UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

NIZAR SAMI AYOUB, on behalf of himself and a class of similarly situated investors, Plaintiff, v. SPECTRUM PHARMACEUTICALS, INC., THOMAS J. RIGA, and FRANCOIS J. LEBEL, Defendants.	Case No. 1:22-cv-10292 (VEC) (Consolidated)

MEMORANDUM OF LAW IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES, AND AWARD TO LEAD PLAINTIFF UNDER 15 U.S.C. § 78u-4(a)(4)

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Court-appointed Lead Counsel, Kaplan Fox & Kilsheimer LLP ("Kaplan Fox" or "Lead Counsel"), respectfully submits this memorandum of law in support of its motion for an award of attorneys' fees in the amount of 25% of the Settlement Fund. Lead Counsel also seeks reimbursement of $248,317.27 in litigation expenses that Lead Counsel reasonably incurred in prosecuting the Litigation, as well an award of $7,500 to Lead Plaintiff Nizar Sami Ayoub ("Mr. Ayoub" or "Lead Plaintiff"), directly related to his representation of the Class, as authorized by the Private Securities Litigation Reform Act of 1995 (the "PSLRA") ("Fee and Expense Application").[1] The attorneys' fees requested ($1,750,000) are substantially less than the lodestar incurred by Kaplan Fox ($3,334,585.25) in prosecuting this case for more than three years without any compensation. To date, there are no objections to the Fee and Expense Application.

PRELIMINARY STATEMENT

The proposed Settlement, if approved by the Court, will resolve this case in its entirety in exchange for a $7,000,000 cash payment pursuant to the terms of the Stipulation. The Settlement brings this Litigation to a close with a very favorable result, after more than three years of litigation, including motion practice, discovery, and robust arm's-length negotiations, including two in-person mediation sessions under the auspices of highly experienced mediators. The Settlement will provide meaningful compensation to the Class while avoiding the delay and

[1] Lead Counsel is simultaneously submitting the Declaration of Jeffrey P. Campisi in Support of (1) Lead Plaintiff's Motion for Final Approval of Class Action Settlement and Plan of Allocation, and in Opposition to *Pro Se* Plaintiff and Former Lead Plaintiff Steven B. Christiansen's Objection to the Settlement, and (2) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Expenses, and Award to Lead Plaintiff Under 15 U.S.C. § 78u-4(a)(4), dated October 16, 2026 (the "Campisi Declaration") (cited herein as "¶"). Capitalized terms have the meanings ascribed to them in the Campisi Declaration or the Stipulation of Settlement (ECF No. 190-1) (the "Stipulation"). All exhibits referenced below are attached to the Campisi Declaration. For clarity, citations to exhibits that themselves have attached exhibits will be referenced as "Ex._-_" The first numerical reference is to the designation of the entire exhibit attached to the Campisi Declaration and the second alphabetical reference is to the exhibit designation within the exhibit itself.

significant risks of continued litigation.

As outlined in the Campisi Declaration, the benefits of the Settlement are clear when weighed against the risk that the Class might recover less (or nothing) if litigation continued. In the face of these challenges—as well as the fully contingent nature of the case—Lead Counsel devoted substantial resources to prosecuting this Litigation against well-regarded opposing counsel. Among the other work detailed in the Campisi Declaration, Lead Counsel: (i) conducted a wide-ranging investigation concerning Defendants' allegedly fraudulent misrepresentations and omissions; (ii) after extensive research and analysis, prepared and filed a detailed Consolidated Class Action Complaint for Violations of the Federal Securities Laws (ECF No. 67) (the "Complaint"); (iii) researched and drafted an opposition to Defendants' comprehensive motion to dismiss the Complaint, after which the Court entered an Order partially granting and partially denying the motion; (iv) moved for class certification, which was accompanied by an expert report on market efficiency; (v) engaged in extensive and thorough fact discovery, including reviewing and analyzing more than 970,000 pages of documents produced by Defendants and nonparties and preparing for 12 depositions; (vi) engaged professionals with experience in U.S. Food and Drug Administration ("FDA") policies and procedures; (vii) retained professionals with expertise in market efficiency and damages; and (viii) exchanged mediation submissions and participated in two mediation sessions under the auspices of experienced and highly respected mediators. *See* Campisi Declaration § III. At the time the Settlement was reached, Lead Counsel had a well-founded and thorough understanding of the strengths and weaknesses of the Action.

Against this backdrop, Lead Counsel requests a 25% fee of the Settlement Fund, which would represent a negative lodestar "multiplier" of approximately 0.52, *i.e.*, 52% of Lead Counsel's lodestar, reimbursement of Lead Counsel's litigation expenses in the amount of

$248,317.27, and an award pursuant to the PSLRA of $7,500 to Lead Plaintiff for the time and effort he dedicated to representing the Class, including traveling from Phoenix to New York to personally attend the second mediation, which resulted in the Settlement. As demonstrated below, the fee request is well within the range of attorneys' fees typically awarded in securities class actions of this size, and the Fee and Expense Application is well supported by both case law and the facts of this case. For the following reasons, Lead Counsel respectfully submits that its efforts and the results achieved in this Litigation justify the requested fees and expenses.

ARGUMENT

I. THE REQUESTED FEE WOULD BE REASONABLE UNDER EITHER THE PERCENTAGE OF THE FUND OR LODESTAR METHOD

A. The Requested Attorneys' Fee Would Be Reasonable Under the Percentage-of-the-Fund Method

Attorneys who achieve a benefit for class members in the form of a "common fund" are entitled to be compensated for their services from that settlement fund. *See Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980) ("a litigant or a lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a whole"); *see also Goldberger v. Integrated Res., Inc.*, 209 F.3d 43, 47 (2d Cir. 2000). The Supreme Court has emphasized that private securities actions are "an essential supplement to criminal prosecutions and [SEC] civil enforcement actions," *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 313 (2007); *accord Bateman Eichler, Hill Richards, Inc. v. Berner*, 472 U.S. 299, 310 (1985) (private securities actions provide "a most effective weapon in the enforcement of securities laws and are a necessary supplement to [SEC] action"). Compensating counsel for bringing these actions is important because "[s]uch actions could not be sustained if plaintiffs' counsel were not to receive remuneration from the settlement fund for their efforts on behalf of the class." *Hicks v. Morgan Stanley*, No. 01 Civ. 10071(RJG), 2005 WL 2757792, at *9

(S.D.N.Y. Oct. 24, 2005).

In addition to fairly and adequately compensating counsel for their creation of the fund, the purpose of the common fund doctrine is to ensure that all class members contribute equally towards the costs associated with litigation on their behalf. *See Goldberger*, 209 F.3d at 47. Also, courts have recognized that, "awards of fair attorneys' fees from a common fund should serve to encourage skilled counsel to represent those who seek redress for damages inflicted on entire classes of persons, and to discourage future alleged misconduct of a similar nature." *City of Providence v. Aeropostale, Inc.*, No. 11 Civ. 7132(CM)(GWG), 2014 WL 1883494, at *11 (S.D.N.Y. May 9, 2014).

The Second Circuit has authorized district courts to employ the percentage-of-the-fund method when awarding fees in common fund cases. *See Goldberger*, 209 F.3d at 47 (holding that the percentage-of-the-fund method may be used to determine appropriate attorneys' fees); *Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.*, 396 F.3d 96, 121 (2d Cir. 2005) (finding that the "trend in this Circuit is toward the percentage method" and that the method "directly aligns the interests of the class and its counsel and provides a powerful incentive for the efficient prosecution and early resolution of litigation"), *superseded by* Fed. R. Civ. P. 23(e)(2), *as recognized in Moses v. New York Times Co.*, 79 F.4th 235, 243 (2d Cir. 2023); *In re Telik, Inc. Sec. Litig.*, 576 F. Supp. 2d 570, 586 & n.7 (S.D.N.Y. 2008) ("[T]here is a strong consensus – both in this Circuit and across the country – in favor of awarding attorneys' fees in common fund cases as a percentage of the recovery.").[2] The PSLRA likewise contemplates that fees be awarded on a percentage basis, authorizing attorneys' fees and expenses that do not exceed "a reasonable percentage of the amount of any damages and prejudgment interest actually paid to the class." 15 U.S.C. § 78u-4(a)(6).

[2] All internal quotations and citations are omitted unless otherwise stated.

B. Fees Awarded in Comparable Cases Within this District

The 25% fee requested by Lead Counsel is well within or below the percentages that courts in the Second Circuit have approved in comparable class actions. *See, e.g., In re Mindbody Inc. Sec. Litig.*, No. 1:19-cv-08331, ECF No. 144 at 2 (S.D.N.Y. Oct. 27, 2022) (Caproni, J.) (awarding 30% fee on $9.75 million settlement); *City of Austin Police Ret. Sys. v. Kinross Gold Corp.*, No. 1:12-cv-01203-VEC, 2015 WL 13639234, at *4 (S.D.N.Y. Oct. 15, 2015) (Caproni, J.) (awarding 30% fee on $33 million settlement); *Patel v. L-3 Comms. Holdings, Inc.*, No. 1:14-cv-06038, ECF No. 167 at 1-2 (S.D.N.Y. Aug. 17, 2017) (Caproni, J.) (awarding 25% fee on $34.5 million settlement); *Guevoura Fund Ltd. v. Sillerman*, No. 1:15-cv-07192-CM, 2019 WL 6889901, at *15 (S.D.N.Y. Dec. 18, 2019) (granting fee of 33.33% of $7.5 million settlement); *Fogarazzo v. Lehman Bros. Inc.*, No. 03 Civ. 5194(SAS), 2011 WL 671745, at *4 (S.D.N.Y. Feb. 23, 2011) (awarding 33.3% of $6.75 million settlement); *In re Giant Interactive Grp., Inc. Sec. Litig.*, 279 F.R.D. 151, 165 (S.D.N.Y. 2011), ECF No. 45 (awarding 33% of $13 million settlement).

C. The Requested Attorneys' Fee Would Be Reasonable Under the Lodestar Method

To ensure the reasonableness of a fee awarded under the percentage-of-the-fund method, the Second Circuit encourages district courts to "cross-check" the proposed award against counsel's lodestar. *Visa*, 396 F.3d at 123 (quoting *Goldberger*, 209 F.3d at 50); *see also In re Bristol-Myers Squibb Sec. Litig.*, 361 F. Supp. 2d 229, 233 (S.D.N.Y. 2005) ("Typically, courts utilize the percentage method and then 'cross-check' the adequacy of the resulting fee by applying the lodestar method.").

Here, Lead Counsel spent more than 4,250 hours of attorney and other professional staff time litigating and settling the case from inception through October 2026. *See* Campisi Decl., Ex. 4-A. Lead Counsel's lodestar, derived by multiplying the hours spent by each attorney and other

professional by their hourly rates, is $3,334,585.25. *Id.* The hourly rates of Lead Counsel here range from $1,495 to $1,850 for partners, $1,000 for of counsel, $325 to $600 for associates, and $300 to $500 for paralegals. *Id.* "[P]erhaps the best indicator of the market rate in the New York area for plaintiffs' counsel in securities class actions is to examine the rates charged by New York firms that *defend* class actions on a regular basis." *Telik*, 576 F. Supp. 2d at 589. Defense and New York City Am Law 100 firm rates gathered and analyzed by Kaplan Fox in many cases exceeded these rates. *See* Campisi Decl. ¶ 140.

The requested fee of 25% of the Settlement Fund, *i.e.*, $1,750,000, therefore represents a *negative* multiplier of 0.52, or 52% of the total lodestar. A 0.52 "multiplier" is additional evidence that the requested fee is reasonable. *See, e.g.*, *In re Bear Stearns Cos. Sec. Derivative & ERISA Litig.*, 909 F. Supp. 2d 259, 271 (S.D.N.Y. 2012) (approving fee with negative multiplier of .92 and noting that negative multiplier was "strong indication of the reasonableness of the [requested] fee"); *City of Providence*, 2014 WL 1883494, at *13 (approving fee with negative multiplier of .70); *In re Marsh & McLennan Cos. Inc. Sec. Litig.*, No. 04-8144, 2009 WL 5178546, at *20 (S.D.N.Y. Dec. 23, 2009) (reasoning that where multiplier is negative, the lodestar cross-check "unquestionably supports the requested percentage fee award.").

Indeed, Second Circuit courts regularly award lodestar multiples greater than 1.5. *See, e.g.*, *Visa*, 396 F.3d at 123 (upholding a multiplier of 3.5 as reasonable); *Ark. Tchr. Ret. Sys. v. Bankrate*, No. 13-cv-7183, ECF No. 87 at 2 (S.D.N.Y. Nov. 25, 2014) (awarding 1.8 multiplier); *In re Deutsche Telekom, AG Sec. Litig.*, No. 00-CV-9475 (NRB), 2005 WL 7984326, at *4 (S.D.N.Y. June 14, 2005) (awarding 25% of $120 million settlement, representing 3.97 multiplier); *Cornwell v. Credit Suisse Grp.*, No. 08-cv-03758 (VM), ECF No. 117 at 4 (S.D.N.Y. July 20, 2011) (awarding fee equal to 4.7 multiplier).

Here, Lead Counsel carefully and efficiently staffed the Litigation from the beginning, and litigated the case with just one main partner, Jeffrey P. Campisi. Other partners were involved, but only at particular stages of the case, such as drafting the consolidated complaint and mediation, consistent with their areas of expertise. Campisi Decl. ¶ 136; Ex. 4-A. The result of this staffing by Lead Counsel was that associates and of counsel with lower hourly rates handled the case on a day-to-day basis, as opposed to more expensive partners.

Additional work will be required of Lead Counsel on an ongoing basis, including: correspondence with Class Members; preparation for, and participation in, the final approval hearing; supervising the claims administration process being conducted by the Claims Administrator; and supervising the distribution of the Net Settlement Fund to Class Members who have submitted valid Claim Forms. However, Lead Counsel will not seek payment for this additional work. *See Willix v. Healthfirst, Inc.*, No. 07 Civ. 1143(ENV)(RER), 2011 WL 754862, at *7 (E.D.N.Y. Feb. 18, 2011) ("The fact that Class Counsel's fee award will not only compensate them for time and effort already expended, but for time that they will be required to spend administering the settlement going forward also supports their fee request.").

For all these reasons, the lodestar "cross-check" supports the reasonableness of the requested fee.

In sum, Lead Counsel's requested fee award is reasonable whether calculated as a percentage of the fund or in relation to Lead Counsel's lodestar.

II. THE REQUESTED FEE IS FAIR AND REASONABLE WHEN APPLYING THE SECOND CIRCUIT'S FACTORS

The Second Circuit has set forth the following criteria that courts should consider when reviewing a request for attorneys' fees in a common fund case, whether under the percentage approach or the lodestar multiplier approach:

> (1) the time and labor expended by counsel; (2) the magnitude and complexities of the litigation; (3) the risk of the litigation; (4) the quality of representation; (5) the requested fee in relation to the settlement; and (6) public policy considerations.

Goldberger, 209 F.3d at 50. As discussed below, these factors and the analyses above demonstrate that the requested fee would be reasonable.

A. Lead Counsel Has Devoted Significant Time and Labor to the Action

The substantial time and effort expended by Lead Counsel in prosecuting the Litigation and achieving the Settlement support the requested fee. As set forth in greater detail in the Campisi Declaration, Lead Counsel, among other things:

- conducted a comprehensive investigation of the claims against Spectrum Pharmaceuticals, Inc. ("Spectrum") and the Individual Defendants, including a review of U.S. Securities and Exchange Commission ("SEC") filings by Spectrum, transcripts of Spectrum conference calls with investors and analysts, news articles, press releases and other public statements by the Company, analyst reports about the Company, secondary sources about typical practices and procedures of the FDA, other publicly available sources, consultation with individuals with expertise in loss causation and damages, and the identification of numerous former Spectrum employees and related interviews. (¶¶ 18-19);

- researched and drafted a detailed Complaint. (*Id.*);

- successfully opposed, in part, Defendants' motion to dismiss, including filing a sur-reply to additional arguments raised by Defendants for the first time in reply. (¶¶ 20-26);

- engaged in rigorous discovery, which included the analysis of approximately 970,000 pages of documents produced by Defendants and nonparties; consultation with experts in the fields of damages and market efficiency; preparing for depositions of 12 witnesses, and engaging with professionals with experience in FDA policies and procedures (¶¶ 29-44);

- moved for class certification (¶¶ 47-48) and filed an expert report in connection with the class certification motion; and

- engaged in extensive settlement negotiations with Defendants' Counsel, including the exchange of mediation submissions, two full-day mediation sessions, and additional negotiations (¶¶ 54-63).

As noted above and discussed in the Campisi Declaration, Lead Counsel expended more

than 4,250 hours prosecuting this Litigation with a lodestar value of $3,334,585.25. *See* Campisi Decl., Ex. 4-A. At all times, Lead Counsel took care to staff the matter efficiently and to avoid unnecessary duplication of effort.

B. The Magnitude and Complexity of the Action Support the Requested Fee

The magnitude and complexity of the Litigation also support the fee request. Courts regularly recognize that securities class action litigation is "notably difficult and notoriously uncertain." *City of Providence*, 2014 WL 1883494, at *5; *In re Signet Jewelers Ltd. Sec. Litig.*, No. 16 cv 06728, 2020 WL 4196468, at *4 (S.D.N.Y. July 21, 2020) ("securities class actions are generally complex and expensive to prosecute"); *Sillerman*, 2019 WL 6889901, at *7 ("Securities class actions are notoriously complex."). This case was no different.

As detailed in the Campisi Declaration, this Litigation raised particularly thorny questions concerning damages, loss causation, falsity, and scienter in connection with allegations that Defendants misled investors into believing that there was a reasonable chance of accelerated FDA approval for pozi, as well as issues regarding class certification, including the risk that the Class Period would end on September 20, 2022. Prosecuting the Class's claims required expertise, skill, and dedication. Accordingly, the magnitude and complexity of the Action support the conclusion that the requested fee is fair and reasonable. *See City of Providence*, 2014 WL 1883494, at *16 ("[T]he complex and multifaceted subject matter involved in a securities class action such as this supports the fee request.").

C. The Risks of the Litigation Support the Requested Fee

The risks associated with this contingency fee case also support the requested fee. "Little about litigation is risk-free, and class actions confront even more substantial risks than other forms of litigation." *In re Comverse Tech., Inc. Sec. Litig.*, No. 06-CV-1825 (NGG)(RER), 2010 WL 2653354, at *5 (E.D.N.Y. June 24, 2010); *see also In re Signet Jewelers*, 2020 WL 4196468, at

*19 (quoting *In re Am. Bank Note Holographics, Inc. Sec. Litig.*, 127 F. Supp. 2d 418, 433 (S.D.N.Y. 2001)) (it is "appropriate to take [contingent-fee] risk into account in determining the appropriate fee.").

The fact that Lead Plaintiff overcame, in part, Defendants' motion to dismiss did not guarantee ultimate victory. Lead Plaintiff faced the substantial burdens of prevailing at class certification, summary judgment, *Daubert* motions, trial, and likely appeals, a process that could extend for years and might lead to a smaller recovery, or no recovery at all. While Lead Plaintiff remains confident in his ability to prove his claims and to effectively rebut Defendants' defenses, many unresolved issues remained in connection with certifying the class and proving falsity, scienter, loss causation, and damages. The contours of the ultimate class and actionable misstatements could also have compromised Lead Plaintiff's ability to succeed at trial and obtain a larger judgment for the class. *See In re Bayer AG Sec. Litig.*, No. 03 Civ. 1546(WHP), 2008 WL 5336691, at *5 (S.D.N.Y. Dec. 15, 2008) (noting the "difficulty of establishing loss causation [] and the difficulty in proving that Defendants acted with scienter, militate in favor of fee awards.").

The Parties were deeply divided on several issues in the litigation, as detailed in the Campisi Declaration, and there was no guarantee Lead Plaintiff's positions would prevail. If Defendants had succeeded on any of their defenses, Lead Plaintiff and the Class would have recovered nothing or far less than the Settlement Amount.

In the face of many uncertainties, Lead Counsel undertook this case on a wholly contingent basis, knowing that the litigation would require the devotion of substantial time and expense with no guarantee of compensation. ¶¶ 121-31. Lead Counsel's assumption of this contingency fee risk strongly supports the requested fee. *See In re FLAG Telecom Holdings, Ltd. Sec. Litig.*, No. 02-CV-3400 (CM)(PED), 2010 WL 4537550, at *27 (S.D.N.Y. Nov. 8, 2010) ("Courts in the Second

Circuit have recognized that the risk associated with a case undertaken on a contingent fee basis is an important factor in determining an appropriate fee award.").

D. The Quality of Lead Counsel's Representation Supports the Requested Fee

The quality of the representation by Lead Counsel is another important factor that supports the reasonableness of the requested fee. Lead Counsel respectfully submits that the quality of its representation is best evidenced by the progress of the litigation and the quality of the result achieved. *See, e.g.*, *In re Veeco Instruments Inc. Sec. Litig.*, MDL No. 05-1695, 2007 WL 4115808, at *7 (S.D.N.Y. Nov. 7, 2007). Furthermore, Lead Counsel is a nationally recognized leader in the field of securities class action litigation and has substantial experience litigating and trying securities class actions in courts throughout the country. *See* Campisi Decl., ¶ 143; Ex. 4-C. The attorneys who were principally responsible for prosecuting this case relied upon their skill to develop and implement sophisticated strategies to overcome myriad obstacles raised by Defendants throughout the litigation.

The result obtained for the Class in this case is very favorable, particularly when viewed in light of the possible damages and the serious risks of continued litigation. If Lead Plaintiff prevailed on all his arguments, and with every assumption resolved in the Class's favor, the Settlement represents a recovery of approximately 18.7% of the Class's *maximum* recoverable damages, which are estimated to be approximately $37.4 million. ¶¶ 5-6. However, as explained in the Campisi Declaration, if Lead Plaintiff only prevailed on the September 20, 2022 disclosure, estimated classwide damages would decrease to approximately $23.4 million. ¶¶ 79-81. The Settlement represents a recovery of approximately 29.9% of these damages. Here, the lower end of the damages range was a real possibility because the disclosure on September 23, 2022 related to the results of the ODAC vote, and the FDA Briefing Document had already been disclosed on September 19, 2022. *Id.* ¶ 81.

This percentage range of recovery is well above the recovery range of settlements that have been approved in this District. *See, e.g.*, *Feierstein v. Correvio Pharma Corp.*, No. 1:19-cv-11361, ECF No. 71 (S.D.N.Y. May 19, 2021) (Caproni, J.) (approving settlement representing 5.01-8.14% of estimated damages); *Samit v. CBS Corp.*, No. 18-CV-7796, ECF No. 225 (S.D.N.Y. Nov. 7, 2022) (Caproni, J.) (approving settlement representing 7-9% of estimated damages); *Mindbody*, No. 1:19-cv-08331, ECF No. 145 (S.D.N.Y. Oct. 27, 2022) (Caproni, J.) (approving settlement representing 2.2-7.3% of estimated damages); *In re LightInTheBox Holding Co., Sec. Litig.*, No. 1:13-cv-06016, ECF No. 96 (S.D.N.Y. May 8, 2015) (Caproni, J.) (approving settlement representing approximately 5% of estimated damages); *In re Merrill Lynch & Co., Inc. Rsch. Reps. Sec. Litig.*, No. 02 MDL 1484(JFK), 2007 WL 4526593, at *11 (S.D.N.Y. Dec. 20, 2007) (approving settlement representing 2.15% and 4.07% of estimated damages); *Hicks*, 2005 WL 2757792, at *7 (finding a settlement representing 3.8% of plaintiffs' estimated damages to be within range of reasonableness); *In re Merrill Lynch & Co. Rsch. Reps. Sec. Litig.*, 246 F.R.D. 156, 167 (S.D.N.Y. 2007) (approving settlement that was "between approximately 3% and 7% of estimated damages").

The quality of Lead Counsel's representation is further demonstrated by the fact that this substantial recovery was obtained after confronting multiple years of an intense and aggressive defense by well-regarded attorneys at Baker Botts L.L.P. and Paul Hastings LLP. Courts recognize that the strength of Lead Counsel's opposition should be considered in assessing its performance. *See, e.g.*, *Veeco*, 2007 WL 4115808, at *7 (among factors supporting 30% fee award was that defendants were represented by "one of the country's largest law firms"); *In re Adelphia Commc'ns Corp. Sec. & Derivative Litig.*, No. 03 MDL 1529 LMM, 2006 WL 3378705, at *3 (S.D.N.Y. Nov. 16, 2006) ("The fact that the settlements were obtained from defendants

represented by 'formidable opposing counsel from some of the best defense firms in the country' also evidences the high quality of lead counsels' work."), *aff'd*, 272 F. App'x 9 (2d Cir. 2008).

E. The Requested Fee in Relation to the Settlement

"When determining whether a fee request is reasonable in relation to a settlement amount, 'the court compares the fee application to fees awarded in similar securities class-action settlements of comparable value.'" *Comverse*, 2010 WL 2653354, at *3. As discussed in detail in Section I, *supra*, the requested fee is within the range of percentage fees that courts in this District have awarded in comparable cases and, accordingly, the fee requested is reasonable in relation to the Settlement.

F. Public Policy Considerations Support the Requested Fee

The Supreme Court has emphasized that private securities actions provide "'a most effective weapon in the enforcement' of the securities laws and are 'a necessary supplement to [SEC] action.'" *Berner*, 472 U.S. at 310; *see also Tellabs*, 551 U.S. at 318-19 (noting that the Supreme Court has long recognized that meritorious private actions to enforce federal antifraud securities laws are essential supplement to criminal prosecutions and civil enforcement actions). Thus, a strong public policy favors rewarding firms for bringing successful securities litigations. *See FLAG Telecom*, 2010 WL 4537550, at *29 (stating if "important public policy [of enforcing the securities laws] is to be carried out, the courts should award fees which will adequately compensate Lead Counsel for the value of their efforts, taking into account the enormous risks they undertook"); *Maley v. Del Glob. Techs. Corp.*, 186 F. Supp. 2d 358, 373 (S.D.N.Y. 2002) ("In considering an award of attorney's fees, the public policy of vigorously enforcing the federal securities laws must be considered."); *Hicks*, 2005 WL 2757792, at *9 ("To make certain that the public is represented by talented and experienced trial counsel, the remuneration should be both fair and rewarding."). This factor supports Lead Counsel's Fee and Expense Application.

III. THE REACTION OF THE CLASS TO DATE SUPPORTS THE REQUESTED FEE

The reaction of the Class to date also supports the fee request. First, through October 15, 2026, the Claims Administrator has sent 48,803 notices to potential Class Members informing them that Lead Counsel intended to apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund and up to $250,000 in litigation expenses. *See* Declaration of Josephine Bravata Concerning (A) Mailing of the Notice and Claim Form; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion and Objections Received to Date (the "Mailing Declaration" or "Mailing Decl."), dated October 15, 2026, Campisi Decl., Ex. 3, ¶ 9 and Ex. A thereto. Lead Counsel understands that, to date, 6,392 claims have been filed. While the time to object to the Fee and Expense Application does not expire until October 30, 2026, to date no objections have been received.

Lead Counsel will address any objections that are submitted in its reply papers, which are due November 13, 2026. Additionally, the requested fee of 25% is made with the full support of Lead Plaintiff. *See* Declaration of Lead Plaintiff Nizar Sami Ayoub in Support of (1) Lead Plaintiff's Motion for Final Approval of Class Action Settlement and Plan of Allocation, and (2) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Expenses, and Award to Lead Plaintiff under 15 U.S.C. § 78u-4(a)(4), dated October 8, 2026, Campisi Decl., Ex. 2, ¶ 14.

* * *

For all the foregoing reasons, it is respectfully submitted that an award of a 25% attorneys' fee to Lead Counsel under the circumstances before the Court would be fair and reasonable.

IV. LEAD COUNSEL'S EXPENSES ARE REASONABLE AND WERE NECESSARILY INCURRED TO ACHIEVE THE BENEFIT OBTAINED

Lead Counsel's Fee and Expense Application includes a request for reimbursement of its

litigation expenses, which were reasonably incurred and necessary to prosecute the Litigation. As detailed in the Declaration of Jeffrey P. Campisi Filed on Behalf of Kaplan Fox & Kilsheimer LLP in Support of Application for Award of Attorneys' Fees and Expenses ("Kaplan Fox Declaration"), Lead Counsel incurred $248,317.27 in litigation expenses. *See* Campisi Decl., Exs. 4, 4-B. This amount is below the $250,000 cap that the Notice informed potential Class Members counsel may apply for. To date, there has been no objection to Lead Counsel's request.

The amount of litigation expenses is consistent with the stage of the litigation. Lead Counsel has incurred considerable expenses related to, among other things, expert fees, document hosting, and mediation fees. A complete breakdown by category of the expenses incurred by Lead Counsel is set forth in Exhibit 4-B to the Kaplan Fox Declaration. *Id*.

It is respectfully submitted that such expenses are properly recoverable by counsel. "In class action settlements, [a]ttorneys may be compensated for reasonable out-of-pocket expenses incurred and customarily charged to their clients. When the 'lion's share' of expenses reflects the typical costs of complex litigation such as experts and consultants, trial consultants, litigation and trial support services, document imaging and copying, deposition costs, online legal research, and travel expenses, courts should not depart from the common practice in this Circuit of granting expense requests." *In re Virtus Inv. Partners, Inc. Sec. Litig*., No. 15cv1249, 2018 WL 6333657, at *5 (S.D.N.Y. Dec. 4, 2018) (approving $898,497.96 in litigation expenses, including over $340,000 for experts and $336,000 for litigation support); *In re Gen. Motors LLC Ignition Switch Litig*., No. 14-MD-2543, 2020 WL 7481292, at *2 (S.D.N.Y. Dec. 18, 2020) (finding $9.9 million expense request reasonable for fees paid to experts, mediation fees, computerized research, document production and storage, and travel, among others, and noting that "[c]ourts routinely note that counsel is entitled to reimbursement from the common fund for reasonable litigation

expenses").

Overall, the expenses sought are the types of expenses that are necessarily incurred in complex litigation and charged to clients who pay by the hour.

V. REIMBURSEMENT TO LEAD PLAINTIFF PURSUANT TO 15 U.S.C. § 78u-4(a)(4)

The PSLRA 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 "award such costs and expenses both to reimburse the named plaintiffs for expenses incurred through their involvement with the action and lost wages, as well as to provide an incentive for such plaintiffs to remain involved in the litigation and incur such expenses in the first place." *Hicks*, 2005 WL 2757792, at *10. As described in Mr. Ayoub's declaration, since the Litigation's inception, Mr. Ayoub has been committed to pursuing the Class's claims and has taken an active role in so doing. *See* Campisi Decl., Ex. 2.

Mr. Ayoub actively and effectively fulfilled his obligations as representative of the Class, complying with all the demands placed upon him during the litigation and settlement. Mr. Ayoub (i) regularly communicated with Lead Counsel regarding the posture and progress of the Litigation; (ii) reviewed pleadings and motions filed in the Litigation; (iii) identified and collected documents concerning his transactions in Spectrum common stock; and (iv) discussed mediation strategy, traveled from Arizona to New York and participated in the April 2026 mediation, and evaluated settlement proposals. *See id.*, ¶¶ 3-12. For his efforts, Mr. Ayoub seeks $7,500 in connection with approximately 80 hours he dedicated to the Litigation on behalf of the Class. *See id.*, ¶¶ 17-19. To date, there have been no objections.

The award requested is in line with or less than others that have been awarded by courts

within the Second Circuit. *See, e.g.*, *Lea v. Tal Educ. Grp.*, No. 18-CV-5480 (KHP), 2021 WL 5578665, at *13 (S.D.N.Y. Nov. 30, 2021), ECF No. 84-1 (awarding retired lead plaintiff $7,500 incentive award where case settled before class certification motion); *Martínek v. Amtrust Fin. Servs., Inc.*, No. 19 Civ. 8030 (KPF), 2022 WL 16960903, at *2-3 (S.D.N.Y. Nov. 16, 2022), ECF No. 104 (awarding lead plaintiff $15,000 service award absent proof of lost wages); *Carlson v. Xerox Corp.*, No. 3:00-cv-01621, ECF Nos. 528 (D. Conn. Jan. 14, 2009), 494-4 (awarding retired lead plaintiff $20,000 compensatory award); *Trostorff v. Mynaric AG*, 800 F. Supp. 3d 486, 493-94 (E.D.N.Y. 2025), ECF No. 33-1 (awarding lead plaintiff $5,000 compensatory award absent proof of lost wages where case settled for $300,000 approximately 6 months after complaint was filed); *In re Qudian Inc. Sec. Litig.*, No. 1:17-cv-09741-JMF, 2021 WL 2328437, at *2 (S.D.N.Y. June 8, 2021), ECF No. 243-3 (awarding class representative $12,500 incentive award absent proof of lost wages); *In re Silvercorp Metals Inc. Sec. Litig.*, No. 12-cv-09456-JSR, ECF No. 81 at 9 (S.D.N.Y. Feb. 13, 2015), ECF Nos. 73-3, 73-4 (awarding two individual lead plaintiffs $12,500 each absent proof of lost wages).

CONCLUSION

For the foregoing reasons, Lead Counsel respectfully requests that the Court award attorneys' fees in the amount of 25% of the Settlement Fund, which includes accrued interest; $248,317.27 in litigation expenses incurred by Lead Counsel; and $7,500 to Lead Plaintiff pursuant to the PSLRA. A proposed order will be submitted with Lead Counsel's reply papers, after the October 30, 2026 deadline for objecting has passed.

Dated: October 16, 2026

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CERTIFICATE OF COMPLIANCE

I certify that this memorandum of law contains 5,442 words and complies with the type-volume limitation of Local Civil Rule 7.1(c) of the Local Rules of United States District Courts for the Southern and Eastern Districts of New York, dated January 2, 2026, and the Individual Practices in Civil Cases of the Hon. Valerie E. Caproni, United States District Judge, effective March 17, 2025. I also certify that this brief complies with the typeface and type style requirements of Local Civil Rule 7.1(b)(1)-(3).

/s/ Jeffrey P. Campisi
Jeffrey P. Campisi

CERTIFICATE OF SERVICE

I hereby certify that on October 16, 2026, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all registered ECF participants.

/s/ Jeffrey P. Campisi
Jeffrey P. Campisi