. THE REQUESTED AWARDS TO PLAINTIFFS ARE REASONABLE

Plaintiffs seek a combined \$8,000 for their time and expenses in connection with their representation of the Settlement Class. Lead Plaintiff Meng seeks \$6,000, and Plaintiff Lewandowski seeks \$2,000. The PSLRA specifically provides that an “award of reasonable costs and expenses (including lost wages) directly relating to the representation of the class” may be made to “any representative party serving on behalf of a class.” 15 U.S.C. § 78u-4(a)(4). Courts regularly approve reasonable awards to compensate representative plaintiffs for the time and effort they expend securing a valuable settlement for the benefit of a class. “[T]he Third Circuit favors encouraging class representatives, by appropriate means, to create common funds and to enforce laws—even approving ‘incentive awards’ to class representatives.” *Yedlowski*, 2016 WL 6661336, at *23.

Plaintiffs took an active role in the Litigation, including reviewing relevant

pleadings, discussing litigation strategy and case developments with Counsel, monitoring the progress of settlement negotiations, and approving the Settlement. Meng Decl. ¶4; Lewandowski Decl. ¶4. As lead plaintiff, Ms. Meng appropriately spent more time overseeing the litigation than Mr. Lewandowski; she estimates she spent 87 hours. Meng Decl. ¶4. Accordingly, Plaintiffs request that the Court grant reasonable awards to Ms. Meng of \$6,000 and Mr. Lewandowski of \$2,000. There have been no objections to this request by any Members of the Settlement Class in response to the distribution of the Notice (which indicated Plaintiffs may seek an award of up to \$8,000 collectively).

VII. CONCLUSION

For the foregoing reasons, the Court should grant an attorneys' fee award of one third of the Settlement Amount, or \$4,700,000, plus proportionate interest earned thereon, grant reimbursement of \$180,000 in expenses, and award Ms. Meng \$6,000 and Mr. Lewandowski \$2,000.

Dated: September 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 September 24, 2026. Notice of this filing will be sent automatically by operation of the Court's system to all counsel of record.

/s/Laurence M. Rosen
Laurence M. Rosen