UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE VNET GROUP, INC. SECURITIES LITIGATION	Case No. 1:23-cv-11187-DEH **CLASS ACTION** Hon. Dale E. Ho

DECLARATION OF CHRISTOPHER P.T. TOUREK IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENT, PLAN OF ALLOCATION, MAINTAINING CERTIFICATION OF THE CLASS FOR SETTLEMENT PURPOSES, AN AWARD OF ATTORNEYS' FEES AND EXPENSES, AND PLAINTIFFS' COMPENSATORY AWARDS

I, CHRISTOPHER P.T. TOUREK, hereby declare as follows:

1. I am an Of Counsel at Pomerantz LLP ("Pomerantz"), Lead Counsel for Lead Plaintiff Wong Tan ("Lead Plaintiff") and additional named Plaintiff Michael Semerak (collectively, "Plaintiffs") and the Class in this action (the "Action"), and am an attorney admitted to practice in this Court pro hac vice. Together with Pomerantz Partner Joshua Silverman, I have led the prosecution of this Action since March 2024, as well as the negotiations resulting in the resolution of this Action, and I have personal knowledge of the matters set forth herein. I have also been kept informed of developments in the Action by attorneys working with me or under my direction. The statements in this declaration are made based upon my personal knowledge unless otherwise indicated.

2. I am pleased to present to the Court the benefits achieved for the Class Members in the $5.875 million Settlement proposed herein. I respectfully submit this Declaration in support of Plaintiffs' Motion, pursuant to Rule 23 of the Federal Rules of Civil Procedure, seeking approval of the following: (1) the $5.875 million Settlement; (2) the proposed plan for allocating the Settlement proceeds to eligible Class Members (the "Plan of Allocation"); (3) maintaining certification of the Class for settlement purposes; (4) Plaintiffs' Counsel's application for an award of attorneys' fees of 33 1/3% of the Settlement Fund (supported by Plaintiffs), and reimbursement of reasonable litigation expenses of $56,647.20; and (5) a modest $15,000 compensatory award to Wong Tan and $10,000 to Michael Semerak pursuant to 15 U.S.C. § 78u- 4(a)(4). The Settlement Amount was deposited into an Escrow Account maintained by the Escrow Agent, The Huntington National Bank, via payments on May 14, 2026, and June 5, 2026, and has been earning interest for the benefit of the Class since those dates. The Settlement resolves all claims that were or could have been asserted by Plaintiffs in the Amended Complaint for Violations of The Federal

Securities Laws (ECF No. 34) (the "Amended Complaint") against all Defendants and their affiliates. *See* Stipulation and Agreement of Settlement ("Stipulation"), ECF 66-1 at 10-12.

3. This Declaration sets forth the nature of the claims asserted in the Action, which involve alleged misrepresentations and omissions made by Defendants VNET Group, Inc. ("VNET"), Josh Sheng Chen ("Sheng Chen"), Jie Dong ("Dong"), Samuel Shen ("Shen"), and Tim Chen ("Chen") (collectively, the "Defendants") misrepresenting VNET's business and financial operations, and the reporting of certain transactions. Specifically Defendants (1) misrepresented that Sheng Chen had already defaulted on the Bold Ally Facility Agreement and an Early Termination event had already occurred; (2) misrepresented that Bold Ally was free to exercise the Early Termination Provision and seize the VNET shares Sheng Chen had pledged as collateral; (3) concealed that the seizure of those shares would trigger Change of Control clauses embedded in VNET's $850 million in outstanding convertible bonds and domestic loans, a risk so serious that it threatened to shut down VNET; and (4) concealed that Sheng Chen had filed a doctored version of the Facility Agreement that obscured the $8.50 Early Termination trigger price and the Event of Default clause. This Declaration also details the proceedings to date, including the extensive efforts undertaken by Plaintiffs and Counsel in prosecuting the Action. In the face of increasing risks, Plaintiffs commenced hard-fought negotiations that ultimately resulted in the Settlement. Lastly, this Declaration provides background facts supporting Counsel's request for an award of attorneys' fees and reimbursement of litigation expenses and modest proposed awards of $15,000 to Plaintiff Wong Tan and $10,000 to Michael Semerak for reasonable costs and expenses relating to their time and effort representing the Class, pursuant to 15 U.S.C. § 78u-4(a)(4).

I. PRELIMINARY STATEMENT

4. This Action has been intensively litigated since its commencement on December 26, 2023, until the Parties reached an agreement in principle to settle in February 2026. The Settlement was achieved only after Plaintiffs, through the efforts of Counsel, expended significant time, effort, and expense. Plaintiffs believe the $5.875 million Settlement represents a favorable result for the Class.

5. The Amended Complaint alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder. Plaintiffs alleged, during the period between March 23, 2022 and February 17, 2023 (the "Class Period"), Defendants: (1) misrepresented VNET's business and financial operations, and the reporting of certain transactions because Sheng Chen had already defaulted on the Bold Ally Facility Agreement and an Early Termination event had already occurred; (2) concealed that Bold Ally was free to exercise the Early Termination Provision and seize the VNET shares Sheng Chen had pledged as collateral; (3) concealed that the seizure of those shares would trigger Change of Control clauses embedded in VNET's $850 million outstanding convertible bonds and domestic loans, a deficiency so serious that it threatened to shut down VNET; and (4) concealed that Sheng Chen had filed a doctored version of the Facility Agreement that obscured the $8.50 Early Termination trigger price and the Event of Default clause.

6. This Action was first filed on December 26, 2023.

7. Counsel have litigated this action on a wholly contingent basis and have advanced substantial litigation expenses in connection with its efforts. The Court-approved plan of notice fully disclosed to potential Class Members that Counsel would seek attorneys' fees of up to 33 1/3% and reimbursement of up to $100,000 in litigation expenses. To date, no objections have

been filed in opposition to this Settlement. *See infra* at ¶¶71, 88. Counsel's request for attorneys' fees in the amount of 33 1/3% of the Settlement Fund (supported by Plaintiffs), together with accrued interest on such funds while held in escrow, is supported given the facts of this case, the benefits conferred on the Class, the risks undertaken, the quality of representation, and the nature and extent of legal services performed. Counsel also request reimbursement of the reasonable expenses incurred in connection with their prosecution of the Action in the amount of $56,647.20, together with accrued interest on such funds while held in escrow, which is substantially below the noticed expense cap.

8. The reasonableness of the requested fee is further supported by the fact that the requested fee equates to a multiplier of 1.84 on Counsel's lodestar, as explained *infra* at ¶¶65-69, is well below the range that courts in this Circuit accept as reasonable and supports the fee request here, which is typical for a securities fraud settlement of this amount. *See In re Signet Jewelers Ltd. Sec. Litig.*, No. 1:16-cv-06728-CM-SDA, 2020 WL 4196468, at *16 (S.D.N.Y. July 21, 2020) (collecting cases); *see also Sewell v. Bovis Lend Lease, Inc.*, No. 09 Civ. 6548(RLE), 2012 WL 1320124, at *13 (S.D.N.Y. Apr. 16, 2012) (in complex contingent litigation, "[c]ourts commonly award lodestar multipliers between two and six"); *Capsolas v. Pasta Res. Inc.*, 2012 WL 4760910, at *9 (S.D.N.Y. Oct. 5, 2012) (approving attorneys' fees equal to one-third of the $5.25 million settlement with a lodestar multiplier of 3.96); *In re N. Dynasty Mins. Ltd. Sec. Litig.*, No. 20-CV-5917 (TAM), 2024 WL 308242, at *15 (E.D.N.Y. Jan. 26, 2024) (approving attorneys' fees equal to one-third of the $6.375 million settlement with a lodestar multiplier of 2.35); *In re Barclays PLC Sec. Litig.*, No. 1:22-cv-08172-KPF, 2025 WL 842939, at *1 (S.D.N.Y. Mar. 18, 2025) (awarding fees with a lodestar multiplier of 3.18); *In re Luckin Coffee Inc. Sec. Litig.*, No. 20 Civ. 1293 (JPC), 2022 WL 22853339, at *2 (S.D.N.Y. Jul. 22, 2022) (awarding fees with a lodestar

multiplier of 4.6); *In re BRF S.A. Sec. Litig.*, No. 1:18-cv-02213-PKC, 2020 WL 10618214, at *1 (S.D.N.Y. Oct. 23, 2020) (awarding $10 million in fees with a lodestar multiplier of 5.57 as calculated from the lodestar of $1,794,898.00 plus interest, from the fee brief at ECF No. 166 at 9). Thus, Counsel's request for attorneys' fees is eminently reasonable in light of the risk of non-payment undertaken by Counsel, the fact that Counsel have a lodestar multiplier of 1.84, and precedent within this Circuit approving lodestar multipliers up to 5.5. *See, e.g., Roberts v. Texaco, Inc.*, 979 F. Supp. 185, 197 (S.D.N.Y. 1997) (multiplier of 5.5). Moreover, Counsel's fee request is supported by Plaintiffs and is consistent with the retainer agreements entered into at the beginning of this litigation. *See* Declaration of Wong Tan, attached hereto as **Exhibit 1**, ¶¶5-6; and Declaration of Michael Semerak, attached hereto as **Exhibit 2**, ¶¶5-6.

9. I respectfully submit that the Settlement, for the reasons discussed herein and in the accompanying memoranda, is fair, reasonable, and adequate in all respects; that the Plan of Allocation is fair, reasonable, and has a rational basis; and that the Court should therefore approve them and maintain certification of the Class for settlement purposes pursuant to Rule 23 of the Federal Rules of Civil Procedure. Likewise, I also respectfully submit that Counsel's request for attorneys' fees and reimbursement of litigation expenses, including Plaintiffs' request for costs and expenses incurred in connection with their representation of the Class (collectively, the "Fee and Expense Application"), is fair, reasonable, and should be approved.

II. FACTUAL SUMMARY OF PLAINTIFFS' ALLEGATIONS

10. VNET is a Chinese internet and data center service provider founded by Sheng Chen in 1999 and offers hosting, data center services, cloud services, and virtual private networks.

¶¶2-3, 36.[1] VNET went public in 2011, with its American Depositary Shares ("ADSs") listed on the NASDAQ. ¶¶4, 40. Sheng Chen also has personal financial interests through companies that he solely owns and operates, including GenTao Capital Ltd. ("GenTao"). ¶¶3, 48.

11. Sheng Chen exercised significant control over VNET. ¶¶41-43. In addition to being its Chairman of the Board, he owned 78,582,777 shares, or 8.8% of the Company, with 28.8% of the voting power outright, more than any other person. ¶43. Losing that voting control could trigger the acceleration the Company's debt. ¶45. In early 2022, VNET raised $250 million from funds managed by Blackstone Tactical Opportunities ("Blackstone"), through a deal which allowed redemption if Sheng Chen "ceases to be the largest holder of the Company's voting power" and resigned or was removed from the Board. *Id.* Similar clauses existed in other convertible bonds and domestic loans totaling $850 million. ¶46.

12. On August 19, 2021, Sheng Chen, through GenTao, entered into the Facility Agreement with Bold Ally (Cayman) Limited for a $50.25 million personal loan, pledging 48,515,635 Class A ordinary VNET shares as collateral. ¶¶50-51. All of Sheng Chen's other holding companies served as guarantors and pledged their holdings as further collateral, so any default under the Facility Agreement would allow Bold Ally to seize their shares. ¶¶51-54. The Facility Agreement contained an Early Termination Provision, which stated that if the VNET ADS price fell below $8.50 for two (2) straight trading days, Bold Ally would be entitled to cancel the Facility Agreement and declare the full amount due and payable within ten (10) business days. ¶55. Further, the Facility Agreement included an additional clause under which a drop in ADS share price below approximately $11.80 would be considered an "event of default." ¶56.

[1] Citations to "¶__" or "¶¶__" are references to the numbered paragraphs of the Amended Complaint. (ECF No. 34).

13. VNET had $850 million in debt requiring that Sheng Chen retain a controlling voting stake. ¶57. In light of this requirement, commentators identified the potential seizure of Sheng Chen's holdings by Bold Ally as an serious threat to VNET. ¶¶47, 57. Nevertheless, the Facility Agreement clauses which governed default and the Early Termination Provision, as well as Sheng Chen's actual defaults, were consistently hidden from investors throughout the Class Period.

14. In late 2021, VNET's ADS share price dropped below the Early Termination Provision's pre-determined (but concealed) threshold of $8.50, clearing the path for Bold Ally to cancel the Facility Agreement and declare the loan payable within ten days, spelling disaster for VNET and its investors. ¶58. VNET and its executives, having known about the Facility Agreement and its terms since September 10, 2021, were also aware that Sheng Chen was in default. ¶¶7, 80, 126, 133-34. On November 22, 2021, Bold Ally provided GenTao and Sheng Chen formal notice of default and demanded that more collateral be deposited. ¶¶59-60, 112-17. On December 21, 2021, after Bold Ally sent an additional formal notice of default, GenTao pledged another 16,680,000 shares to Bold Ally. ¶61. This additional pledge did not cure the default.

15. Despite knowing about Sheng Chen's default on the Facility Agreement, as well as its potential impact on VNET, Defendants began, on March 30, 2022, to speak about VNET's debt obligations which they knew were at risk from Sheng Chen's default, but did not mention that risk. ¶¶64-97. Days later, on April 6, 2022, Sheng Chen acknowledged his default to Bold Ally, agreed to arrange for the transfer of pledged shares into Restricted ADSs that could be resold after the Rule 144 restriction period lapsed, and acknowledged that Bold Ally would be free to exercise the Early Termination Provision for any future default under the Facility Agreement. ¶¶70-71.

16. Two days later, on April 8, 2022, Sheng Chen filed a Form 13D with the SEC discussing the Facility Agreement and attaching a doctored version of the Facility Agreement which redacted the material portions of the early termination and event of default provisions. ¶¶73-80. The Form 13D also attached a letter from the Company acknowledging the Facility Agreement and agreeing to help transfer pledged shares in the event of default. ¶80. But, neither the Form 13D itself nor the attached acknowledgment letter said anything about the fact that Sheng Chen was then in default. ¶¶79-80.

17. Defendants continued to discuss the Facility Agreement, VNET's finances, and the risks facing the Company with investors without disclosing Sheng Chen's known default and the risk it posed. ¶¶81-84. Even worse, Sheng Chen made an offer to take VNET private that the Amended Complaint alleged to be a sham because he lacked the billions of dollars to do so and could not even pay off his $50.25 million personal loan. ¶¶85-88.

18. On February 13, 2023, before the market opened, Bold Ally announced in a press release that GenTao had defaulted on the $50.25 million loan and disclosed its entitlement under the Facility Agreement to seize 48,515,634 Class A shares and 27,757,992 Class B shares pledged as security. ¶¶98-99. In response, VNET's ADS share price fell 3.17% on February 13, 2023 on unusually heavy trading volume, and continued to decline another 17.8% the following day. ¶100. On February 15, 2023, the Company revealed that the default threatened "the Company's interests and continued stability," and that, to protect those interests, it would create a unique class of 500x super-voting shares to maintain Sheng Chen's voting power should Bold Ally seize Sheng Chen's pledged Class B 10x super-voting shares (which would automatically convert into Class A shares). ¶102. Upon this disclosure and materialization of the concealed risk, VNET ADSs fell $0.33, or 6.3%, to $4.87, before rising slightly to close at $4.92 per share on February 15, 2023, on unusually

heavy trading volume, only to drop again and close at $4.78 on February 16, 2023. ¶106. Finally, on February 17, 2023, Sheng Chen disclosed that (a) he had received formal notice of default at least five times during the Class Period; and (b) GenTao's Class A shares were seized by Bold Ally on February 8, 2023. ¶107. On this news, VNET's ADS price declined by $0.45, or 9.47%, to a low of $4.30, before closing at $4.57 on February 21, 2023. ¶108.

III. PROCEDURAL HISTORY

19. This Action was filed on December 26, 2023. *See* ECF No. 1. Following the filing of the initial complaint, Lead Plaintiff Wong Tan and additional plaintiff Michael Semerak filed motions to be appointed lead counsel and lead plaintiff. ECF Nos. 12-18.

20. On March 13, 2024, the Court appointed Wong Tan as Lead Plaintiff, and approved his selection of Pomerantz LLP as Lead Counsel. ECF No. 20.

21. On May 20, 2024, after a thorough investigation and engaging a damages expert, Plaintiffs filed their Amended Complaint (ECF No. 34) asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934.

22. On July 19, 2024, Defendants moved to dismiss Plaintiffs' Amended Complaint, and the Parties subsequently fully briefed that motion. ECF Nos. 36-40.

23. On September 15, 2025, the Court issued its order on Defendants' motion to dismiss and sustained Plaintiffs' core claims. ECF No. 43.

24. After the Court's September 15, 2025 order, the Parties proceeded to discovery, during which Plaintiffs drafted Rule 26(a)(1) initial disclosures; drafted and filed a request to have Letter Rogatory issued; drafted requests for production of documents and interrogatories to Defendants; analyzed Defendants' requests for production of documents and interrogatories and drafted responses thereto; met and conferred with Defendants on the Parties' discovery requests;

drafted relevant bilingual (English and Chinese) search terms for requests for production of documents to Defendants and negotiated those search terms with Defendants; drafted a protective order and ESI protocol; met and conferred with Defendants on the protective order and ESI protocol; drafted and issued subpoenas duces tecum to relevant third parties; met and conferred with relevant third parties on the requests for production of documents; retained a damages expert to determine the total estimated damages for Defendants' alleged misrepresentations and omissions; researched and analyzed case law regarding potential class certification issues related to meeting certain thresholds of statistical significance of corrective disclosures; reviewed and analyzed Defendants' insurance policies, and drafted a detailed 17-page mediation statement.

25. On January 9, 2026, in the midst of discovery, the Parties participated in an in-person, full-day mediation before Jed Melnick, an experienced mediator familiar with securities class actions. While the mediation did not initially resolve the Action, the Parties subsequently engaged in several follow-up negotiations and ultimately accepted the mediator's proposal.

26. On February 12, 2026, the Parties informed the Court by a joint letter that the Parties had reached an agreement to settle the Action in its entirety and requested that the Court stay the proceedings so that Plaintiffs could prepare and file a motion for preliminary approval by April 3, 2026. ECF No. 62.

27. On February 13, 2026, the Court endorsed the joint letter and stayed all deadlines and proceedings in the Action. ECF No. 63. On April 3, 2026, Plaintiffs filed their motion for preliminary approval of the Settlement, which the Court subsequently granted on May 5, 2026. ECF Nos. 64-68.

28. As discussed below, notice was provided to Class Members pursuant to the plan of notice set forth in the Court's preliminary approval order.

29. Plaintiffs now move for final approval of the Settlement.

IV. THE STRENGTHS AND WEAKNESSES OF THE CASE

30. Based on their experience and knowledge of the facts and applicable law, Counsel – two law firms specializing in the prosecution of complex securities litigation – believe that the Settlement is in the best interest of the Class. Plaintiffs also believe the Settlement is fair, reasonable, and adequate to Class Members. *See* Declaration of Wong Tan, ¶6; and Declaration of Michael Semerak, ¶6. Counsel and Plaintiffs have also evaluated the various risks to class certification and to proving support for their claims at summary judgment. Each of these issues presented a substantial risk to recovery that Plaintiffs and Counsel considered in reaching the proposed Settlement.

A. Certification of the Class

31. While Plaintiffs believe that securities fraud actions such as this Action are appropriate for class action treatment, Plaintiffs are also aware that Defendants would have opposed class certification in the absence of the Settlement. Plaintiffs believe that the Class satisfies the requirements of Fed. R. Civ. P. 23, and that Plaintiffs would prevail in establishing numerosity, commonality, typicality, and predominance. Further, Plaintiffs believe that they have, and would continue to, adequately and fairly protect the interests of the Class. Plaintiffs acknowledge, however, that Defendants would likely oppose class certification and their arguments might have merit. If the Court found these arguments persuasive, it could deny certification, which would likely preclude for absent Class Members.

32. While Counsel believe their arguments would have prevailed, there were greater risks to class certification than in most securities class actions. For one, Plaintiffs' ability to prove market efficiency necessary for the fraud-on-the-market presumption of reliance was not certain.

Defendants would likely raise price impact arguments that they claim rebutted any such presumption.

33. Even if the Class was certified, Defendants could petition the Second Circuit for leave to appeal that decision immediately pursuant to Rule 23(f), which could result in substantial delays in the resolution of the litigation. The case of *In re Goldman Sachs Grp., Inc. Sec.* Litig., 579 F.Supp.3d 520 (S.D.N.Y. 2021), is instructive on this point. There, the district court originally granted plaintiffs' motion for class certification on September 24, 2015. *See In re Goldman Sachs Grp., Inc. Sec. Litig.*, No. 10 CIV. 3461 PAC, 2015 WL 5613150, at *8 (S.D.N.Y. Sept. 24, 2015), *vacated and remanded sub nom. Arkansas Tchrs. Ret. Sys. v. Goldman Sachs Grp., Inc.*, 879 F.3d 474 (2d Cir. 2018). Thereafter, defendants appealed the district court's order to the Second Circuit twice, then to the Supreme Court, and then again to the Second Circuit. In other words, over seven years after the *Goldman* plaintiffs first moved to certify the class, its fate remained undetermined. *See also In re Vivendi Universal, S.A. Sec. Litig.*, No. 11-908 (2d Cir. July 20, 2011) (denying second Rule 23(f) petition over four years after district court originally granted class certification). Thus, the danger of a protracted delay over class certification is very real.

B. Risk of Establishing Liability and Damages at Summary Judgment and Trial

34. If the Court granted Plaintiffs' motion for class certification, Defendants would have then presented additional arguments at summary judgment and trial to oppose Plaintiffs' claims. Most notably, Defendants would likely challenge evidence regarding falsity, materiality, scienter, damages, and loss causation, which are issues whose resolution would be difficult to predict. For the Class to recover damages at the level estimated by Plaintiffs' expert, Plaintiffs would need to prevail on each of the remaining allegations, on a class wide basis. Moreover, the jury would also have to adopt Plaintiffs' expert's damages analysis over Defendants' expert's

analysis, and such expert battles are never predictable. *See In re Veeco Instruments Inc. Sec. Litig.*, No. 05 MDL 01695 (CM), 2007 WL 4115809, at *9 (S.D.N.Y. Nov. 7, 2007).

35. Defendants' arguments at summary judgment and trial would be informed by extensive fact discovery, which was ongoing at the time of the Settlement. Because discovery was in the early stages at the time of the Settlement, there was the risk that yet-uncovered evidence could have undermined Plaintiffs' allegations regarding the falsity of Defendants' statements relating to VNET's business and financial operations, and the reporting of certain transactions and Defendants' alleged concealment of the fact that Sheng Chen had already defaulted on the Bold Ally Facility Agreement and an Early Termination event had already occurred; that Bold Ally was free to exercise the Early Termination Provision and seize the VNET shares Sheng Chen had pledged as collateral; concealing that the seizure of those shares would trigger Change of Control clauses embedded in VNET's $850 million in outstanding convertible bonds and domestic loans, a deficiency so serious that it threatened to shut down VNET; and that Sheng Chen had filed a doctored version of the Facility Agreement that obscured the $8.50 Early Termination trigger price and the Event of Default clause.

36. The risks inherent in proving scienter for purposes of the Section 10(b) claim were also significant due to, *inter alia*, the nature of Defendants' alleged misrepresentations and omissions, which center on representations regarding VNET's business and financial operations, and the reporting of certain transactions. There is no guarantee that a jury, upon assessing the totality of the evidence and the credibility of witnesses, would find Defendants to have a culpable state of mind. Indeed, securities cases that have survived a motion to dismiss have later been defeated on scienter and/or loss causation grounds at summary judgment. *See, e.g., In re Symbol Techs. Class Action Litig.*, 950 F. Supp. 1237, 1246 (E.D.N.Y. 1997) (granting summary judgment

because the plaintiffs failed to adequately support their allegations of scienter); *Fishoff v. Coty Inc.*, No. 09 CIV. 628 (SAS), 2010 WL 305358, at *2 (S.D.N.Y. Jan. 25, 2010), *aff'd*, 634 F.3d 647 (2d Cir. 2011) ("[T]he element of scienter is often the most difficult and controversial aspect of a securities fraud claim"); *Kalnit v. Eichler*, 99 F. Supp. 2d 327, 345 (S.D.N.Y. 2000) (same), *aff'd*, 264 F.3d 131 (2d Cir. 2001).

37. Further, there would be significant risk to proving loss causation, given that several decline dates cited in the Amended Complaint did not reach the most common thresholds of statistical significance. *See Vaccaro v. New Source Energy Partners L.P.*, 2017 WL 6398636, at *5 (S.D.N.Y. Dec. 14, 2017) (noting that "Plaintiffs may have been unable to prove that Defendants' misleading statements were the cause of Plaintiffs' losses"); *In re Initial Pub. Offering Sec. Litig.*, 260 F.R.D. 81, 118 (S.D.N.Y. 2009) (same). At trial, this would come down to "battle of experts." The outcome of such battles is never predictable, and there existed the very real possibility that a jury could be swayed by experts for Defendants to minimize the Class's losses or to show that the losses were attributable to factors other than the alleged misstatements and omissions. *In re Bear Stearns Companies, Inc. Sec., Derivative, & ERISA Litig.*, 909 F. Supp. 2d 259, 267-68 (S.D.N.Y. 2012) (noting that in a battle of the experts "victory is by no means assured" and the "jury could be swayed by experts for the Defendants, who could minimize the amount of Plaintiffs' losses"). Thus, even if Plaintiffs prevailed as to liability at trial, the judgment obtained could have been only a fraction of the damages sought.

38. And, any recovery would face collection challenges as most of Defendants' assets are in the People's Republic of China. *See Trostorff v. Mynaric AG*, 800 F. Supp. 3d 486, 491 (E.D.N.Y. 2025) (award at trial would be "difficult to collect against [] defendants who reside [abroad]—particularly because the extent and location of their assets is largely unknown."); *GS*

Holistic, LLC v. A1 Smoke Shop of Tally Inc., No. 4:22CV352-MW/MAF, 2023 WL 9890878, at *4 n.7 (N.D. Fla. Nov. 20, 2023) ("it is very difficult to collect judgments against China-based corporations.").

V. SETTLEMENT NEGOTIATIONS AND TERMS OF THE SETTLEMENT

A. The Parties' Settlement Negotiations and Resulting Settlement

39. The Parties began discussing settlement at the end of 2025. On January 9, 2026, they participated in a full-day mediation before an experienced mediator, Jed Melnick, but a settlement was not reached that day. With the assistance of the mediator, the Parties continued to negotiate a settlement in the weeks following the January 9, 2026 mediation. On January 26, 2026, following additional negotiations, the Mediator made a formal proposal recommending that the Parties settle the case for $5.875 million. On January 28, 2026, the Parties accepted the Mediator's proposal and began negotiating the Stipulation. On April 3, 2026, counsel for Plaintiffs and counsel for Defendants executed the Stipulation. *See* ECF No. 66-1.

40. On April 3, 2026 Plaintiffs filed a Motion for Preliminary Approval of the Settlement, along with the Stipulation of Settlement, which the Court subsequently granted by entering an Order preliminarily approving the Settlement. *See* ECF Nos. 64-68.

B. Notice to the Class Meets the Requirements of Due Process and Rule 23 of the Federal Rules of Civil Procedure

41. Pursuant to its preliminary approval order, the Court set: (i) July 23, 2026 as the deadline for filing papers in support of the Final Settlement, the Plan of Allocation, and the application by Counsel for attorneys' fees or reimbursement of expenses; (ii) August 6, 2026 as the deadline for submitting any written objections to the Settlement, requests to be excluded from the Class, or filing any opposition to any of the applications; (iii) August 20, 2026 as the deadline

to file any claims forms, and the deadline for all replies to responses to any opposition to the Applications; and (iv) a Final Approval Hearing to be held on August 27, 2026 at 11:00 a.m. in Courtroom 905 at the Thurgood Marshall United States Courthouse, 40 Foley Square, New York, New York 10007. ECF No. 68 at 4-14.

42. In accordance with the Preliminary Approval Order, Counsel instructed Strategic Claims Services ("SCS"), the Court-approved Claims Administrator for the Settlement, to: (1) e-mail and mail copies of the Court-approved Postcard Notice, postage prepaid to potential Class Members and nominees; (2) e-mail potential Class Members a link to both the Notice and the Claim Form on the settlement website; and (3) publish the Summary Notice in accordance with the Preliminary Approval Order (i.e., via Globe Newswire). The Postcard Notice and Summary Notice direct recipients to the full Notice on the Settlement website, www.strategicclaims.net/VNET/. All Notices described the Settlement, the lawsuit, and the rights of Class Members to: (a) participate in the Settlement; (b) object to any aspect of the Settlement, the Plan of Allocation, and/or the Fee and Expense Application; or (c) exclude themselves from the Class.

43. As set forth in the Declaration of Josephine Bravata Concerning: (A) CAFA Mailing; (B) Mailing/Emailing of Notice; (C) Publication of The Summary Notice; (D) Report on Requests for Exclusion and Objections; and (E) Claims Received To Date ("Bravata Decl.", attached as **Exhibit 3**) regarding mailing of the notice of pendency and proposed settlement of class action and proof of claim, SCS disseminated 6,217 copies of the Postcard Notice to potential Class Members and nominees in accordance with the Preliminary Approval Order, and e-mailed an additional 9,147 potential Class Members to provide them with the Court-approved Notice (the "Notice") and Claim link, including to brokers and nominees contained in SCS' master mailing

list. *See* Bravata Decl. at ¶¶3-9. In accordance with the Preliminary Approval Order, on June 10, 2026, SCS caused the Summary Notice to be published via Globe Newswire. *Id.* at ¶10.

44. Counsel also caused SCS to establish a website dedicated to the Settlement (www.strategicclaims.net/VNET/). The website provides Class Members with information concerning the Settlement and access to downloadable copies of the Claim Form, Notice, Stipulation, and the Preliminary Approval Order, as well as copies of other filings in this Action. Additionally, SCS maintains a toll-free telephone number, 1-866-274-4004, to respond to inquiries from Class Members regarding the Settlement. *Id.* at ¶¶11-12.

45. To date, through direct mailings, mailings to brokers and nominees, and e-mails, SCS has sent over 15,364 claim forms to potential Class Members, and received 51 Proofs of Claim submitted by potential Class Members indicating their support of and desire to participate in the Settlement. *See Id.* at ¶¶8, 15.

46. As set forth above, the deadline for Class Members to request exclusion from the Class or file an opposition to the Settlement, Plan of Allocation, and/or Fee and Expense Application is August 6, 2026. Thus, while the deadline for submitting requests to be excluded from the Class has not yet passed, as of the date of this filing, July 23, 2026, SCS has received no objections or requests for exclusion to the Settlement. *See Id.* ¶¶13-14.

C. Participation in the Settlement and Submission of Claims

47. Class Members who wish to be eligible to receive a distribution from the Settlement Fund are required to submit a completed Claim Form to the Court-approved Claims Administrator, SCS, postmarked or submitted no later than August 20, 2026.

48. The Claims Administrator, supervised by Counsel, will make reasonable efforts to resolve curable defects in Claim Forms to ensure that all Class Members with otherwise valid

Claims are able to participate in distributions from the Settlement Fund. Counsel have been, and will continue to be, involved in the claims administration process. They will continue to communicate with Class Members, answer their questions, and ensure the process runs smoothly and efficiently.

VI. PLAN OF ALLOCATION

49. Pursuant to the Court's Preliminary Approval Order and the Notice, Class Members who wish to participate in the Settlement and be eligible to receive a distribution from the Settlement Fund must provide a valid Claim Form to the Claims Administrator postmarked or submitted on or before August 20, 2026. *See* ECF No. 68 at 8-9.

50. The proposed Plan of Allocation equitably distributes (with a *pro rata* distribution) the net proceeds of the Settlement to Class Members who submit timely and valid Proofs of Claim. This distribution is based on their respective alleged economic losses as a result of the alleged violations of federal securities laws asserted in the Action, as opposed to market-wide or industry-wide factors, or company-specific factors unrelated to the alleged fraud. Calculations under the Plan of Allocation are consistent with Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder by the SEC.

51. The Plan of Allocation was prepared in consultation with an econometric expert firm that Counsel retained as consultants. Although the Plan of Allocation is not a formal damages analysis, it reflects the informed views of Plaintiffs' consultants, including their review of publicly available information regarding VNET and statistical analysis of the price movements of VNET securities during the Class Period. Counsel believe that the Plan of Allocation is reasonable, well-supported, and should be approved.

52. Under the Plan of Allocation, a "Recognized Loss Amount" will be calculated for each VNET ADS purchased or otherwise acquired during the Class Period from March 23, 2022 through February 17, 2023, both dates inclusive. The calculation of the Claimant's Recognized Loss Amounts will depend upon several facts, including (1) when the VNET ADSs were purchased or otherwise acquired during the Class Period, (2) in what amounts, (3) whether those shares were sold, (4) if sold, when they were sold, and (5) for what amounts. *See* Notice, ECF No. 66-3 at 12-17.

53. The Plan of Allocation reflects the estimated artificial inflation in the price of VNET ADSs during the Class Period. Artificial inflation is estimated from the changes to the price of VNET ADSs during the Class Period resulting from alleged misrepresentation and disclosure events, net of market-wide and industry-wide factors.

54. Under the Plan of Allocation, Recognized Loss Amounts also take into account the PSLRA's statutory limitation on recoverable damages, whereby losses on eligible VNET ADSs cannot exceed the difference between the purchase price paid for the ADS and the average price of the ADS during the 90-day period subsequent to the Class Period if the share was held through May 18, 2023 (i.e., the end of the 90-day period) and losses on eligible VNET ADSs purchased or otherwise acquired during the Class Period and sold during the 90-day period subsequent to the Class Period cannot exceed the difference between the purchase price paid for the ADS and the average price of the ADS during the portion of the 90-day period elapsed as of the date of sale. A table showing the average 90-day lookback price for each day of the 90-day period is attached as Table 2 to the Notice. *See* Notice, ECF No. 66-3 at 12-15.

55. To avoid de minimis distributions that would erode the Net Settlement Fund without providing any meaningful benefit to Class Members, the Plan of Allocation provides that

no distributions will be made to Claimants with a pro rata share of less than $10.00. *See* Notice, ECF No. 66-3 at 16.

56. Pursuant to the Plan of Allocation, any remaining funds in the Net Settlement Fund, after six (6) months from the date of initial distribution of the Net Settlement Fund, shall be used: (i) first, to pay any additional payment of notice and administration expenses, taxes, and attorneys' fees and litigation expenses; and (ii) then, to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least $10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. *See* Notice, ECF No. 66-3 at 16-17.

57. The structure of the Plan of Allocation is designed to achieve an equitable and rational distribution of the Net Settlement Fund among Authorized Claimants. Counsel submit that the Plan of Allocation is fair, reasonable, and should be finally approved as part of Final Approval of the Settlement.

58. Despite the broad dissemination of the Plan of Allocation to potential Class Members in the Notice, no objections to the Settlement have been filed.

VII. THE SETTLEMENT IS IN THE BEST INTERESTS OF THE CLASS AND WARRANTS FINAL APPROVAL

59. Plaintiffs believe that they would have prevailed on their motion for class certification. Defendants are similarly convinced that they would have successfully opposed at class certification. Likewise, Plaintiffs believe that they would have prevailed on the merits at trial. Defendants are equally adamant that they would prevail. Plaintiffs faced a significant risk of failing to convince a jury that Defendants made false and misleading statements with the requisite state

of mind and that these statements caused investors' losses. Moreover, the Court could have denied Plaintiffs' motion for class certification or entered summary judgment for Defendants, the jury could have found in Defendants' favor, or Plaintiffs could have lost on appeal.

60. Having considered the foregoing risks and evaluated Defendants' defenses, it is the informed judgment of Counsel, based upon all proceedings to date and their extensive experience in litigating class actions under the federal securities laws, that the proposed Settlement before this Court is fair, reasonable, and adequate, and in the best interests of the Class.

VIII. COUNSEL'S APPLICATION FOR ATTORNEYS' FEES AND EXPENSES IS REASONABLE

61. The Notice provides that Counsel will apply to the Court for attorneys' fees not to exceed 33 1/3% of the Settlement Amount and reimbursement of expenses not to exceed $100,000, plus interest earned on these amounts at the same rate as the Settlement Fund. As set forth in the accompanying memorandum of points and authorities in support of their Motion for an Award of Attorneys' Fees, Reimbursement of Litigation Expenses, and Compensatory Award for Plaintiffs (the "Fee Memorandum"), Counsel are requesting attorneys' fees in the amount of 33 1/3% of the Settlement Fund and reimbursement of expenses in the amount of $56,647.20, together with interest that accrued on such amounts while in the escrow account. As discussed in the accompanying Fee Memorandum, the requested fee is within the range of what is customarily awarded in similar complex actions. The recovery of $5.875 million represents a meaningful percentage of total maximum damages and is a favorable result for the Class.

62. The expenses incurred by Counsel in connection with this litigation are set forth below. Counsel, in seeking reimbursement of $56,647.20 in reasonable expenses, have represented that the expenses incurred in this Action are accurately recorded in their books and records. Those

expenses consist of the reasonable fees paid to Plaintiffs' experts who provided Plaintiffs with extensive assistance during this litigation, and other expenses such as filing fees and database charges. Such expenses were reasonably necessary for the prosecution of this Action and of the type normally chargeable to a client in non-contingency litigation.

A. Counsel's Application for Attorneys' Fees

63. For their efforts on behalf of the Class, Counsel are applying for compensation from the Settlement Fund on a percentage-of-recovery basis. The percentage-of-recovery method is appropriate because it aligns the lawyers' interests in receiving a fair fee award with the interest of the Class in achieving the maximum recovery as efficiently as the circumstances permit.[2]

64. Counsel request a fee of 33 1/3% of the Settlement Fund. As set forth in the accompanying Fee Memorandum, numerous district courts within the Second Circuit have applied the percentage-of-recovery method in awarding fees. The percentage sought is reasonable in this case in light of the effort required and the result obtained and is in line with percentages awarded by many courts in this Circuit in common fund cases. Plaintiffs endorse Counsel's fee request.

1. <u>The Requested Fee is Reasonable</u>

65. Counsel undertook time-consuming, challenging, and risky work to prosecute the claims against Defendants and to achieve this Settlement. As detailed above, this Action was settled only after Counsel had conducted an extensive and ongoing investigation into the Class's claims, thoroughly researched the facts and law applicable to those claims and Defendants'

---

[2] Districts in the Second Circuit also consider the factors enumerated in *Goldberger v. Integrated Res., Inc.*, 209 F.3d 43 (2d Cir. 2000) when assessing a request for attorneys' fees from a common fund. The *Goldberger* factors include: (1) the time and labor expended by counsel; (2) the risks of the litigation; (3) the magnitude and complexity of the litigation; (4) the requested fee in relation to the settlement; (5) the quality of representation; and (6) public policy considerations. *Id*. at 50. As discussed in the Fee Memorandum, each of these factors favors the requested fee award.

defenses thereto, prepared and filed an Amended Complaint detailing each Defendant's alleged violations of the federal securities laws, opposed Defendants' motion to dismiss the Amended Complaint, considered the risks of continued litigation, and engaged in vigorous settlement negotiations with defense counsel, which resulted in a favorable recovery for the Class.

66. Since the inception of the Action, Counsel have dedicated 1,266.30 hours to the investigation, prosecution, and resolution of the claims against Defendants, resulting in a lodestar of $1,062,070.25. The requested fee of 33 1/3% of the Settlement Fund yields a multiplier of approximately 1.84.

67. The lodestar enumerated below includes a schedule that indicates the amount of time spent by each attorney at Pomerantz who worked on this Action and the lodestar calculations based on their current billing rates. The hourly rates for the attorneys included in the schedule are commensurate with the hourly rates charged by lawyers of reasonably comparable skill, experience, and reputation which have been accepted in other securities or shareholder litigation. For personnel who are no longer employed by Pomerantz, the lodestar is based upon the billing rates for such personnel in their final year of employment.

ATTORNEY	STATUS	CURRENT RATE	HOURS	CURRENT TOTAL
Silverman, Joshua B.	Partner	$1,250.00	163.20	$204,000.00
Hood, Alex	Partner	$1,150.00	2.10	$2,415.00
Tourek, Christopher	Of Counsel	$875.00	450.00	$393,750.00
Ludwig, Louis C.	Of Counsel	$825.00	123.90	$102,217.50
O'Connell, Brian	Of Counsel	$875.00	0.40	$350.00
Jiang, Jianan	Associate	$650.00	194.30	$126,295.00
Martinez, Diego	Associate	$650.00	13.00	$8,450.00
LoPiano, James	Associate	$675.00	8.05	$5,433.75
Przybylowski, Thomas	Associate	$650.00	0.50	$325.00

ATTORNEY	STATUS	CURRENT RATE	HOURS	CURRENT TOTAL
Celik, Morgan	Project Associate	$495.00	175.00	$86,625.00
	ATTORNEY TOTAL		1130.45	$929,861.25
PARALEGAL AND LEGAL ASSISTANTS	**STATUS**	**CURRENT RATE**	**HOURS**	**CURRENT TOTAL**
Hall, Simon	Paralegal	$450.00	1.00	$450.00
		GRAND TOTAL	1131.45	**$930,311.25**

68. As outlined in the Declaration of Gregory Linkh, Glancy Prongay Wolke & Rotter LLP dedicated 134.85 hours towards this litigation for a lodestar of $131,759. *See* Declaration of Gregory Linkh, attached hereto as Exhibit 4, ¶¶2-6.

69. In total, Counsel expended 1,266.30 hours in prosecuting this Action for a total lodestar of $1,062,070.25.

2. The Support of Plaintiffs and Reaction of the Class

70. Plaintiffs were consulted about, and approved, Counsel's Fee and Expense Application. *See* Declaration of Wong Tan, and Declaration of Michael Semerak. The request is also consistent with the retainer agreements that Plaintiffs entered into with Counsel. Plaintiffs' support of the requested attorneys' fees should be given considerable weight.

71. To date, following the dissemination of approximately 15,364 copies of the Notice, each of which informed potential Class Members of Counsel's intent to seek a fee of up to 33 1/3% of the Settlement Fund and reimbursement of litigation expenses up to $100,000, there have been no objections to the Settlement or the amount of attorneys' fees and expenses set forth in the Notice.

3. Standing and Experience of Counsel

72. The expertise and experience of counsel is an important factor in setting a fair fee. As Counsel's firm resume demonstrates, the attorneys at Pomerantz and Glancy are experienced and skilled securities class action litigators and have successful track records in securities cases throughout the country. *See* Pomerantz LLP Firm Resume, attached as **Exhibit 5**, The Glancy Prongay Wolke & Rotter LLP Firm Resume is attached as **Exhibit C** to the Declaration of Gregory Linkh.

4. Standing and Caliber of Opposing Counsel

73. The quality of work performed by Counsel in attaining the Settlement should also be evaluated in light of the quality of the opposition. Defendants are represented by Skadden, Arps, Slate, Meagher & Flom LLP, a top-tier firm that spared no effort in the vigorous defense of its clients. In the face of this formidable opposition, Plaintiffs and Counsel developed, litigated, and successfully negotiated a favorable recovery in this Action for the Class.

5. The Monetary Settlement Achieved

74. The $5.875 million Settlement was achieved as a result of extensive negotiations, as detailed herein. The Settlement is a favorable recovery for the Class representing **6.86%** of the maximum amount that could be awarded if Plaintiffs prevailed. The percentage is based upon Plaintiffs' Counsel's estimation, after consulting with their damages expert, that the maximum aggregate Section 10(b) damages total $85.6 million. The actual damages awarded at trial could be lower; a jury might not accept that a given statement was false, or might not ascribe a decline in ADS price on a given date to the alleged fraud. Those risks were particularly acute here, where certain decline dates cited in the Amended Complaint did not reach the certain thresholds of statistical significance. Moreover, the insurance coverage applicable to the claims at issue here

was just $20 million, and thus the Settlement represents a greater percentage of likely recoverable damages. Thus, the Settlement recovers a greater proportion of damages than the median recovery in securities class actions of this size, and a significant portion of the amounts that could practically be collected. Therefore, the Settlement is not only fair, reasonable, and adequate, but a favorable result for Class Members.

6. The Risks of Litigation and the Need to Ensure the Availability of Competent Counsel in High Risk, Contingent Securities Cases

75. This litigation was undertaken by Counsel on a wholly contingent basis, with no guarantee of ever being compensated for the substantial investment of time and money the case required. In undertaking that responsibility, Counsel dedicated significant resources to the prosecution of this Action and advanced considerable expenses without any assurance of reimbursement. Thus, Counsel incurred a financial burden and risk far greater than a firm compensated on a noncontingent, ongoing basis.

76. Counsel took on these risks despite the possibility of no recovery. There have been many hard-fought lawsuits where, because of discovery of facts unknown when the case was commenced, or changes in the law during the pendency of the case, or a decision of a judge or jury following a trial on the merits, substantial professional efforts of members of the plaintiffs' bar resulted in no fee to counsel.

77. Many post-PSLRA cases in this Circuit have been dismissed at summary judgment after thousands of hours have been invested in successfully opposing motions to dismiss and pursuing discovery. *See, e.g.*, *In re Mylan N.V. Sec. Litig.*, 666 F. Supp. 3d 266, 328 (S.D.N.Y. 2023), *aff'd sub nom. Menorah Mivtachim Ins. Ltd. v. Sheehan*, No. 23-720-CV, 2024 WL 1613907 (2d Cir. Apr. 15, 2024) (dismissing Section 10 claims on summary judgment).

78. The risks of contingent litigation are also highlighted by the fact that a change in the law can result in dismissal even after a great deal of time and effort has been expended on the case. This is especially true of securities class actions, where intervening shifts in legal standards have undermined trial victories. *See, e.g.*, *In re Vivendi Universal, S.A. Sec. Litig.*, 765 F. Supp. 2d 512, 533 (S.D.N.Y. 2011), *aff'd sub nom. In re Vivendi, S.A. Sec. Litig.*, 838 F.3d 223 (2d Cir. 2016) (in a case brought in 2005, a Supreme Court decision after entry of a verdict in lead plaintiff's favor reduced the billion-dollar award to approximately $78 million); *Glickenhaus & Co. v. Household Int'l, Inc.*, 787 F.3d 408, 414, 433 (7th Cir. 2015) (reversing and remanding securities class action jury verdict of $2.46 billion after 13 years of litigation on loss causation grounds and error in jury instruction in light of intervening Supreme Court case); *Anixter v. Home-Stake Prod. Co.*, 77 F.3d 1215, 1231-32 (10th Cir. 1996) (1973 case tried to a verdict for plaintiffs in 1988 vacated in 1996 as a result of an intervening Supreme Court decision).

79. Public interest also supports the fee request. Courts have repeatedly held that it is in the public interest to have experienced and able counsel to enforce the securities laws and regulations. The Supreme Court "has long recognized that meritorious private actions to enforce federal antifraud securities laws are an essential supplement to criminal prosecutions and civil enforcement actions brought, respectively, by the Department of Justice and the Securities and Exchange Commission (SEC)." *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 313 (2007). "'[P]rivate securities litigation [i]s an indispensable tool with which defrauded investors can recover their losses' - a matter crucial to the integrity of the domestic capital markets." *Id.* at 320 n.4. The SEC, a vital but understaffed government agency, does not have the budget or the resources to ensure complete enforcement of the securities laws. If this important policy is to be

carried out, the courts should award fees which will adequately compensate plaintiffs' counsel, considering the enormous risks undertaken with a clear view of the economics of the situation.

IX. REIMBURSEMENT OF THE REQUESTED EXPENSES IS FAIR AND REASONABLE

80. Counsel also seek reimbursement from the Settlement Fund of $56,647.20 for expenses reasonably and actually incurred in connection with their commencement, prosecution, and mediation of the claims asserted in the Action, below the $100,000 maximum set forth in the Notice. These expenses are detailed in ¶83 below for Pomerantz, and are detailed in Mr. Linkh's separate declaration, submitted herewith, for Glancy.

81. From the beginning of the case, Counsel were aware that they might not recover any of their expenses, and at minimum, would not recover anything until the Action was successfully resolved. Counsel also understood that, even assuming the case was ultimately successful, reimbursement would not compensate for the lost use of the funds advanced to prosecute this Action. Thus, Counsel were motivated to, and did, take significant steps to minimize expenses wherever practicable without jeopardizing the vigorous and efficient prosecution of the Action.

82. As attested to, Counsel's expenses are reflected on the books and records maintained by Counsel, which are prepared from expense vouchers, check records, and other source materials, and are an accurate record of the expenses incurred. These expense items are not included in Counsel's hourly billing rates.

83. The expense schedule below identifies the specific categories of expenses, e.g., court fees, fees for experts and consultants, online legal and factual research, travel costs, reproduction costs, messenger and courier costs, and overnight mail costs incurred by Pomerantz.

These expenses were reasonable and necessary to the prosecution and resolution of this Action and are the type of expenses that counsel typically incur in complex litigation, and for which counsel are typically reimbursed in common fund litigation. The travel costs also include anticipated travel costs for Counsel to attend the final approval hearing on August 27, 2026.

Pomerantz LLP	
Category	**Amount**
Mediation Fees	$19,202.00
Expert Fees	$6,506.12
Investigator Fees	$12,255.00
Process server, press releases, and translation	$7,380.00
Online legal and factual research	$5,904.69
Postage, photocopy, clerical overtime and international call charges	$253.71
Travel, meals and lodging*	$3,046.30
Total Expenses Incurred:	$54,547.82

84. As outlined in the Declaration of Mr. Linkh, Glancy's expenses were $2,099.38.

85. Thus, Plaintiffs' Counsel's total expenses for this litigation were $56,647.20.

86. Of the total amount of expenses, $6,506.12, or approximately 11.5%, was expended on experts. Counsel worked extensively with experts at Stanford Consulting Group Inc. in the complex and specialized areas of loss causation and damages. These experts were utilized to assist in: (i) determining the likely recoverable damages; (ii) preparing a methodology for assessing class wide damages; (iii) assessing market efficiency; (iv) preparing for settlement negotiations; and (v) developing the Plan of Allocation.

87. The expenses detailed above and the other expenses for which Counsel seek reimbursement are the types of expenses that are customarily incurred in litigation and routinely charged to clients billed by the hour. Moreover, all of the expenses incurred by Counsel were

necessary to the successful prosecution and resolution of the claims against Defendants. These expenses have been approved by Plaintiffs.

88. Both the Notice and Summary Notice apprise potential Class Members that counsel will be seeking reimbursement of expenses in an amount not to exceed $100,000. As noted above, to date, there has not been any objections to the Settlement, including the reimbursement request outlined in the Notice. In view of the complex nature of the Action, the expenses incurred were reasonable and necessary to pursue the interests of the Class. Accordingly, Counsel respectfully submit that the costs and expenses incurred by Counsel should be reimbursed.

X. COMPENSATORY AWARD REQUESTED FOR PLAINTIFFS

89. Plaintiffs seek compensatory awards of $15,000 for Lead Plaintiff Wong Tan and $10,000 for Additional Named Plaintiff Michael Semerak. Plaintiffs have devoted substantial time and effort to the prosecution of this Action. Counsel, who worked under their supervision and are familiar with their efforts, believe those requests are fair, reasonable, and adequate. The requested awards to Plaintiffs are modest in light of their dedication and efforts spent working on the Action. Specifically, Plaintiffs Wong Tan and/or Michael Semerak: (1) analyzed whether to participate as representative plaintiffs, including the review of initiating documents, consideration of damage estimates, and consultation with counsel regarding the responsibilities of serving as a representative plaintiff; (2) reviewed and discussed with Counsel the lead plaintiff moving papers; (3) gathered case-related documents as requested by Counsel; (4) reviewed and discussed with Counsel an Amended Complaint, including discussing the strategy to add claims in the amended complaint; (5) reviewed and discussed the motion to dismiss filed by Defendants and the response in opposition to the motion to dismiss filed by Counsel; (6) participated in the discovery process, including by working with Counsel to respond to Defendants' discovery requests; (7) discussed

settlement authority, settlement negotiations, and the settlement with Counsel; (8) reviewed the motion for preliminary approval and supporting papers; and (9) consulted with Counsel regarding the anticipated relief to be sought in: (a) Plaintiffs' Motion for Final Approval of Class Action Settlement and (b) Plaintiffs' Motion for an Award of Attorneys' Fees, Reimbursement of Litigation Expenses, and Compensatory Award for Plaintiffs. *See generally* accompanying Declaration of Wong Tan, and Declaration of Michael Semerak. Given the contributions and the time and effort expended by Plaintiffs Wong Tan and Michael Semerak, the requested award of $15,000 and $10,000 respectively is warranted and should be approved.

XI. CONCLUSION

90. For the reasons set forth above and in the accompanying motions and supporting memoranda, I respectfully submit that: (a) the Settlement is fair, reasonable, and adequate and should be granted final approval; (b) the Plan of Allocation represents a fair method for allocating and distributing the Net Settlement Fund among eligible Class Members and should be approved; (c) certification of the Class for settlement purposes should be maintained; (d) the Fee and Expense Application should be granted; and (e) Wong Tan and Michael Semerak should be granted a compensatory award of $15,000 and $10,000, respectively.

I declare under penalty of perjury of the laws of the United States of America and the State of Illinois that the foregoing is true and correct.

Executed this 23rd day of July, 2026 at Chicago, Illinois.

CHRISTOPHER P.T. TOUREK